

**EXPERT EVALUATION NETWORK
DELIVERING POLICY ANALYSIS ON THE
PERFORMANCE OF COHESION POLICY 2007–2013
YEAR 1 – 2011**

**TASK 2: COUNTRY REPORT ON ACHIEVEMENTS OF
COHESION POLICY**

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**A report to the European Commission
Directorate–General Regional Policy**

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LIST OF ABBREVIATIONS

- CBC Cross-Border Cooperation
- CPOP Cohesion Promotion Operational Programme
- EC European Commission
- ECG Evaluation Coordination Group
- EEN Expert Evaluation Network
- EGOP Economic Growth Operational Programme
- EIB European Investment Bank
- ERDF European Regional Development Fund
- ESF European Social Fund
- ESP Economic Stimulus Plan
- EU European Union
- FE financial engineering
- GDP gross domestic product
- HRDOP Human Resources Development Operational Programme
- INPP Ignalina Nuclear Power Plant
- MoF Ministry of Finance
- NSRF National Strategic Reference Framework
- OP Operational Programme
- PPP Purchasing Power Standard
- R&TD Research and Technology Development
- RTDI Research, Technological Development and Innovation
- SII Summary Innovation Index
- SME small and medium enterprises
- SPD Single Programming Document
- TAOP Technical Assistance Operational Programme
- TEN-T Trans-European Transport Network

EXECUTIVE SUMMARY

The Lithuanian development policy changed significantly in 2009 in response to the economic recession with the adoption of the Economic Stimulus Plan (ESP) containing recovery measures. The implementation of these measures was based mainly on EU support. Unlike in 2009, there were no significant changes in the Lithuanian development policy in 2010 as it was based on the implementation of the ESP measures. There were some signs of economic recovery – GDP increased by 1.3% – although the situation in the labour market was still tense. The recovery was mostly driven by growing exports due, primarily to the recovery of global markets.

The implementation of the ESP undoubtedly contributed to the improvement in the economic situation, even though the effectiveness of the implementation of individual measures differed. Among *enterprise support measures*, the most successful proved to be an expansion in traditional financial engineering (FE) measures (guarantees, soft loans), while the implementation of innovative FE measures (e.g. risk capital) was less smooth. In particular, the implementation of *housing renovation measures* through JESSICA faced serious difficulties – up until the end of 2010 not a single multi-apartment building was renovated¹. Renovation of public buildings, on the other hand, was more successful – more buildings than planned are being renovated, so contributing to the maintenance of the demand side of the economy, especially in the construction industry. *Export promotion measures* were also relatively successful, while the measures for *improving the enterprise environment* still require some time to materialise.

Faster absorption of EU support was recorded. According to the European Commission's (EC) data, as at 1 January 2011 Lithuania was the third among 27 EU Member States in terms of absorption, surpassed only by Ireland and Estonia. Comparison of financial indicators between 2009 and 2010 reveals obvious progress. The number of projects funded by the Operational Programmes (OPs) under the Convergence Objective increased by 2.3 times, commitments rose from 35.3% of the budget allocated in 2009 to 65.6% in 2010 and certified eligible expenditure from 11.7% of the budget to 28.0%. Still, these indicators were artificially improved by the allocation of funding to FE measures, as it has already been declared eligible although most of it has not been passed onto final recipients yet. The exclusion of these measures would reduce financial indicators by around 10%.

The achievement of physical indicators shows the progress made since 2009. The best results were in transport (in roads and airports), enterprise support through non-repayable grants, and investment in RTDI (especially in the private sector). The worst results were in energy policy (excluding the renovation of public buildings which is considered a success), enterprise support through FE instruments, the environment and territorial development. No tangible results were evident and potential risks were identified in the implementation of rail and water transport projects and the modernisation of multi-apartment buildings. As regards the implementation

¹ The first contract was signed in September 2010.

of the CBC Programme Lithuania–Poland, the first real outputs and results were achieved in 2010. Even though it is still too early to analyse the impact of the measures implemented, EU support has made a positive contribution in helping to stabilise domestic demand (primarily in the construction industry).

Evaluation plans for 2008–2011 provide for 58 evaluations, of which half have already been carried out (and their reports published). The majority of the evaluations are operational evaluations analysing problems in relation to administration and the absorption of the funds. Strategic evaluations are largely focused on analysis of the implementation of EU strategies and the compatibility of national strategic documents with EU strategies. Evaluations of the effectiveness and impact of the implementation of particular OPs, their priorities and measures receive relatively little attention. There are few evaluations assessing the effectiveness and impact of particular measures, while thematic or sectoral evaluations are more frequent. Evaluation plans for 2010–2011 provide for more strategic evaluations analysing the implementation lessons learned in 2007–2013 and preparing for the 2014–2020 period.

Most of the evaluations are carried out by external experts, although the Ministry of Finance (MoF) undertook several internal evaluations in 2010. Evaluations usually employ simple qualitative (desk research, interviews, case studies) and quantitative (questionnaire surveys) evaluation methods. The choice of evaluation methods depends on the nature of questions (administrative rather than effectiveness and impact-related evaluation questions prevail). The impact of interventions at the sectoral or macroeconomic level is estimated using econometric models.

1. THE SOCIO-ECONOMIC CONTEXT

The main features of the socio-economic situation until the end of 2009 were:

- Rapid growth of the Lithuanian economy in 2000–2007 was followed by the economic crisis: GDP fell by 15% in 2009; the unemployment rate at the beginning of 2010 reached over 17%;
- The crisis revealed both the shortcomings of the Lithuanian economic structure, i.e. predominance of low technology industries, and its strengths, flexibility in particular. It also demonstrated the ability of the Government and economic agents to maintain macroeconomic stability without leaving the European Currency Exchange mechanism through so-called internal devaluation;
- Other important socio-economic features are on-going depopulation and the brain-drain problem, growing energy dependence and a relatively low level of urbanisation.

Main socio-economic changes since the beginning of 2010

After the economic recession in 2008–2009, the beginning of a new economic cycle was observed in 2010. GDP increased by 1.3%. The gap between the Lithuanian and EU GDP was reduced – in 2009 GDP per head in Lithuania amounted to 55% of the EU average and in 2010 it increased to 59%. However, it was still short of the 2008 level (61% of the EU average)².

The economic revival in Lithuania was mostly driven by rapidly *growing exports* which was primarily due to exogenous factors such as the recovery of large markets. In 2010 exports expanded by 32.7% compared to 2009. For several months in 2010, exports exceeded not only their level before the crisis, but were larger than ever before.

The economic recovery observed in 2010 was also influenced by *economic recovery measures* implemented by the Lithuanian Government. These measures were implemented within the framework of the Economic Stimulus Plan (ESP) approved in 2009 and financed from the national budget and the EU Structural Funds. The implementation of the ESP has clearly contributed to economic recovery, but more time is needed for all positive results to come through. In addition, further measures need to be taken as the *demand side* of the economy still faces serious problems, the main ones in 2010 being low consumption and negative expectations as a result of the high unemployment rate, wage cutting in the public and private sectors, rising prices and stricter bank lending policy. The unemployment rate reached 17.8% and real wages were reduced by 5%. The decommissioning of the Ignalina Nuclear Power Plant (INPP) increased energy prices by 24% which also had a negative effect on domestic consumption.

The difficult situation in the domestic market further increased emigration. According to official data, the number of emigrants in 2010 was almost 4 times larger than in 2009. In fact, the

² Eurostat data: GDP per capita in Purchasing Power Standards (PPS) (EU-27 = 100)

<<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsieb010>>

actual increase was much smaller and the data reflect the tendency for declaration of emigration to increase, encouraged by the duty imposed to pay minimum health insurance contributions³. Another problem to be confronted was the large-scale shadow economy. In 2010, it accounted for around 28% of GDP, a large share (23%) being made up illegal jobs and unofficially paid wages⁴.

Regional disparities in Lithuania were reduced slightly during the economic decline. This was a result of a relatively larger decline in GDP in the capital city region compared with other regions: GDP per head in Vilnius amounted to 157% of the national average in 2007, while in 2009 it had fallen to 153%⁵. The difference in the unemployment rate between lagging areas and the national average also shrank. The rate in the most lagging region was less than 1.3 times higher than the national in 2010 as opposed to 1.5 times higher in 2007. The narrowing disparities in unemployment are most likely a result of increased emigration from problem areas as compared with the large cities. In 2009, net emigration from the capital city region amounted to just 0.01% of the labour force, while in the most lagging region it reached 1.24%⁶. EU Structural Fund measures, planned specifically for problem areas⁷ and regional economic growth centres⁸, are also likely to help reduce regional disparities.

2. THE REGIONAL DEVELOPMENT POLICY PURSUED, THE EU CONTRIBUTION TO THIS AND POLICY ACHIEVEMENTS OVER THE PERIOD

THE REGIONAL DEVELOPMENT POLICY PURSUED

The main priorities of the development policy until the end of 2009 were:

- The Lithuanian National Strategic Reference Framework (NSRF) identified three key priorities: (1) improving the productivity of *human resources* by creating a knowledge-based society; (2) increasing the *competitiveness* of the economy, and (3) promoting social *cohesion*. To implement these priorities three Operational Programmes (OPs) under the Convergence Objective were adopted. The ERDF and the Cohesion Fund support only two of them – the Economic Growth Operational Programme (EGOP) and the Cohesion Promotion Operational Programme (CPOP);

³ The actual extent of emigration will be revealed by the population and housing census in 2011, the data of which will be published by the Department of Statistics in 2013.

⁴ Lithuanian Free Market Institute. A Survey of the Lithuanian Economy 2011/2012, Vilnius, 2011.

⁵ Statistical data for 2010 are not available yet.

⁶ Statistical data on internal and international migration provided by the Department of Statistics

http://www.stat.gov.lt/uploads/docs/Migracija_2009.pdf

⁷ A *problem area* is one with specific socio-economic problems. Lithuania has 14 municipalities (problem areas) with a relatively high unemployment rate and a large share of people in receipt of social benefits.

⁸ *Regional economic growth centres* are average-sized towns which are surrounded by areas with a low standard of living and have the economic potential and infrastructure to act as growth centres. Their development may result in a greater territorial social cohesion in the region as well as in the county as a whole. The Lithuanian Regional Policy Strategy to 2013 identifies 7 regional centres.

- The implementation of the ESP, adopted in 2009, was related to several modifications of the OPs: (1) an expansion of the scope and allocation to financial engineering (FE) measures to improve the availability of financing to enterprises and (2) additional ERDF support for the renovation of private and public buildings;
- The national contribution to OPs was constrained by fiscal tightening. In order to ensure national co-financing Lithuania took a long-term loan from the European Investment Bank (EIB) amounting to EUR 1.132 billion⁹;
- Macro-level goals of the Territorial Cooperation Objective are fully consistent with the national priorities as set out in the NSRF, even though a specific cross-border dimension is present.

Changes in the priorities since the beginning of 2010

In 2010 there were no shifts in priorities or the allocation of EU funding within the NSRF. There were also no amendments to the CBC Programme Lithuania–Poland. A few amendments were made at the priority level of OPs, but they have no effect on the allocation of funding to priorities:

1. Amendment to EGOP Priority 3 “Information Society for All”: a new measure “Innovative Electronic Services” was prepared in order to make public and administrative services available online. The necessary funds were reallocated from the measure “E-Business”, the implementation of which had not started by 2010 and the measure was cancelled;
2. Amendment to CPOP Priority 3 “Environment and Sustainable Development”: the implementation of the measure “Implementation of Air Pollution Control and Monitoring Systems in Large Energy Objects” was cancelled¹⁰, and its funds reallocated to other measures for improving air quality – the implementation of a clean transport system and the development of renewable sources of energy.

Annex Table A shows allocations from the ERDF and the Cohesion Fund to broad policy areas and concrete priorities of the OPs¹¹. The key priorities are transport infrastructure, which has been allocated 26.6% of the EU funds (the majority of funding being allocated to rail and road infrastructure), followed by the environmental and energy infrastructure (24.9%). Almost the same share of the EU funds (23.6% and 23.0% respectively) has been allocated to territorial

⁹ On 13 March 2009 the Lithuanian Ministry of Finance (MoF) signed a loan agreement “Co-funding of EU funds for 2007–2013” with the EIB for a long-term loan of EUR 1,132 million. The EIB loan can be used for two purposes: (1) to ensure public co-financing for projects implemented under the CPOP and EGOP and projects included into basin investment programmes funded by the EU Structural Funds 2004–2006, and (2) it may be re-lent to beneficiaries and/or partners to ensure their own recourses for financing projects.

¹⁰ It was established that projects under this measure were aimed at meeting rather than exceeding the compulsory applicable EU standards, which conflicts with the rules of the state aid for environmental protection. Also, following the “polluter pays” principle, the reduction of the adverse effect of companies on the environment must be funded by own resources.

¹¹ The information on the allocation of funding to broad policy areas was provided in the Country Report for 2009. Considering the fact that the information given in that report included not only the ERDF and the Cohesion Fund, but also the European Social Fund (ESF), we have revised it and presented in Annex Table A of this Report.

development and enterprise support and RTDI. The smallest share (only 0.3%) has been allocated to human resources, as most of the activities in this broad policy area are financed by the European Social Fund (ESF).

Even though there were no major changes in development policy in 2010, this period is important because of the lessons learned from the implementation of earlier measures adopted to tackle the crisis. (These lessons are described briefly in the text box.)

Lessons from measures adopted to tackle the crisis

Enterprise support measures were implemented through FE instruments aimed at increasing the availability of sources of financing to businesses. Among these measures, the most successful proved to be an expansion in the volume of traditional financial measures (guarantees, soft loans), while the implementation of innovative FE instruments (e.g. risk capital) was not that smooth. This is normal because the demand for risk capital in the face of recession tends to be low and it needs time for the proper infrastructure to be put in place. In 2010, an evaluation was carried out with the aim of improving the management of FE instruments¹². It identified several reasons for the limited progress in the implementation of measures: the limitations of FE instruments were not adequately appreciated at both EU level and in Lithuania; setting up the institutional and administrative framework and capacity for FE required time and Lithuania did not have the relevant experience; there were insufficient project management capacity and resources within the Government; banks did not play the role expected because of the economic crisis (low motivation, protracted negotiations, unwillingness to undertake risks); and there was insufficient compliance with the needs of SMEs – during the economic downturn measures aimed at business development are only partially effective as many companies are struggling to maintain their position in the market rather than expanding.

Housing renovation measures also had a clear rationale to combat the after-effects of the economic recession by reducing heating costs and stimulating the construction sector. In 2009, a new model for financing the modernisation of multi-apartment buildings through the JESSICA Holding Fund was created, under which support was to be allocated through FE means. The implementation of this model began in 2010. Not a single multi-apartment building has yet been modernised through the fund. Several major problems of implementing the measure can be identified, including the negative attitude of the target group; and the prolonged preparation process due to the novelty of FE measures¹³. However, the renovation of public buildings (financed through non-repayable grants) is undoubtedly regarded as a success. More than 430 buildings are being renovated, 256 of which have already been finished. According to estimates, this is providing work for 505 companies and 20,000 builders¹⁴.

The implementation of ESP measures focused on the **promotion of exports** has been relatively smooth. Support provided under the EGOP measure “New Opportunities”, aimed at encouraging companies to look for foreign partners more effectively and increasing their sales in foreign markets, has been used by almost 300 companies. **Improving the business environment** was not directly related to the use of EU funds but the measures concerned were implemented by the Sunrise Commission. The purpose was to ensure that proposals made by businesses to improve the business environment reached the Government in due time. Substantial progress was made in this regard, but results need time to come through. The last ESP measure – **faster absorption of EU support** – is analysed in Sub-section 2.2 below.

In fact, during the economic recession the EU Structural Funds formed an increasing part in the implementation of the public investment projects. In 2007 when Lithuania experienced the

¹² Evaluation of the Suitability of the Legal and Institutional System for the Establishment and Management of Financial Engineering Instruments funded by the EU Structural Funds in Lithuania. PricewaterhouseCoopers UAB, Public Company European Social, Legal and Economic Projects, Law firm Tark Grunte Sutkiene, December 2010

¹³ The risk of failure of the whole Programme for Renovation of Multi-Apartment Buildings and the need to return funds to the EC was identified in the *Report of Task 1: Policy Paper in Renewable Energy and Energy efficiency of Residential Housing*, and several recommendations were formulated.

¹⁴ Implementation Report of the Economic Stimulus Plan, prepared by Ministry of Economy, January 2011

economic rise, the share of the EU support in the Public Investment Programme made just 31% of the total funding, while in 2010 it reached 76% (see Table A).

Table A –The EU support in the Public Investment Programme

	2007	2008	2009	2010
EU support (EUR million)	292.6	627.7	657.1	1,083.9
Total funding (EUR million)	946.8	1,398.3	1,020.2	1,434.6
The share of EU support	31%	45%	64%	76%

Sources: Distribution of capital investments under the State Investment Programme approved by Government resolutions by assignation manager and investment project.

As a result of EU funding alone, overall State expenditure increased in 2010, compared to the previous year. Finance from the EIB long-term loan ensured the implementation of EU-funded projects, which contributed to stimulating the economy and helped maintain domestic demand in many sectors.

POLICY IMPLEMENTATION

The progress made until the end of 2009 were:

- Actual expenditure lagged behind planned spending: approximately one third (35.3%) of the support allocated was contracted and 11.7% was spent¹⁵;
- In terms of commitments, the most successful priorities were: support for innovation in SMEs (67% of the allocated support was contracted) and improvement of roads (71%). Commitments in rail infrastructure as well as tourism and cultural activities lagged, with only 10% and 18% respectively of the allocation being committed.

Progress made until the end of 2010

Table B provides the basic data on the progress achieved by individual OPs by the end of 2010. It also provides data on the progress achieved by the end of 2009 for comparison.

Table B – Progress in implementation of the OPs at end of 2010

	Number of projects contracted		Commitments (% of total allocation)		Certified eligible expenditure (% of total allocation)	
	2009	2010	2009	2010	2009	2010
CONVERGENCE OBJECTIVE						
EGOP	670	1,451	42.0	60.4	20.1	32.1
CPOP	589	1,475	40.7	71.5	9.7	23.2
EUROPEAN TERRITORIAL CO-OPERATION OBJECTIVE						
CBC Programme Lithuania–Poland 2007–2013	23	37	45.6	72.2	0.1	7.3

Sources: Monthly Monitoring Reports of EGOP and CPOP for December 2009 and for December 2010; Annual Implementation Reports of the CBC Programme Lithuania–Poland 2007–2013 for 2009 and 2010.

¹⁵ Data provided in the 2010 report was as of 15 December 2009.

Comparison of financial indicators in 2009 and 2010 shows the obvious progress. The implementation of the OPs has gathered its pace: the number of projects contracted and the amount of commitments and certified eligible expenditure increased considerably. This progress was driven by measures aimed at ensuring successful implementation of the programmes, which were adopted in 2009 (earlier than in other EU Member States). A long-term loan from the EIB and an expansion of FE measures could be identified as the most effective measures. On the other hand, the allocation of funding to FE instruments distorted to some extent the achievements of financial indicators: most of the funding allocated to FE measures has not been passed onto final recipients yet, although they have already been declared eligible. The exclusion of these measures would reduce the implementation rate around by 10%: from 32% to 22% in case of the EGOP and from 23% to 14% in case of the CPOP. Breaking down objectives into specific policy areas, the most successful in terms of contracting as a share of the funding allocated were: *road infrastructure* (87.5%), *environmental infrastructure* (82.3%) and *enterprise environment* priorities – RTDI, support for innovation and investment in firms (71%). As regards *tourism*, considerable progress was made compared to 2009 – the share of commitments went up from 18% to 73% and the number of projects contracted increased from 9 to 154. However, projects contracted in respect of *rail* and *other measures of transport infrastructure* amount to only 26% and 33% of the budget allocated respectively (Annex Table B presents financial indicators of the OPs under the Convergence Objective by broad policy area). The Ministry responsible for transport sector took preventive measures in 2010, which were aimed at tackling the potential risk of failing to implement rail and water transport projects on time or to implement them at all¹⁶. It prepared a list of reserve projects (mostly road-related) on which the funding not used could be spent, so ensuring that the finance available was absorbed.

In 2009, the Lithuanian Government approved the Plan for the Use of EU Funds Assistance in 2008–2015. This Plan set target and critical plan levels for expenditure to be certified for each year. Table C presents the critical plan levels at the end of 2010.

Table C– Implementation of the Plan for the Use of EU Funds assistance in 2010

	Critical plan 2010 (EUR million)	Certified eligible expenditure at the end of 2010 (EUR million)	Implementation of the critical plan (%)
EGOP	963.2	996.2	103.5
CPOP	751.9	614.2	81.7
Total	1,715.1	1,610.4	93.9

Sources: Plan for the Use of EU Funds Assistance in 2008–2015, approved by the Government in 2009; The evaluation of Absorption Rate of EU structural Support for 2007–2013. PricewaterhouseCoopers UAB, May 2011.

The absorption rate of the EGOP amounted to 104% of the critical plan level and 86% of the target plan level. The CPOP met its critical and target plan levels less well – 82% and 67% respectively. The absorption of funds under different priorities, however, is very uneven in the

¹⁶ Considering the experience of the previous period, the implementation of projects may fall behind the schedule due to delays in public procurement procedures.

case of both OPs: the absorption rate for several priorities amounts to 20–30% of the critical level, and the absorption rate of one of them¹⁷ was more than twice as high. Annex Table C presents the implementation of the critical plan level by priority and responsible institution.

In 2010, evaluation of the absorption rate of EU support¹⁸ was carried out in order to identify the reasons why financial implementation lagged behind planned spending, to anticipate the risks and to provide possible measures to speed up absorption. The evaluation established that there might be some difficulties relating to the implementation of large transport projects financed from the Cohesion Fund and the absorption of the Technical Assistance funds. The evaluation also identified the main risk factors which might adversely affect the absorption rate of EU funds. The organisation of public procurements was named as the main risk factor since they are constantly appealed against in court. Litigation processes protract the implementation of projects and delay the absorption of EU funds. Another significant risk factor is stricter bank lending policy, which was the main reason for a lack funds for co-financing. Applicants faced with limited own resources tended to delay the implementation of projects or to terminate them altogether. Administrative problems also affected absorption, although to a lesser extent: the delayed start of the implementation of measures was found to delay the whole absorption process; while inefficient planning of calls for projects and the poor quality of applications extended the process of evaluating them. The political environment was identified as the last potential risk factor¹⁹.

ACHIEVEMENTS OF THE PROGRAMMES SO FAR

The main outcomes of the OPs at the end of 2009 were:

- At the end of 2009 only some of the **EGOP** priorities had produced results: R&TD related support was very popular among applicants and resulted in 9 projects for expanding R&TD infrastructure in the public sector and 187 (SMEs) projects in the private sector. 484 projects aimed at improving business productivity were agreed, supporting enterprises hit by the economic turmoil. A number of transport safety projects were implemented contributing to improving road safety²⁰, 773.9 kilometres of national and regional roads and 85.9 kilometres of TEN-T roads were built or modernised and 4 out of 6 planned development projects for international airports were implemented, so helping to improve the problematic air-transport situation in Lithuania.

¹⁷ EGOP Priority 4 “Basic Economic Infrastructure” (activities – Energy supply networks).

¹⁸ The evaluation of Absorption Rate of EU Structural Support for 2007–2013. PricewaterhouseCoopers UAB, May 2011.

¹⁹ The said evaluation of the absorption rate of EU support; the Ministry of Economy is conducting the evaluation of sectors that are within its jurisdiction and co-funded by the EU Structural Funds; the Ministry of Education and Science commissioned the evaluation project “Interim Evaluation of Priorities of Operational Programmes 2007–2013 Administered by the Ministry of Science and Education and the Implementation of the Ministry’s Programmes Implementing such Priorities” which was completed in 2011.

²⁰ The direct effect of the measures implemented on road safety will be evaluated 4 years after their implementation, i.e. in 2013. On the other hand, overall national traffic safety indicators have improved. In the first quarter of 2010 the rate of road fatalities dropped by 33% compared with the same period one year ago. The change cannot be attributed only to projects implemented since other factors played a role as well. Nevertheless the data are suggestive.

- The achievements of the **CPOP** were minimal: several projects were started in the territorial development policy area, however only a few of them were completed; as regards environmental protection only two tasks – (1) water treatment and the development and renovation of disposal systems and (2) renovation of public buildings – had been addressed, but no, or very few, tangible results had been achieved.
- It was also too early to see the results of Territorial Cooperation Objective OPs: only several projects had been launched, but none of them completed.

Main achievements of the OPs up to the end of 2010

Convergence Objective

To analyse the main outcomes and results of expenditure in 5 broad policy areas, both OPs under the Convergence Objective and the CBC Programme Lithuania–Poland have been examined. The EGOP mainly supports 3 broad policy areas: (1) Enterprise Support and RTDI, (2) Transport, and (3) Environment and Energy. CPOP supports 2 broad policy areas – (1) Environment and Energy, and (2) Territorial Development. A very small share of funds is allocated to Human Resources; which will therefore not produce major effects.

Enterprise Support and RTDI. Development of the *public R&TD* base was relatively successfully implemented: 3 research centres were established; almost half of the projects implemented (14 out of 31) contributed to the development of 5 integrated science, studies and business centres (valleys)²¹. On the other hand, not a single public project for increasing *public sector RTDI accessibility to business* has been launched. The main problem faced when planning these projects was the application of state aid schemes, i.e. beneficiaries found it difficult to obtain partial co-financing by themselves²². As a result, funding available under the EGOP was not sufficiently used to promote cooperation between research centres and business²³. In the *private sector*, the number of projects contracted exceeded the target by 3.5 times. The implementation of private RTDI projects resulted in EUR 18.3 million of private investment attracted. It makes 16% of the total private investment in RTDI in the country²⁴. High activity of enterprises can be explained by the economic situation: once this got worse, the need to invest in new business areas to search for new innovative development opportunities, increased²⁵. On the other hand, the financial crisis and the lack of own resources affected the scale of projects – applications were submitted for smaller value projects than planned.

²¹ Integrated science, studies and business centres or valleys are defined as the potential of scientific research, studies and knowledge-based business (the integrity of entities) focused in one territory, which has a joint or related infrastructure and purposefully contributes to the creation of knowledge society and knowledge economy as well as the reinforcement of the economic competitiveness in Lithuania. Setting up and developing these 5 valleys fulfil long-term national objectives for RTDI.

²² Nevertheless, according to the representative from the Ministry of Science and Education, it is planned to initiate a measure in autumn 2011 for financing RTDI projects together with the science, studies and business clusters.

²³ Interim Evaluation of Priorities of Operational Programmes 2007–2013 administered by the Ministry of Science and Education and the Implementation of the Ministry's Programmes Implementing such Priorities, June, 2011.

²⁴ According to the data of the Department of Statistics, private investment in RTDI in 2009 and 2010 made EUR 116.3 million.

²⁵ Annual Implementation Report for the Operational Programme of Economic Growth for the year 2010 p. 6.

Some 737 projects were implemented to increase *business productivity*, (2.5 times more than planned for the entire programming period). The majority of the projects (353) were targeted at boosting sales of enterprises abroad. Other projects involved investment in new production lines or the modernisation of existing ones, equipping engineering networks and introducing e-business. Although the number of projects exceeded the target indicator, the scale of the projects was smaller than planned. It can therefore be assumed that the results are also likely to be more modest than suggested by the number of projects. It is not possible to assess the actual results of the investment since the result indicator used only relates to the amount of the private investments attracted. The achievements of *FE measures* aimed at improving the accessibility of SMEs to sources of financing were less than planned.

Projects for the *development of e-solutions* for public and administrative services show positive results – the share of population visiting websites of public authorities went up by 20%. This increase, however, was mostly a consequence of projects completed in the previous programming period, – in 2010 only 15 (of 100 planned for the programming period) interactive electronic public services were created.

Human Resources. The amount of the EU funds allocated to the Human Resources policy area is negligible – only 0.6% of the total. Several measures for increasing business productivity and promoting tourism are assessed in terms of an indicator for the number of new jobs created, which was not significant at the end of 2010, but on the basis of the contracts signed, the targets should be achieved.

Transport and Telecommunications. The implementation of *road* construction/reconstruction projects has gathered pace and is coming to an end. By the end of 2010, 1,055 km of roads were built or reconstructed (90.6% of the target for the entire programming period)²⁶. While the length of *railway line* built and reconstructed was only 0.5% of the target – 0.98 km. This was because by the end of 2010 only the technical plans for projects had been formulated, so that the actual construction will be completed only in 2012–2013 and subsequent years.

No tangible results were achieved in improving *water transport infrastructure*. There are no serious risks to regional projects in this area²⁷, though the implementation of projects for improving the Klaipėda Seaport has encountered some difficulties because drafting technical documents and coordination between various institutions has required more time than planned. In addition, the “Passenger and Freight Ferry Terminal Infrastructure” project, which should receive the largest share of funds, has not started yet since the compliance of its financing with state aid regulations is still to be agreed. It should be noted that investment in

²⁶ It is not possible to specify the exact number of the new roads built and the roads reconstructed (km) since these indicators are not measured on the individual basis. According to a representative of the body administering this area, the length of new roads comprises only a very small share of the total indicator.

²⁷ Construction works started in 2011 and should be completed in 2012–2014.

water transport infrastructure was also included in the programming period 2004–2006, but large-scale projects failed to be completed²⁸.

Significant results were achieved as regards *airport infrastructure*. Five projects were completed and another 5 were being implemented, which led to improvements in all three Lithuanian international airports. The projects were aimed at increasing the flight safety, improving the conditions for servicing aircraft and passengers and expanding service capacity. These enabled more flights to be handled and, together with marketing and financial measures (such as cutting airport taxes), increased the attractiveness of airports to new flight operators. As a result, passenger numbers increased by 1.4 million (117% of the target for the entire period).

Environment and Energy. Investment in *energy infrastructure* has not achieved significant results. No natural gas projects were completed and in 2010 a decision was taken to suspend the implementation of measures in this regard because of changes in the political situation in the sector. However, the implementation of measures is to be resumed in 2011.

On the other hand, 228.8 km of district heating networks have been modernised (which is 3% of the total), though it is unlikely that the target indicator (1,800 km) will be achieved for several reasons. First, heating supply companies have a lack of operating funds, limiting their ability to implement modernisation schemes. Secondly, the demand for district heating has declined because of high prices, many consumers moving to independent heating systems.

More significant results were achieved in increasing energy efficiency through the renovation of public buildings – 256 buildings were renovated, increasing the total to almost 4 times more than at the end of 2009 and 28% more than the target for the period as a whole. This was a result of CPOP funds being reallocated to this measure in 2009, while the targets were not changed.

There were no tangible results achieved in developing renewable sources of energy and improving the efficiency of power generation as not a single project had been completed by the end of 2010.

Investment in the *environment and risk protection* showed tangible outcomes for the first time. Some 13 settlements²⁹ had their water supply and/or sewerage management systems built or renovated (6% of the target of 220). It is estimated that after all contracts have been signed 178,660 additional people will be connected to these systems, an increase of 5.3%³⁰.

²⁸ The Evaluation of Structural Funds in the Transport Sector and Recommendations Concerning 2007–2013 Programming Period, prepared by ESTEP at request of the Ministry of Transport, 2007.

²⁹ Lithuania divides settlements into urban and rural. Urban settlements include cities and towns, rural settlements – small towns and villages. Irrespective of the number of projects, a settlement is one unit.

³⁰ In 2006, the share of people connected to the district sewerage management system accounted for 62%.

In waste management, 62 landfill sites were closed and adapted³¹ (25% of the target). Although the contracts signed imply that 343 landfills will be closed or adapted (exceeding the target by 38%³²), there is a risk that this number will not be achieved due to implementation problems.

Territorial Development. To reduce disparities in the environment and the quality of life in the major cities and other towns in the country, 41 integrated urban development projects for *regional centres* and 17 complex development projects for *problem areas* were implemented. These are intended to develop infrastructure public transport and communal facilities as well as to promote local community initiatives. On the basis of the number of projects planned, the target (300 projects) will not be achieved. This should not, however, affect outputs and results as the projects undertaken tend to be larger. The result indicator – an increase in investment in tangible fixed assets per head in regional centres relative to the national index – was 1.4 in 2009³³ and exceeded the target, though since projects only began to be initiated in 2009, this achievement is a result of other factors. Investment in the *modernisation of multi-apartment buildings* was also planned but projects in this regard had been completed by end-2010.

To diminish disparities in the quality of life between urban and rural areas, 104 (104% of the target) *integrated rural development projects* were implemented, improving the rural community infrastructure and increasing the availability of services. The attractiveness of rural areas was also improved through an ERDF-funded project to connect rural areas to the broadband network. Although this had not been completed by the end of 2010, it had increased the share of the rural population with access to the broadband network by 14 percentage points (the target is to increase the share of rural population with access to broadband from 72% as it was in 2005 to 95%).

Up to the end of 2010, 154 *tourist development* projects (128% of the target) had been implemented. The largest share of investment (72%) was in public projects for cultural heritage sites and their adaptation to tourism, the construction of multi-functional sports and entertainment complexes and the development of the public tourist centres. The rest went to similar investment in the private sector. However, only 17 projects had been completed by end-2010.

As regards Investment in projects to improve the infrastructure for *health services*, 12, projects were implemented, 65 healthcare facilities (59% of the target) received support and 282,933 patients (27% of the target) used the facilities renovated. In addition, 28 centres (25% of the target) were built or reconstructed to provide mobile social services and/or occupational rehabilitation services to people with disabilities. Only 645 people (0.2% of the target) have

³¹ Closure means termination of waste disposal activities, covering of a landfill and implementation of measures needed to handle the landfill after its closure. Adaptation (re-cultivation) means excavation and removal of a landfill from the site

³² More landfills will be re-cultivated as a result of the reduced prices of construction works.

³³ Data on the achievement of the indicator in 2010 will be available on the second half of 2011.

directly benefited from the investment so far³⁴. Some 12 local labour exchanges were also reconstructed or equipped³⁵.

Table D aggregates the information on indicators given in Annual Implementation Reports of the OPs. It presents core indicators and their values achieved by the end of 2010. However, it should be noted that it is difficult to assess achievements on the basis of core indicators as they do not reflect the output of the investment adequately and most of them relate to the number of projects. The table therefore also includes priority and measure-level indicators.

Table D – Main physical indicators and achievements in different broad policy areas at the end of 2010

Policy area	Main indicators	Outcomes and results
I. Enterprise support and RTDI	RTDI promoted	Core indicators: Number of RTDI projects* – 479 (184% of the target) Amount of private investments attracted – EUR 18.3 million (14%) Number of jobs created in RTDI – 129 (14%) Number of scientific and business cooperation projects – 19 (46%)
	Increased business productivity	Core indicators: Number of projects to increase business productivity – 737 (246%) Number of new enterprises supported – 94** (235%) Amount of the private investments attracted – EUR 162.4 million (23%) Priority-level indicator: Number of SMEs supported by FE instruments – 1,920 (34%)
	Implemented e-solutions in public sector institutions	Core indicators: Number of information development projects – 83 (162.7%) Priority-level indicators: Number of interactive e-public services modernised/created – 15 (15%) Increase in the share of population visiting websites of public authorities – 20% (50%)
II. Human Resources	Jobs created	Core indicators: Number of jobs created (in projects increasing business productivity) – 0 (target – 400) Number of new jobs created: male (in tourist projects) – 7 (3%) Number of new jobs created: female (in tourist projects) – 9 (4%)
III. Transport and telecommunications	Improved land transport infrastructure	Core indicators: Roads built and reconstructed – 1,055.05 km (91%) Railway lines built and reconstructed – 0.98 km (0.5%)
	Improved water transport infrastructure	Priority-level indicators Quays built or reconstructed – 0 (target – 2) Embankments of Klaipėda Seaport built or reconstructed – 0 m (target – 775 m)
	Increase in the capacity of airport infrastructure	Core indicator: Number of projects implemented – 5 (83%) Priority-level indicator: Number of additional passengers served – 1.4 million (117%)

³⁴ The achievement is small because it is measured on the basis of the projects finalised (the number of which was just 3).

³⁵ It is planned to reconstruct only one more building by the end of programming period.

Policy area	Main indicators	Outcomes and results
IV. Environment and energy	Modernised electric power, natural gas and heating supply systems	Priority-level indicators: Additional number of consumers of natural gas served – 0 Modernised networks of district heating – 228.8 km (13%) Measure-level indicator: Modernised transformer switchyards – 3 (15%); more reliable supply of electricity to 10,400 consumers (1%)
	Increased effectiveness of energy consumption, production and the use of renewable sources	Priority-level indicators: Number of public buildings renovated to save energy– 256 (128%) Amount of energy saved in modernised public buildings – 2.7 GWh (2.7%) Measure-level indicators: Built/ modernised energy production facilities – 0 Use of renewable sources of energy – 0 new facilities
	Improved quality of the environment	Priority-level indicators: Number of settlements with a new or renovated water supply and/or sewerage system – 13 (6%) Number of closed and managed landfills – 62 (25%) Number of renovated public transport vehicles – 0
V. Territorial development	Improved and increased attractiveness of urban and rural infrastructure	Core indicators: Number of urban development projects in regional economic growth centres and problem areas – 58 (19%) Number of tourist projects – 154 (128%) Priority-level indicators: Number of renovated multi-apartment buildings – 0 (target – 1,150) Number of integrated rural development projects– 104 (104%)
	Improved health care, education and social services	Core indicators: Number of projects (health protection) – 192 (256%) Number of projects (education) – 136 (136%) Priority-level indicators: Number of supported healthcare establishments – 65 (59%) Number of direct beneficiaries of investment in educational infrastructure – 0 (target – 110,000) Number of social service buildings constructed/reconstructed – 28 (25%)
	Expanded infrastructure of e-networks	Priority-level indicators: Increase in the share of the population with access to broadband network services – 14% (61% of the target)

*The indicators on the number of projects are measured on the basis of the contracts signed, i.e. they include finalised projects and projects which were being implemented (but not finalised by the end of 2010)

**Indicators are measured under measures promoting RTDI and increasing business productivity

Sources: Annual Implementation Reports of the EGOP and CPOP for 2010; Supplements to the EGOP and CPOP approved by Government on 23 July 2008.

Territorial Cooperation Objective

The first real output and results of the CBC Programme Lithuania–Poland came through in 2010. 8 projects were completed and most projects which had been approved for funding in 2009 began to be implemented. The projects involved the organisation of numerous *cultural events* on both sides of the border between Lithuania and Poland and the first *infrastructure*

facilities were constructed or renovated: the central square in Augustów (Poland), the city stadium in Olecko two sports halls in Orzysz and Giżycko (Poland) and two schools in Alytus (Lithuania).

12 new projects were approved for funding, out of which 5 were contracted and began to be implemented before the end of 2010. In addition, two strategic projects involving fire rescue and ambulance services were approved and contracted.

3. EFFECTS OF INTERVENTION

The main points on the wider effects of interventions until the end of 2009 were:

- The results at the macroeconomic level are expected to show up later;
- EU support has helped to combat the economic crisis: it increased access to credit and made it possible for companies to invest in projects for increasing their competitiveness;
- Positive effect – the increased overall innovativeness of the country as measured by the European Innovation Scoreboard; negative effect – no sign of any narrowing of regional disparities.

Wider effects of interventions until the end of 2010

Evidence on the effects of intervention is still limited by delays in the implementation of programmes and the long-term perspective of many projects. However, it is possible to distinguish certain socio-economic changes which have been partly a result of the OPs.

A major result of EU support in 2010 was the *stabilisation of domestic demand*. The implementation of large infrastructure projects had the greatest impact on the construction industry which was severely affected by the financial and economic crisis. These took the form largely of environmental (water management, waste management) and transport projects financed by the Cohesion Fund but also renovation of public buildings.

Secondly, EU funding contributed to export growth, though this was mostly driven by recovery of the main Lithuanian export markets. Nevertheless, almost 300 enterprises implemented projects under ESP measures to promote exports.

4. EVALUATIONS AND GOOD PRACTICE IN EVALUATION

Strategy for evaluating the effects of interventions. The strategy for evaluating interventions co-financed by EU funds (ERDF, ESF and Cohesion Fund) is set out in the Evaluation Plan for EU Structural Funds Support³⁶ covering the NSRF and all four OPs 2007–2013 (Human Resources Development OP (HRDOP), EGOP, CPOP and Technical Assistance OP (TAOP)). The strategy identifies the objectives and tasks for 2007–2013 and the as measures and financial resources

³⁶ Approved by Order No 1K-018 of the Minister of Finance of the Republic of Lithuania of 15 January 2008

for implementing them. It also stipulates that evaluations must meet not only requirements set by EU regulations but also national needs.

Evaluations are divided into those focused on strategic issues and those concerned with operational issues. The Evaluation Plan for EU Structural Funds Support defines particular areas for strategic and operational evaluations (Table E).

Table E – Areas of on-going strategic and performance evaluations

On-going strategic evaluations	On-going operational evaluations
<p>Evaluations related to strategic priorities of the EU policy: research and innovation, enterprise environment and SME development, employment, social inclusion, education, life-long learning, economic infrastructure, etc.;</p> <p>Evaluation related to horizontal priorities of the EU policy;</p> <p>Evaluations analysing the on-going relevance and coherence of the NSRF and OPs in the face of the changing socio-economic situation, also evaluations related to forecasts and assessment of the impact of the Structural Funds on macroeconomic indicators;</p> <p>Evaluations contributing to the preparation of strategic reports;</p> <p>Evaluations related to the Lithuanian economic development after 2013.</p>	<p>Evaluations of issues related to the implementation of OPs (priorities) identified by monitoring (in case of large discrepancies with the objectives);</p> <p>Evaluations of the implementation progress of OPs (priorities and/or measures) related to drafting high-quality annual implementation reports of OPs;</p> <p>Evaluations of indicators of OPs;</p> <p>Evaluations of the efficiency of administration of OPs;</p> <p>Interim evaluation of changes in the implementation of OPs (priorities) in achieving the objectives set (when necessary).</p>

Source: The Evaluation Plan for EU Structural Funds Support approved by Order No 1K-018 of the Minister of Finance of the Republic of Lithuania of 15 January 2008.

Despite the areas defined for operational evaluations, insufficient attention is given to evaluation of the effectiveness and impact of interventions co-financed by EU funds. Strategic evaluations also primarily concern EU strategies rather than the implementation of national strategies.

Table F – Projects of evaluation plans 2008–2011 by type

Project type	AEP 2008*	AEP 2009	AEP 2010	AEP 2011	Total	Share, %
Strategic evaluation	3	6	5	10	24	39
Performance evaluation	9	5	13	7	34	56
Evaluation capacity building	1	1	0	1	3	5
Total	13	12	18	18	61	100

*The evaluation plan 2008 does not indicate the type of evaluation; projects are divided at the author's discretion.

Source: drawn up by ESTEP in accordance with evaluation plans for 2008–2011, 8 August 2011

To implement the evaluation strategy, annual evaluations plans have been drafted since 2008, defining particular evaluations, their objectives, expected results, deadlines and responsible authorities. The drafting of annual evaluation plans is coordinated by the MoF which establishes evaluation priorities on an annual basis. Evaluation plans for 2008–2011 provide for 58 evaluations and 3 evaluation capacity building projects (Table F). It should be noted that *operational evaluations* are the most numerous (34 projects are planned which is 56% of all the projects).

Of the projects planned, 28 (48%) have already been completed³⁷. 12 evaluations (Annex Table E) were completed in 2010, of which only 3 were sectoral (environmental and transport), and the rest were focused on horizontal issues and improving administrative procedures. Another 7 evaluations were completed in 2011 (3 of which were targeted at ESF interventions and 4 at horizontal strategic and administrative procedural issues). In addition to the evaluations included in annual evaluation plans, Evaluation of the Impact of Support from the Cohesion Fund on Lithuania was carried out including analysis of the projects financed by ISPA in 2000–2004 and subsequently by the Cohesion Fund.

Before 2010, evaluations were carried out by external experts, by 18 different service providers in all in 2003–2008³⁸. In 2010, however, the MoF began to carry out internal evaluations with the support of external experts, three in 2010 and two in 2011 (all the evaluation reports are available on-line). The MoF pays special attention to evaluation capacity building: it drafts evaluation guidance documents, organises training and, international conferences.

To integrate evaluations into the policy making process, the MoF focuses on the implementation of recommendations. However, in general evaluations are isolated from the policy making process:

- Higher-ranking officials do not participate in Evaluation Coordination Group (ECG) activities;
- The Monitoring Committee plays only a formal role in evaluation planning and implementation of evaluation recommendations and is not really involved in either;
- Presentations of evaluation results and other evaluation related events are rarely attended by higher-ranking officials or politicians.

The main features of evaluations. In terms of *coverage*, evaluations assessing administrative and implementation issues are the most common (42% of all the evaluations planned for 2008–2011) (Table G). Evaluations of the effectiveness of particular OPs, their priorities and measures receive relatively little attention.

In terms of the *nature of evaluation questions*, in 2008–2011 evaluations have largely focused on improvement in administrative procedures and absorption of funds, the progress and efficiency of the implementation of OPs (priorities), and analysis of the impact of interventions (mainly those in the 2004–2006 period). Strategic questions (especially those that are related to the implementation of national strategies and Government priorities are left to one side.

Evaluations carried out in 2010 and before did not use complex or innovative evaluations methods. Most used relatively simple qualitative and quantitative methods such as desk research, surveys, interviews and case studies. The impact of interventions on macroeconomic indicators is estimated using econometric modelling. The choice of evaluation methods depends on the nature of evaluation questions, which, as noted, largely relate to

³⁷ Here are meant all the evaluation projects the reports on which are published on the Internet (www.esparama.lt) and 3 evaluation capacity building projects.

³⁸ ESTEP, Feasibility Study on the EU Structural Funds Support Evaluation Capacity Building, March 2009, p. 77–79.

(administrative issues. Despite the simplicity of the methodology, contracting authorities view evaluations as useful (they help create new knowledge), and usually consider the quality of evaluation reports as good or very good³⁹.

Table G –Projects of evaluation plans for 2008–2011 by coverage

Project type	AEP 2008	AEP 2009	AEP 2010	AEP 2011	Total	Share (%)
General issues	1	6	7	9	23	42
Single Programming Document for 2004–2006	4	3	0	0	7	13
HRDOP	2	0	3	1	6	11
CPOP	1	1	3	2	7	13
EGOP	1	0	2	2	5	9
Evaluation capacity building	1	1	0	1	3	5
Thematic, sectoral ⁴⁰ evaluations	0	0	2	2	4	7
Total (without projects that were terminated)	10	11	17	17	55	100

Source: drawn up by ESTEP with regard to evaluation plans for 2008–2011; 8 August 2011.

The evaluation plan for 2010 (Table F) is more focused on operational issues relating to various administrative questions (absorption of funds, administration of the EIB loan, information on the EU support and implementation of its publicity plan, fulfilment of environmental requirements and improvement of the monitoring system). On the other hand, it also includes several evaluations relating to the efficiency and effectiveness of interventions (mostly in ESF-funded areas, but two relate specifically to ERDF and CF interventions: “Evaluation of the Efficiency of Cooperation between Lithuanian Scientific and Business Fields and Coordination of Financial Resources” and “On-going Evaluation of the Measure “Renovation and Development of Water Supply and Wastewater Management Systems”).

The evaluation plans for 2010 and 2011 include many strategic evaluations to prepare for the period 2014–2020, analysing the implementation experience in 2007–2013 and delivering recommendations on priorities for the use of support in 2014–2020. In addition to the MoF, such evaluations have already been planned by another four authorities responsible for particular policy areas (the Ministry of the Environment, the Information Society Development Committee, the Ministry of Health and the Ministry of Science and Education). The evaluation plan for 2012 will be drafted by the end of 2011. Evaluation priorities and projects for 2012 are still not clear.

The evaluation plans for 2008–2011 indicates that *large-scale* evaluations focused on improving administrative support and absorption of funds as well as *thematic or sectoral* evaluations predominate in Lithuania. *Thematic* evaluations are more often initiated by the MoF than by the authorities responsible for particular measures (e.g., two thematic evaluations of ESF interventions were carried out in 2011) and focus on efficiency aspects rather than effectiveness and impact. Other authorities more often initiate *sectoral* evaluations covering the

³⁹ Data from the interview with the representative of the MoF.

⁴⁰ Measures (priorities) of different OPs that are within the responsibility of one authority.

priorities and measures included in the OPs they administer. On the one hand, such an approach is convenient for the authority (all areas are covered simultaneously, a single evaluation methodology is used and the efficiency of investment in different areas can be compared); on the other hand, large-scale evaluations may not go deep enough and do not take into consideration the specific features of different measures and the need for more rigorous evaluation methods.

Impact assessments are usually carried out at the programme level to measure the impact of interventions on macroeconomic indicators (GDP and employment, especially). Until recently, much attention was focused on the evaluation of the impact of the SPD as a whole. Evaluation of the effectiveness and impact of different measures have received relatively little attention. Such evaluations will be highly relevant in preparation for the 2014–2020 period to provide evidence on the benefits of particular types of intervention and to identify the need for new investment.

Use of evaluation results

To ensure that evaluation results are taken up, a formal process for implementing recommendations has been established. In the 2007–2013 period it is compulsory for contracting authority to draft action plans for the implementation of recommendations and the Technical Assistance OP includes an indicator for this, specifying that at least 70% of evaluation recommendations need to be implemented; in 2009 89% of the target was achieved⁴¹.

In 2011, the MoF carried out an internal analysis of the implementation of recommendations, which concluded that 137 recommendations were delivered in the evaluations completed before 1 January 2011⁴², of which 118 (86%) were considered fit for implementation, 15 (11%) partially fit and 4 (3%) unfit. The majority of the recommendations related to current operational issues, improvement of procedures and monitoring indicators, while strategic recommendations which require political will to implement and approval of high-ranking officials comprised only around 25%⁴³.

Good practice examples of evaluations. Most of the evaluations carried out in 2010 were considered useful: most contracting authorities note that evaluations help create new knowledge and this knowledge can help improve OPs and their implementation. As noted, most evaluations carried out in 2010 addressed specific administrative issues, such as:

- The methodology for the establishment and assessment of special priority selection criteria was drawn up on the basis of the Evaluation of 2007–2013 EU Structural Assistance Special Selection Criteria (2010). This methodology has become useful for identifying project selection criteria;

⁴¹ Annual implementation report 2009 of the Technical Assistance OP, p. 18

⁴² 19 evaluations were completed before 1 January 2011.

⁴³ Ministry of Finance, Evaluation of the Implementation of Recommendations Delivered in Evaluations of Support from the EU Structural Funds. Final evaluation report, 15 April 2011, p. 13.

- The results of the Evaluation of Absorption Rate of EU Structural Support for 2007–2013 (2011) led to the amendment of the N+2 plan and the reallocation of funds in the Technical Assistance OP.

Several internal evaluations were carried out in 2010 with the support of external experts so helping to develop internal evaluation capacity and enabling a number of small-scale evaluations to be undertaken using internal resources.

In terms of scope, complexity and variety of methods, the Evaluation of the Impact of Assistance from the Cohesion Fund on Lithuania may be identified as an example of good practice (see Table H).

Table H – Good practice in evaluation

BASIC INFORMATION		
Country: Lithuania		
Policy area: Environment protection and transport (Cohesion Fund)		
Title of evaluation and full reference: Evaluation of the Impact of Assistance from the Cohesion Fund on Lithuania. Final Report. Prepared by ESTEP at the request of the Ministry of Finance of the Republic of Lithuania.		
Intervention period covered (2000–2006; 2007–2013; specific years): 2000–2006 (ISPA and Cohesion Fund support)		
Timing of the evaluation (when it was carried out): 2010–2011		
Budget (if known): EUR 1 12,912		
Evaluator (External evaluator, internal evaluator, EC): external evaluator		
Method: econometric model, <i>ex-post</i> cost-benefit analysis, unit cost analysis, analysis of indicators, case study		
Main objectives and main findings (very short description – 3–4 lines) The objective of this evaluation was to assess the efficiency, effectiveness and impact of the use of funds allocated to Lithuania by the Cohesion Fund in 2000–2006. The evaluation concludes that investments from ISPA and the Cohesion Fund made in 2003–2009 additionally created 1% of the nominal GDP of the whole period. However the impact was lower than expected due to the number of reasons: insufficient institutional and administrative capacities to implement large-scope projects, technical and procedural obstacles in infrastructural planning and implementation (regulatory framework, public procurement, and climatic conditions), unstable macroeconomic situation and political context.		
Appraisal (Why you consider the evaluation an example of good practice: – 2–3 lines) 1. In-depth analysis of projects' efficiency. Efficiency was assessed combining different methods: (1) calculating the unit price, i.e. comparing costs of similar works in the same type of projects and determining the reasons for any differences; (2) carrying out <i>ex-post</i> cost-benefit analysis and comparing the results with the <i>ex-ante</i> analysis; (3) carrying out case studies and evaluating how projects contributed to implementation of the "polluter pays" principle. 2. With regard to the evaluation findings, the report distinguishes horizontal project implementation problems and present useful recommendations, the implementation of which will promote more efficient management of Cohesion Fund projects or infrastructural projects of similar scope in the programming period 2014–2020.		
CHECK LIST	YES	NO
UTILITY		
Report Clarity and Balance		
Are the objectives, methods and findings of the evaluation clearly described?	X	
Are the conclusions and recommendations clearly supported by the analysis?	X	
Are the strengths and weaknesses of the intervention being evaluated fairly assessed and reported?		X
Is the outcome of the intervention clearly reported?	X	
RELIABILITY OF FINDINGS		
Evaluation design		
Is the approach adopted by the evaluation and method used clearly set out?	X	

Is the approach and methods suitable given the objectives of the valuation and the intervention being assessed?	X	
Are the details of the operation of the intervention clearly described?	X	
Are the mechanisms through which the intervention is intended to achieve its objectives clearly identified?		X
Context		
Is the socio-economic and policy context clearly set out?	X	
Are the effects of the economic and/or policy context on the outcome of the intervention clearly described?	X	
Information Sources		
Are the quantitative and/or qualitative data used suitable for the purpose for which they are used?	X	
Is the reliability of the data fairly assessed and described?	X	
Analysis		
Are appropriate procedures/techniques used to analyse the data and/or qualitative information?	X	
Are suitable procedures used to check the validity of findings?	X	
Is the validity of the findings reached clearly demonstrated?		X
Do the policy recommendations follow clearly from the findings of the analysis?	X	

5. CONCLUDING REMARKS – FUTURE CHALLENGES

The key conclusions of the 2010 report were:

- The main problems and challenges were related to *administrative arrangements*: inflexibility, ambiguous procedures, poor administrative capacities;
- Problems were created by the *economic recession*: withdrawal of applications for EU funding; changed relevance of priorities, e.g. the emigration problem was not addressed;
- The effectiveness of the policy was constrained by the lack of a clear focus on and precision in indicators and evaluations.

Main conclusions from the analysis of situation until the end of 2010

Many administrative problems were solved during the first years of the implementation of the OPs. Technical assistance helped to develop administrative capacity and to put in place a functioning monitoring system, while procedures were simplified and administrators and beneficiaries gained from experience. Evaluations proved to be a useful source of knowledge and a means of reporting to the EC. However, the number of evaluations on the effectiveness of interventions remains insufficient.

Meanwhile the emigration problem highlighted in the 2010 report remains important and increasingly so. The problem requires a complex approach – the consistent implementation of the NSRF priorities primarily through measures creating jobs and the promotion of competitiveness, especially of SMEs. Another socio-economic important factor that emerged in 2010 and, according to economic forecasts will remain in the short run, is the large shadow economy, which calls for more attention being given to improving the business environment.

The effects of the economic recession are likely to influence the implementation of the Lithuanian economic development policy in the near future. In the coming 3–4 years further

austerity measures will be applied and future budget cuts will be planned⁴⁴. The EU Structural Funds therefore will be the main source of funding for public investment.

The analysis of the implementation of FE instruments showed that their effectiveness was lower than expected. The allocation of funding to FE measures increased the indicators of financial implementation, although only a small part of these funds reached final beneficiaries. Lower effectiveness was related to structural problems which have not been solved yet. In addition, the funding allocated to the JESSICA instrument and the JEREMIE Holding Fund are about to be reduced. Due to this, it is difficult to expect major progress in the short run.

The implementation of the programmes could be also impeded by the review of eligibility of measures for financing, e.g. the eligibility of expenditure in the roads sector, the eligibility of projects in the renewable energy sector and of FE measures in the area of risk capital, and the combination of FE measures with grants.

⁴⁴ Convergence Programme of Lithuania 2011 approved by Resolution No 491 of the Government of the Republic of Lithuania of 27 April 2011.

REFERENCES

Relevant evaluations by type, indicating the coverage and focus, the method used, when they were carried out and the period they relate to:

a. Nation-wide evaluations across operational programmes

Evaluation finalised in 2011:

1. The evaluation of Absorption Rate of EU structural Support for 2007–2013. Prepared by PricewaterhouseCoopers UAB at the request of Ministry of Finance, May 2011.
Evaluation examines the EU structural funds absorption rate, dynamics and trends, foresees existing risks and provides possible measures to ensure the appropriate speed of absorption. It relates to the period of 2007–2013. The methods used: the model using MS Excel was developed.

Evaluations carried out in 2010:

1. Qualitative and quantitative evaluation of the achieved aims and objectives of the Lithuanian Single Programming Document 2004–2006. Prepared by Ministry of Finance, December 2010.
2. Ongoing Evaluation of the Indicators Set in the Operational Programmes Implemented under the Lithuanian Strategy for the Use of European Union Structural Assistance for 2007–2013. Prepared by Public Company Public Policy and Management Institute at request of Ministry of Finance, July 2010.
3. Evaluation of Implementation of the Partnership Principle in Absorption of EU Structural Assistance. Prepared by Public Company Public Policy and Management Institute together with Ministry of Finance, June 2010.
4. Evaluation of 2007–2013 EU Structural Assistance Special Selection Criteria. Prepared by PricewaterhouseCoopers UAB at request of Ministry of Finance, June 2010.
5. Evaluation of the Implementation of the Baltic Sea Regional Strategy Using Support from the EU Structural Funds 2007–2013. Prepared by Public Company European Social, Legal and Economic Projects together with Public Company Public Policy and Management Institute at request of Ministry of Finance, May 2010.
6. Evaluation of Relevance and Efficiency of the Non-Competitive Selection of Public Projects, Implementing Operational Programmes in 2007–2013 and Planning the EU Funds. Prepared by Public Company Public Policy and Management Institute at request of Ministry of Finance, January 2010.

Information regarding the coverage, focus and the period which they relate to is indicated in the Annex Table E. The evaluations employ simple qualitative (desk research, interview, case

study) and quantitative (questionnaire survey) evaluation methods; the impact of interventions is measured using econometric modelling.

b. Evaluations of specific operational programmes

1. Evaluation of the Impact of Assistance from the Cohesion Fund on Lithuania. Prepared by Public Company European Social, Legal and Economic Projects at request of Ministry of Finance, March 2011. Information regarding the coverage, focus and the period which it relates to is indicated in the Annex Table E. The methods used covers quantitative analysis methods (econometric modelling, cost-benefit analysis, unit cost analysis) and qualitative analysis methods (content analysis, intervention logic analysis, case study, expert panel).

c. Evaluations of specific aspects of operational programmes:

Evaluation finalised in 2011:

1. Interim Evaluation of Priorities of Operational Programmes 2007–2013 administered by the Ministry of Science and Education and the Implementation of the Ministry's Programmes Implementing such Priorities. Prepared by BGI Consulting UAB at request of Ministry of Science and Education, June 2011. Evaluation examines the relevance and effectiveness of implementation of 2007–2013 OPs priorities and measures administrated by Ministry of Education and Science. The methods used: quantitative methods covers surveys, statistical analysis; qualitative methods – interviews, focus groups, desk research).
2. Evaluation of the Implementation of Recommendations Delivered in Evaluations of Support from the EU Structural Funds. Prepared by Ministry of Finance, 15 April 2011.

Evaluations carried out in 2010:

1. Evaluation of the Effectiveness of the Planning and Implementation System of the Regional Projects. Prepared by BGI Consulting UAB at request of Ministry of the Interior, January 2010.
2. Evaluation of the Suitability of the Legal and Institutional System for the Establishment and Management of Financial Engineering Instruments funded by the EU Structural Funds in Lithuania. Prepared by PricewaterhouseCoopers UAB, Public Company European Social, Legal and Economic Projects, Law firm Tark Grunte Sutkiene at request of Ministry of Economy, December 2010.
3. Evaluation of the Administration System for the European Investment Bank's Loan. Prepared by Public Company European Social, Legal and Economic Projects together with Public Company Public Policy and Management Institute at request of Ministry of Finance, June 2010.

4. Drafting of the Methodology for Value Estimation of Monitoring Indicators of the Information on the Environment Measures of the Cohesion Promotion Operation Programme and Establishment of their Baseline. Prepared by Public Company Public Policy and Management Institute at request of Ministry of Environment, January 2010.
5. Calculation of the Economic Growth Operational Programme Implementation Indicators in Transport Sector. Prepared by Institute of Transport, Vilnius Gediminas Technical University at request of Ministry of Ministry of Transport and Communications, April 2010.
6. Evaluation of 2004–2006 EU Structural Assistance Impact on Lithuanian Transport Sector. Prepared by Public Company European Social, Legal and Economic Projects at request of Ministry of Ministry of Transport and Communications, January 2010.

Information regarding the coverage, focus, period and methods is the same as for the group (a) of the evaluations.

Evaluations carried out earlier than 2010:

1. The Evaluation of Structural Funds in the Transport Sector and Recommendations Concerning 2007–2013 Programming Period. Prepared by Public Company European Social, Legal and Economic Projects at request of Ministry of Ministry of Transport and Communications, 2007. The evaluation encompassed the assessment of the relevance of the SPD measure 1.1 (2004–2006 programming period), efficiency of administrative system, effectiveness and effects of the support. The methods used covers qualitative methods – desk research, interviews, case studies; and quantitative methods – surveys, econometric modelling.
2. Feasibility Study on the Use of Support from the EU Structural Funds in Public Administration, Local and Regional Development in 2007–2013. Prepared by Public Company Public Policy and Management Institute at request of Ministry of the Interior, 2006. The evaluation includes the analysis of the experience gained in the transitional period and 2004–2006, the effects of the EU financial support on public administration, assessment of the local and regional development, analysis of changes and assessment of the financing opportunities 2007–2013 in these areas. The methods used mainly covers desk research and interviews.

Other relevant research studies and impact assessments carried out in the Member State

1. Lithuanian Macroeconomic Review, No. 42 – SEB, December 2009.
2. “Macroeconomic Review by Swedbank”. Economic Review: Lithuania, January 2011.
3. Lithuanian Free Market Institute. A Survey of the Lithuanian Economy 2011/2012, Vilnius, 2011.
4. Strategic implementation report of the Lithuanian Strategy for the Use of Support from the EU Structural Funds 2007–2013, 2009

5. Feasibility Study on the EU Structural Funds Support Evaluation Capacity Building, March 2009.
6. EEN Delivering Policy Analysis on the Performance of Cohesion Policy 2007–2013, Task 2: Country Report on Achievements of Cohesion Policy. Lithuania, Final Version, November 2010.
7. EEN Delivering Policy Analysis on the Performance of Cohesion Policy 2007–2013, Task 1: Policy Paper on Renewable Energy and Energy Efficiency of Residential Housing. Lithuania, Final Version, 2011.

Other references

Strategic documents:

1. The Lithuanian National Strategic Reference Framework approved by the European Commission on April 2007 (decision No CCI 2007LT16UNS001).
2. Convergence objective's Economic Growth Operational Programme approved by the European Commission on July 2007 (decision No C(2007)3740).
3. Convergence objective's Cohesion Promotion Operational Programme approved by the European Commission on July 2007 (decision No C(2007)3738).
4. Lithuania–Poland 2007–2013 European Territorial Cooperation Objective Operational Programme's document approved by the European Commission on 17 December 2007 (Decision No C(2007)6295).
5. Lithuanian Strategy for Regional Policy until the year 2013 approved by Resolution No 575 of the Government of the Republic of Lithuania of 23 May 2005.

Laws and other legal acts:

1. Supplements to the EGOP and CPOP approved by Government on 23 July 2008.
2. The Descriptions of Project Financing Conditions, approved by the Ministers of Responsible Institutions.
3. Plan for the Use of EU Funds Assistance for 2008–2015, approved by the Government in 2009.
4. Evaluation Plans for the year 2008, 2009, 2010, 2011, approved by the Minister of Finance (Orders No 1K-065, 1K-062, 1K-445, 1K-383).
5. Convergence Programme of Lithuania 2011 approved by Resolution No 491 of the Government of the Republic of Lithuania of 27 April 2011.
6. Distribution of capital investments under the State Investment Programme approved by Government resolutions by assignation manager and investment project.

Implementation reports:

1. Implementation Report of the Economic Stimulus Plan, prepared by Ministry of Economy, January 2011.
2. Annual Implementation Reports of the Operational Programme of Cohesion Promotion 2009 and 2010.
3. Annual Implementation Reports of the Operational Programme of Economic Growth for 2009 and 2010.
4. Annual Implementation Report of the Operational Programme of Technical Assistance for 2007.
5. Annual Implementation Reports of the Lithuania–Poland 2007–2013 European Territorial Cooperation Objective Operational Programme for 2009 and 2010.
6. Monthly Monitoring Reports of the EGOP and CPOP for the years 2009 and 2010.
7. Report on the use of the state funds allocated to capital investments in 2010.
http://www.finmin.lt/finmin.lt/failai/valstybes_kapitalo_investicijos/apyskaita/Apyskaita_2010_metine.pdf
8. Annual report of the Republic of Lithuania to the European Commission on electric power and natural gas markets, prepared by National Control Commission for Prices and Energy, 2011. < http://www.regula.lt/lt/naujienos/2011/2011-08-08/Ataskaita_Europos_Komisijai_2010.pdf>

Internet sources:

1. CBC Programme Lithuania–Poland <www.lietuva-polska.eu/>
2. Ministry of Economy <www.ukmin.lt>
3. Ministry of Finance <www.finmin.lt>
4. PRO INNO Europe® <<http://www.proinno-europe.eu/inno-metrics/page/innovation-union-scoreboard-2010>>
5. Eurostat < <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>>
6. Department of statistics < <http://www.stat.gov.lt/lt/>>
7. <www.esparama.lt>

INTERVIEWS

List of the people interviewed and their positions:

Dovilė Rupšytė, Chief Specialist of the Division of Managing Operational Programme for Cohesion Promotion, EU Structural Assistance Management Department, Ministry of Finance – 11 August 2011

Ieva Žilionienė, Deputy Director of the Information Society Development Committee under the Ministry of Transport and Communications – 11 August 2011.

Zita Dubickienė, Head of the EU Aid Coordination Division, Transport Policy Department, Ministry of Transport and Communications – 12 August 2011, 8 November 2011

Raimondas Paškevičius, Director of the Department of the European Union Assistance Coordination, Ministry of Science and Education – 16 August 2011.

Danutė Burakienė, Head of the Evaluation Division, EU Structural Assistance Management Department, Ministry of Finance – 24 August 2011.

TABLES

See Excel file for Tables 1–4:

Table 1 – Regional disparities and trends

Table 2 – Macro-economic developments

Table 3 – Financial allocation by main policy area

Table 3 CBC – Financial allocation by main policy area

Table 4 – Commitments by main policy area (by end-2010)

Table 4 CBC – Commitments by main policy area (by end-2010)

Annex Table A –Allocation of ERDF and Cohesion Fund to broad policy areas and concrete Convergence Objective OP priorities

Policy area	Priorities in EGOP	Allocation		Priorities in CPOP	Allocation	
		EUR million	proportion		EUR million	proportion
Enterprise support and RTDI	Research and development for competitiveness and growth of the economy	534.2	9.3			
	Increasing business productivity and improving environment for business	588.15	10.2			
	Information society for all (some of the measures)	196.9	3.4			
	Total for EGOP and CPOP				1,319.2	23.0
Human resources	Increasing business productivity and improving environment for business (some of the measures)	17.4	0.3			
	Total for EGOP and CPOP				17.4	0.3
Transport	Basic economic infrastructure: <i>Transport network</i>	442.7	7.7	Development of trans-European transport networks	1,087.5	18.9
	Total for EGOP and CPOP				1,530.9	26.6
Environment and energy	Basic economic infrastructure: <i>Energy supply networks</i>	144.05	2.5	Local and urban development, conservation of cultural heritage and nature and adaptation for tourism development (some of the measures)	160.1	2.8
				Environment and sustainable development	1,128.1	19.6
	Total for EGOP and CPOP				1,432.25	24.9
Territorial Development	Information society for all (some of the measures)	43.2	0.8	Local and urban development, conservation of cultural heritage and nature and adaptation for tourism development (some of	685.7	11.9

Policy area	Priorities in EGOP	Allocation		Priorities in CPOP	Allocation	
		EUR million	proportion		EUR million	proportion
				the measures)		
				Quality and accessibility of public services	629.6	11.0
	Total for EGOP and CPOP				1,358.5	23.6
Technical Assistance	Technical Assistance	44.82	0.8	Technical Assistance	44,82	0,8
	Total for EGOP and CPOP				89.65	1.6
Total					5,747.2	100.0

Source: Annual Implementation Reports of the EGOP and CPOP for 2010

Annex Table B – Commitments of ERDF and Cohesion fund by broad policy area

Broad policy areas and priorities	Convergence Objective OPs Commitments* (% of the allocation)	Territorial cooperation objective OP Commitments** (% of the allocation)
Enterprise Environment	69.8	7.2
–RTDI and linked activities	71.6	9.4
–Support for innovation in SMEs	71.6	
–Other investment in firms	71.8	
–ICT and related services	56.4	32.4
Human Resources	14.3	2.3
–Education and training		
–Labour market policies	14.3	5.0
Transport and telecommunications	54.7	34.4
–Road	87.5	206.4
–Rail	26.2	
–Other	33.6	
Environment and energy	77.4	143.4
–Energy infrastructure	68.3	52.2
–Environmental infrastructure	82.3	234.7
Territorial development	64.8	85.5
–Tourism and culture	73.3	69.1
–Planning and rehabilitation	64.0	
–Social infrastructure	64.3	111.6
–Other	–	
Technical assistance	31.5	100.0

* Calculated by the evaluator on the basis of programming documents, and annual implementation reports since the tables provided by EEN (Table 3 – Latest data on financial allocation by main policy area, and Table 4 – Commitments by main policy area by end-2010) contained some material mistakes.

** The data were calculated on the basis of the tables provided by the EEN, therefore they are not fully precise and reliable.

Annex Table C –Implementation of critical plan level according to OPs priorities and responsible institutions

Priority	Responsible institution	Implementation of critical plan level (%)
EGOP		
Priority 1: Research and development for competitiveness and growth of the economy	Ministry of Education and Science	24
	Ministry of Economy	28
Priority 2: Increasing business productivity and improving environment for business	Ministry of Economy	104
Priority 3: Information society for all	Information Society Development Committee	70
Priority 4: Basic economic infrastructure	Ministry of Transport and Communications	233
	Ministry of Economy	37
Priority 5: Development of Trans-European Transport Networks	Ministry of Transport and Communications	104
Priority 6: Technical Assistance	Ministry of Finance	51
CPOP		
Priority 1: Local and urban development, preservation of cultural heritage and protection of nature and its adaptation to development of tourism	Ministry of Environment	87
	Ministry of Economy	85
	Ministry of the Interior	33
Priority 2: Quality and availability of public services: health care, education and social infrastructure	Ministry of Social Security and Labour	128
	Ministry of Health	76
	Ministry of Education and Science	48
Priority 3: Environment and sustainable development	Ministry of Environment	71
	Ministry of Transport and Communications	0
	Ministry of Economy	159
Priority 4: Technical assistance	Ministry of Finance	44

Source: the evaluation of Absorption Rate of EU structural Support for 2007–2013, May 2011.

Annex Table D – Outputs and Results achieved in 2009 and 2010

EGOP		Target	2009	2010	Achievement level (%)
PRIORITY 1					
Output	Number of projects for the development of RTD base	60	9	31	52.0
	Number of RTD projects	40	0	0	0.0
	Number of RTD projects (research activities in enterprises)	120	173	430	358.0
	Projects for the improvement of RTD environment	40	0	18	45.0
Result	Amount of private investments attracted (EUR million)	57	7.2	18.3	32.0
	Number of new technological enterprises	15	0	1	7.0
	Number of functioning research centres that were established	12	2	3	25.0
	Number of jobs created in RTD	650	0	0	0.0
	Number of partnership agreements between research institutions and SMEs	100	0	9	9.0
PRIORITY 2					
Output	Number of projects for the improvement of business productivity in SMEs	300	606	737	246.0
	Number of projects for the improvement of business environment	120	6	12	10.0
	Number of SMEs supported with financial engineering instruments	5,960	370	1,920	32.0
	Size of the area prepared for investments (ha)	400	0	43.7	11.0
Results	Amount of private investments attracted (EUR million)	173	44.3	85.6	49.0
	Number of enterprises operating in the business incubators supported with EU Structural Funds	70	0	0	0.0
	Number of private investments attracted with financial engineering instruments	380	0.7	76.8	20.0
	Amount of private investments attracted (EUR million)	144	0	0	0.0
PRIORITY 3					
Output	Number of interactive electronic public services supported	100	0	15	15.0
	Number of projects for the development of e-business	10	0	0	0.0
	Number of cities and villages connected to the broadband network	70	0	0	0.0
	Number of projects related to security issues	10	0	0	0.0
Result	Increase in the share of inhabitants visiting websites of public institutions (reference point being 2005)	40	8	20	50.0
	Increase in the share of business entities providing the goods or services on Internet	25	0	0	0.0
	Increase in the share of inhabitants who have the possibility to become the consumers of broadband Internet services (reference point being 2005)	23	0	14	61.0
	Decrease in the share of Internet users who encounter with security problems	20	0	0	0.0

PRIORITY 4					
Output	Number of newly gasificated areas	10	0	0	0.0
	Networks of thermal supply modernised (km of single pipes of 100 mm diameter)	1,800	51.3	228.8	13.0
	Number of instruments installed for safer traffic and environment in higher accident zones	35	27	27	77.0
	New roads built or old ones renovated (roads of national importance which are not classified as TEN-T network, km)	850	678.3	861.1	101.0
	New railways built or old ones reconstructed (km)	50	0	1	2.0
	Number of new docks built or old ones reconstructed	2	0	0	0.0
Results	Additional number of natural consumers reached due to network expanded	60,000	0	0	0.0
	Number of thermal energy consumers for whom the quality and reliability of supply increased (thousands)	300	54.5	172.7	58.0
	Number of "black spots" reduced	25	0	0	0.0
	Time saved when carrying the cargos via the reconstructed railways (millions of hours)	4	0	0	0.0
	Average amount of ships served per year	3,000	0	0	0.0
PRIORITY 5					
Output	New TEN-T network roads built or the old ones reconstructed (km)	315	95.6	187	59.0
	New TEN-T network railways built or the old ones reconstructed (km)	170	0	0	0.0
	New quays built or old ones reconstructed (m)	775	0	0	0.0
	Number of projects implemented	6	4	5	83.0
	Roads built or reconstructed (km)	24	0	0	0.0
Result	Increase in the carriages via the TEN-T roads (millions of tons)	12	0	0	0.0
	Increase in the number of the carriages using the ro-ro, ro and PAX ships (millions of tons)	1.5	0	0	0.0
	Increase in the number of passengers using the ro-ro, ro and PAX ships (thousands of passengers)	83	0	0	0.0
	Number of additional passengers catered for (millions)	1.2	0.4	1.4	117.0
	Time saved (millions of hours)	18.4	0	0	0.0

CPOP		Target	2009	2010	Achievement level (%)
PRIORITY 1					
Output	Number of blockhouses renovated	1,150	0	0	0.0
	Number of projects fostering regional economic growth centres and integrated urban development	100	27	41	41.0
	Number of projects for the complex development of problematic territories	200	10	17	8.5
	Number of projects for the development of the infrastructure for the improvement of entrepreneurship in rural communities and public space.	100	11	104	104.0
	Number of projects	120	15	154	128.3
	Number of protected territories where tourist centres and visual information systems are present.	25	2	4	16.0
Result	Improvement in the efficiency of the consumption of energy in blockhouses (in percentage terms)	30	0	0	0.0
	Annual improvement in the index of material investments per head in regional centres for economic growth compared to the national level	0	1.4	n/a	n/a
	Amount of private investments attracted (EUR million)	50	15.2	29	58.0
	Number of new work places created :				
	1) men	250	0	7	2.8
	2) women	250	0	9	3.6
	Increase in the share of protected territories where visiting with no harm for environment is possible (percentage points)	70	6	11	15.7
PRIORITY 2					
Output	Number of beneficiaries (institutions providing health services)	110	53	65	59.1
	Number of projects (health security)	75	52	192	256.0
	Number of projects	100	19	136	136.0
	Number of buildings built or reconstructed or the ones in which infrastructure was renewed (in professional education, national employment provision centres)	82	11	12	14.6
	Number of buildings built or reconstructed or the ones in which infrastructure was renewed (in the centres providing social services and services for people with disabilities)	114	2	29	25.2
Result	Number of patients for whom the quality of health services increased	1,050,500	154,317	282,933	26.9
	Number of beneficiaries of direct support from the investments into educational infrastructure 6 months after the end of the project	110,000	0	0	0.0
	Number of persons (students, lecturers, unemployed, economically inactive) who will receive a direct	225,000	0*	0	0.0

	support from the national investments into professional education and state employment				
	Number of disabled, socially excluded persons who will receive a direct support from the national investments into non-stationary social services	390,000	0*	645	0.2
PRIORITY 3					
Output	Number of places with water and supply or/and sewerage systems renovated or established	220	4	13	6.0
	Number of rubbish dumps closed or modernized	249	0	62	25.0
	Number of public transport vehicles renewed	50	–	0	0.0
	New trolleybus contact network built	10	–	0	0.0
	Number of public buildings renovated in terms of energy savings	200	67	256	128.0
Result	Increase in the share of inhabitants who use the centralized sewerage systems (percentage points)	8	0	0	0.0
	Increase in the share of rubbish dumps that meet the criteria of EU (percentage points)	100	4	4	4.0
	Increase in the share of cleaner fuel (biofuel, gas) and power consumption in relative units in to total amount of the fuel consumed by public transport (%)	3	–	0	0.0
	Amount of energy saved in modernized public buildings (GWh)	100	2.8	2.7	2.7

* – the measure concerned has been eliminated and respective indicators removed from the CPOP.

Source: Annual Implementation Reports of the EGOP and CPOP for the year 2010 and EEN Delivering Policy Analysis on the Performance of Cohesion Policy 2007–2013, Task 2: Country Report on Achievements of Cohesion Policy. Lithuania, November 2010.

Annex Table E. Evaluations Completed in 2010

Title and date of completion	Policy area and scope	Main objectives	Main findings	Full reference or link to publication
A. Nation-wide evaluations across OPs				
Qualitative and quantitative evaluation of the achieved aims and objectives of the Lithuanian Single Programming Document 2004–2006 (December 2010)	Horizontal evaluation, SPD	To analyse the results of the SPD implementation in 2004–2009 by different EU Structural Funds and SPD priorities, to evaluate the major changes affecting the SPD implementation, to measure the achievement of SPD objectives and tasks, to evaluate the SPD administration and implementation issues, to draw up an overview of SPD evaluations.	SPD investments contributed to the consistent GDP growth year by year; in 2008, the GDP was by 2.1% higher compared to the scenario without SPD interventions (largest impact in construction sector – the real GDP growth in 2008 amounted to 7%); SPD implementation resulted in about 19525 jobs and 19136 additional jobs (to compare with 19000 planned jobs). Employment growth was mainly stimulated by the SPD investments into the human capital; SPD made significant indirect impact on the legal system of Lithuania through identification and addressing of the shortcomings and problems of the Lithuanian legal framework.	Available online*
Evaluation of Implementation of the Partnership Principle in Absorption of EU Structural Assistance (June 2010)	Administrative issues	To analyse the application of the legal provisions in the field of partnership as well as effectiveness and benefits of different partnership forms, to describe factors influencing a partnership and the capacity of partners and to identify good practice partnerships.	The majority of both the responsible authorities as well as social and economic partners are more satisfied than dissatisfied with the implementation of the partnership principle in Lithuania; Participants of the partnership process believed that the partnership impact on the use of EU structural support process is moderate; Regulation of partnership principle in the Lithuanian legislation is rather abstract and does not encapsulate all the aspects mentioned in the EU regulation; There was a lack of systematic and extensive inclusion of the partners in the early stage of decision-making process; The resources and abilities of partners to aggregate the interests of different socio-economic groups and to represent them in a decision-making process is an important barrier to effective partnership.	Internal evaluation (MoF in cooperation with external experts). Available online*
Evaluation of the	Improvement of	To contribute to the	Operational programmes 2007–2013 are highly compatible with the EUSBSR. 59 OP	Internal

Title and date of completion	Policy area and scope	Main objectives	Main findings	Full reference or link to publication
Implementation of the Baltic Sea Regional Strategy Using Support from the EU Structural Funds 2007–2013 (May 2010)	the strategic use of support	implementation of the EUSBSR using support from the EU Structural Funds 2007–2013 through evaluation of the input of operational programmes in achieving objectives of the EUSBSR.	<p>measures can contribute to the implementation of EUSBSR priority areas.</p> <p>In terms of the financial input, operational programmes may have the largest impact on the achievement of objectives of the first EUSBSR axis focused on the development of the ecologically sustainable region and the third axis targeted at the improvement of the accessibility of the Baltic Sea Region.</p> <p>The OPs analysed should not have any direct impact on five EUSBSR priority areas: becoming a model region for clean shipping; reinforcing sustainability of agriculture, forestry and fisheries; becoming a leading region in shipping; reinforcing the prevention of crises and catastrophes in sea and inland and decreasing the volume of, and harm done by, cross border crime.</p>	evaluation (MoF in cooperation with external experts). Available online*
Ongoing Evaluation of the Indicators Set in the Operational Programmes Implemented under the Lithuanian Strategy for the Use of European Union Structural Assistance for 2007–2013 (July 2010)	Monitoring system, evaluation covers almost 1000 indicators in different intervention areas	To improve the use of indicators set in the Operational Programmes implemented under the Lithuanian Strategy for the use of the European Union Structural Assistance for 2007–2013 while assessing their specificity, sufficiency and compatibility	<p>Monitoring indicators set in the Operational Programmes and their Measures do not always match the aims and objectives whose implementation they should measure (the number not exceed 6 per cent of the total number of indicators);</p> <p>Quality of indicator descriptions and methodology for their calculation is not sufficient: e.g. some indicators are not appropriate and useful, unreliable data or incorrect methodology is used to calculate performance targets;</p> <p>Nearly 88 per cent of all the monitoring indicators were assessed as unreliable or partially reliable;</p> <p>According to the results of the expert opinion survey, the scope of the monitoring indicator system is optimal;</p> <p>In order to achieve more efficient use of the EU structural assistance, there is a need to expand performance monitoring of the priority areas of interventions.</p>	Available online*
Evaluation of Relevance and Efficiency of the Non-Competitive Selection of Public Projects,	Implementation of OP's	To evaluate the efficiency of the strategic planning system of Lithuania, focusing on the planning of public projects co-financed from the EU structural	<p>The most important aims of wide-scale application of the non-competitive selection of public projects in Lithuania were effectiveness and efficiency (especially in terms of time) of the absorption of the EU structural funds;</p> <p>A relatively slow absorption of the EU structural funds and certain deficiencies of effectiveness are associated with the insufficiently efficient operation of the strategic planning system;</p>	Available online*

Title and date of completion	Policy area and scope	Main objectives	Main findings	Full reference or link to publication
Implementing Operational Programmes in 2007–2013 and Planning the EU Funds (January 2010)		funds on the non-competitive basis and to evaluate the impact of procedures of the non-competitive selection of public projects on the efficiency of implementing the Operational Programmes.	The non-competitive selection of projects in the intermediate bodies is regulated by the description of non-competitive selection procedures, but the actual application of the procedures is quite varied: from the planning based on strategic documents to the application of quasi-tenders in the selection process; Compared to other EU Member States the non-competitive allocation of the EU structural support in Lithuania is insufficiently flexible; Inadequate capacities (project management, analytical skills, and professional knowledge) of the public institutions and their civil servants negatively influence the development of strategic documents and public projects.	
Evaluation of 2007–2013 EU Structural Assistance Special Selection Criteria (June 2010)	Administrative issues	To assess the eligibility and sufficiency of SPSC (Special Priority Selection Criteria) of actions for 2007–2013, considering the objectives of priorities (measures) of actions and provisions for recommendations and methods for the improvement of SPSCs	The different practices of SPSC establishment and assessment in intermediary bodies, the time assigned to SPSC establishment procedures, the uneven participation of implementing institutions, social partners and potential applicants and other factors in the uneven establishment of SPSC procedure, does not ensure efficient SPSC establishment; SPSCs were not clearly defined and properly detailed. Also, the principles of marking were not completely clear. One of the main weaknesses of SPSCs indicated by applicants is that they are too abstract and that their assessment is subjective; One of the recommendations for SPSC improvement is a systemic improvement of the SPSC establishment procedure. While improving the procedure, the principle of cooperation and strategic focus should be systemically applied and a suggested sequence of steps for SPSC establishment should be followed.	Available online*
B. Evaluations of specific OPs				
Evaluation of the Impact of Assistance from the Cohesion Fund on Lithuania (March 2011)	Transport and environmental protection (impact evaluation, Cohesion Fund)	To evaluate the implementation, results and impact of the projects funded by ISPA in 2000–2004 and by the Cohesion Fund in 2004–2006.	During programming periods 2000–2004 and 2004–2006 ISPA and the Cohesion Fund provided assistance to 53 projects; LTL 2,851.84 million of the EU financial assistance was allocated to their implementation; Insufficient capacities in planning, implementation and monitoring of large-scope projects had been one of the key obstacles to implementation, especially during the first years of implementation of ISPA projects; According to the calculations, investments made in 2003–2009 additionally created 1% (LTL 5.9 billion) of the nominal GDP of the whole period;	ESTEP, Evaluation of the Impact of Assistance from the Cohesion Fund on Lithuania.

Title and date of completion	Policy area and scope	Main objectives	Main findings	Full reference or link to publication
			The total input of the assistance into GDP will exceed LTL 9.5 billion, i.e. LTL 1 of investments into transport and environmental protection until 2013 will return LTL 2.27 to the national economy.	Final Report.
C. Evaluations of specific aspects of OPs				
Evaluation of the Suitability of the Legal and Institutional System for the Establishment and Management of Financial Engineering Instruments funded by the EU Structural Funds in Lithuania (December 2010)	Administrative issues	To analyse the legal and institutional frameworks for the establishment and management of financial engineering instruments co-financed by the EU Structural Funds and the national budget, to deliver recommendations for improvement.	<p>All the necessary functions have been established to authorities involved in the implementation of financial engineering measures. In several cases the regulation is insufficient or not as established in the regulatory document.</p> <p>The main areas where regulation should be improved include establishing functions of the Monitoring Committee and their scope; regulating drafting, submission and approval of the annual and final implementation report; regulating the reutilisation of funds and establishment of the responsibility of authorities in this area; expanding functions assigned to the Guarantee Fund.</p> <p>Financial engineering instruments are suitable for the promotion of SMEs during the crisis as they directly address one of the most relevant problems to SME entities – external financing.</p> <p>Lithuania does not have legislation regulating the requirements set to the accounting of financial engineering instruments.</p> <p>Financing of established financial engineering instruments that are in the scope of evaluation had no effect on the budget deficit as all these instruments were financed exceptionally by EU funds.</p>	Available online*
Evaluation of the Administration System for the European Investment Bank's Loan (June 2010)	Administrative issues	To establish whether the requirements of the contract between the MoF and the EIB and other relevant documents are properly, sufficiently and effectively integrated into EU Structural Funds support administration procedures, and to measure the	<p>Contractual requirements are integrated into the administration system of the Structural Funds 2007–2013 which normally allows submitting to the EIB all the compulsory documents. However, the practical submission of documents related to the implementation of the environmental requirements set by the EIB (forms A and B) may sometimes cause some difficulties.</p> <p>The EIB loan administration system developed allows avoiding and managing most risks related to the possibility to recognise eligible project expenditure at the national level as illegible expenditure by the EIB.</p> <p>Funds of the EIB loan may be on-lent to applicants (beneficiaries) and/or partners to secure own funds for project co-financing, although it is the most expedient to on-lent</p>	Internal evaluation (MoF in cooperation with external experts). Available online*

Title and date of completion	Policy area and scope	Main objectives	Main findings	Full reference or link to publication
		effectiveness of the EIB loan administration system developed in 2009–2010.	EIB loan funds to three entity groups: (i) municipalities; (ii) state and municipal companies; (iii) public limited liability and private limited liability companies fully or partially owned by the state or municipality. The largest actual need for on-lending is in the environmental and transport areas.	
Evaluation of the Effectiveness of the Planning and Implementation System of the Regional Projects (January 2010)	Implementation of OP's	To enhance the planning and implementation system of the regional projects financed from the EU structural support in the period 2007–2013, evaluating such elements as relevance of the administrative system, legal regulation of the system and other aspects affecting the effectiveness of the system.	The role of the Ministry of Interior as coordinating body of the regional OP measures was limited in the process of programming and planning regional OP measures managed by the other Intermediate bodies; The aim to incorporate regions into the planning, management and implementation phases of the Cohesion policy is limited by the overall structure of public administration which could be characterised as a “top-down” decision making and implementation system; The regional bodies which participate in the regional selection system are also poorly coordinated. This does not cover the disposition of self-governance but coordination of administrative process; The regional project selection rules and their provisions regulating generalisation of preliminary project proposals in the secretariats are not sufficiently clear.	Available online*
Drafting of the Methodology for Value Estimation of Monitoring Indicators of the Information on the Environment Measures of the Cohesion Promotion Operation Programme and Establishment of	Monitoring indicators (information on the environment)	To develop a methodology for the value estimation of result indicators and establish their baseline.	Together with the indicator showing general awareness level, it is recommended to use thematic indicators showing public awareness on different environmental issues as well; Public awareness level and public activity level could be perceived as different results of the same activities; The currently planned values of result indicators for the year 2015 have been evaluated as reasonable: they are both challenging and attainable; It is recommended to measure result indicators on the basis of evidence obtained through secondary sources or specially launched monitoring surveys.	Available online*

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their Baseline (January 2010)				
Calculation of the Economic Growth Operational Programme Implementation Indicators in Transport Sector (April 2010)	Monitoring indicators (transport)	To calculate the baseline values of Economic Growth Operational Programme and to assess all measures of the Ministry of Transport to achieve the planned indicators values up to 2015.	Product and result indicators of seven objectives of Economic Growth Operational Programme administered by the Ministry of Transport were evaluated and baselines values indicated; Other indicators values planned to achieve in Economic Growth Operational Programme were evaluated (for different sectors: railways, sea port, air transport, road transport).	Available online*
Evaluation of 2004–2006 EU Structural Assistance Impact on Lithuanian Transport Sector (January 2010)	Transport (impact evaluation, SPD)	To assess the scope of the implementation of SPD Measure 1.1 tasks as well as the impact of the ERDF assistance to the transport sector on the Lithuanian economy and different regions.	In the period 2004–2008, 79 projects were implemented. They were allocated over LTL 641 million from the European Regional Development Fund (ERDF) and the national budget; Most of the funds (88%) went to the land transport: the infrastructure of roads, railway and urban transport; The completion rate of monitoring indicators has been reduced by project–level issues (especially in public procurement) and exogenous factors (construction work prices escalated by around 9% per year, prices of building materials also went up (e.g. steel prices rose by 60% during the SPD period)); Macroeconomic modelling calculations show that within 2004–2008 SPD Measure 1.1 investments, amounting to LTL 567.93 million, into the land transport sector additionally created the value added of LTL 882 million in the transport sector; The investments into the transport sector have been also conducive to the increase in employment. The projects financed under SPD Measure 1.1 created 3,260 jobs.	Available online*

*All evaluation reports and their summaries in the English language are published at <http://www.esparama.lt/2007-2013/lt/administravimas/ataskaitos/vertinimas>.