



th CONFERENCE on the Evaluation of EU Cohesion Policy

16-17 September 2021 Porto, Portugal

Shaping Transitions with Evidence



The evaluation of the impact of EU funds investments and other state interventions on the growth of the quality of life of the society.



Ministry of Finance of the Republic of Lithuania

FUNDS COVERED

► ERDF, CF, ESF, YEI

PROGRAMMING PERIOD

► 2014–2020

PROGRAMME COVERED

Operational programme of the EU funds investment and other public finance policy interventions

THEMATIC OBJECTIVES

All thematic objectives are covered

TYPE OF EVALUATION

► Impact



YEAR OF COMPLETION

► 2020

MAIN OBJECTIVES

The **goal** of this evaluation was to create and use the quality of life growth model (hereinafter – GKAM), which would allow to foresee priority economic sectors (public policy areas) and their funding strategy in the short, medium and long term period, in order to achieve the desired parameters in quality of life of the society.

Tasks of the evaluation:

- 1) To create the GKAM which would allow to model the impact of public finance policy (fiscal, tax, investment, borrowing, budgeting) on the growth of quality of life in the short, medium and long term period
- 2) To assess, using the created GKAM, the impact of state financial policy (fiscal, tax, investment, borrowing, budgeting) on the growth of quality of life (hereinafter – GKA) and propose

recommendations on how to optimize public finance policy in the short, medium and long term period, to achieve the GKA

- 3) To develop the methodology for using the GKAM.

METHODOLOGY USED

- 1) Macro-econometric and microsimulation modelling made with designed GKAM
- 2) Regression analysis, descriptive statistics and inferential statistics
- 3) Financial data analysis.
- 4) Analysis of intervention logic and contributions.
- 5) Analysis of secondary sources
- 6) Expert evaluation and discussion.

DATA SOURCES

- 1) Eurostat and Statistics Lithuania data on general government expenditure and values of quality of life indicators and their changes since 2005; micro-data of the EU Statistical Survey on Income and Living Conditions (EU-SILC)
- 2) State budget accounting and payment system (VBAMS) data of 2011–2019 on state budget expenditures, according to functional and economic classifications and sources of financing.

MAIN FINDINGS

The evaluation has developed a specific practical tool, the Econometric Modelling Tool (GKAM), which will allow the Ministry of Finance to assess the impact of planned or implemented public finance policy interventions on various indicators (not only key macroeconomic indicators such as GDP or employment, but also other indicators reflecting the quality of life). Using the set of the quality of life index of the society (hereinafter – VGKI) indicators developed during the evaluation and taking into account the target values of the VGKI indicators

determined during the evaluation (preferred quality of life parameters), the Ministry of Finance will be able to analyse not only forecasted but also actual values of the VGKI indicators and to use the results of this analysis when negotiating the state budget and intervention planning in the areas under governance of other ministries.

CONCLUSIONS

The evaluation provided **strategic suggestions and recommendations** on:

- 1) The use of the GKAM and combination of the GKAM with other evidence-based governance tools (including the assessment of the impact of other interventions not only finance policy interventions on the VGKI indicators)
- 2) The use of the VGKI indicators (including monitoring of actual values and designation of ministries responsible for specific indicators) and the update of the set of the VGKI indicators, taking into account the level of achievement and relevance of the VGKI indicators
- 3) Assessment of different types on scenarios and intervention optimising
- 4) Improvement of the GKAM (including the update of the equations of the model or adding additional equations to it; supplementing the model with other external blocks; suggesting solutions to solve the problem of micro-data delay)

