

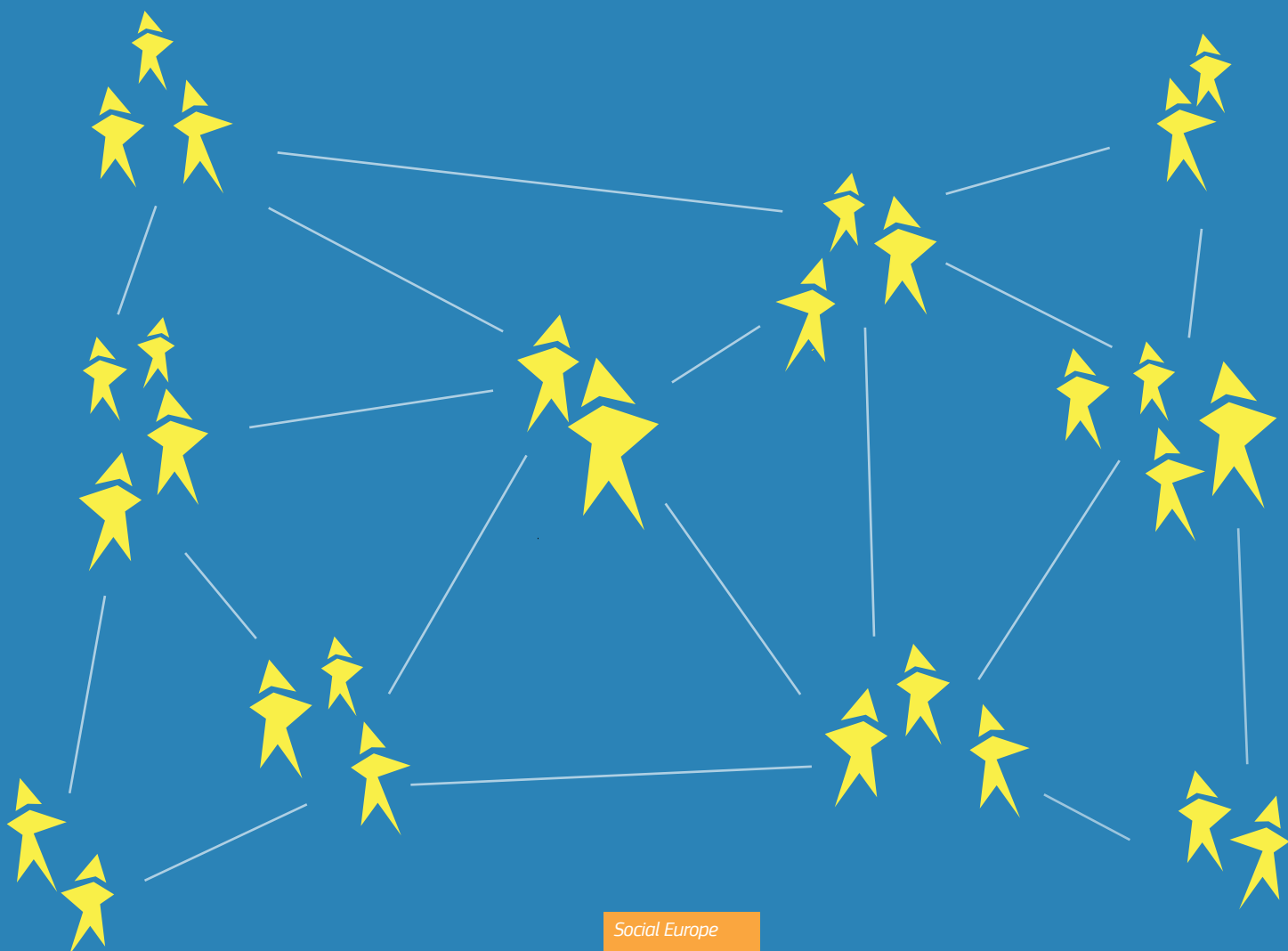


EUROPEAN SOCIAL POLICY NETWORK (ESPN)

# National monitoring frameworks for public social spending

## Lithuania

Romas Lazutka, Laimutė Žalimienė and Jekaterina Navickė



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*Contact:* Flaviana Teodosiu

E-mail: [flaviana.teodosiu@ec.europa.eu](mailto:flaviana.teodosiu@ec.europa.eu)

*European Commission*  
*B-1049 Brussels*

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*Romas Lazutka, Laimutė Žalimienė, Jekaterina Navickė, Vilnius University*

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## Summary

The monitoring frameworks identified for the purpose of this report only include publicly accessible sources. While there are no formal classifications, we single out three types of monitoring frameworks in Lithuania: an *overarching monitoring framework*, *primary monitoring frameworks*, and *complementary monitoring frameworks*. The **overarching monitoring framework** – Open Lithuanian Finance – covers the entire Lithuanian budget system and uses information, including social spending data, from the **primary monitoring frameworks** of:

- (i) the State budget of the Republic of Lithuania;
- (ii) State budget appropriation managers (i.e. the Ministry of Social Security and Labour – MoSSL);
- (iii) municipal budgets;
- (iv) the budget of the State Social Insurance Fund (SSIF, also referred to as Sodra);
- (v) the budget of the Compulsory Health Insurance Fund (CHIF); and
- (vi) other funds.

The primary monitoring framework of social spending is regulated by law and includes sets of budget implementation reports and financial statements, which are consolidated on a national level and published by the Ministry of Finance (MoF) and Statistics Lithuania. The **complementary monitoring frameworks** include additional sources of information that are used for monitoring social spending, such as: the Open Sodra platform of the SSIF; the Management of COVID-19 Consequences: Social Indicators website; the Electronic Family Support Information System (SPIS) website; the Monitoring System for Social Assistance Effectiveness in Lithuanian municipalities; and personal social services (PSS) plans. Information on social spending from the above sources can also be provided using different ad hoc formats. The existence of the regularly updated monitoring frameworks is a strength of the system. The Open Lithuanian Finance and SPIS can be viewed as good examples. The weakness is that to a large extent the monitoring frameworks provide information on public social spending, rather than on the social outcomes and effectiveness of this spending. Moreover, information on social services in SPIS is not very reliable.

A distinction between current expenditure and capital expenditure is made in the overarching and primary monitoring frameworks. These provide information on the level of spending (but not on social outcomes) and rely on approved classifications, which are in line with the Classification of the Functions of Government (COFOG) and the European System of Integrated Social Protection Statistics (ESSPROS). Information on budget implementation is also provided according to the activities and programmes of municipalities, institutions, and funds. Financial statements include nominal numbers, and comparisons with the previous period and projected amounts, and are prepared on a cumulative quarterly and annual basis.

The complementary monitoring frameworks include information on current social expenditure. Additional information contains social outputs and results (such as the number of benefit recipients, average benefit amounts, and their distribution by sub-groups), rather than social outcomes, such as poverty or inequality. These frameworks may provide more detailed and diverse information on social spending, including numbers expressed as percentages of GDP, of total spending, and other derivatives. These frameworks are not uniform with regard to their timing, which may range from weekly to annual data depending on their purposes.

One good example of a monitoring framework with a specific link to policy outcomes is the MoSSL's Monitoring System for Social Assistance Effectiveness. However, this tool is new and it is still unclear to what extent it will be used. There are no other public reporting or review tools for social spending, such as regular spending reviews, that are prepared with an aim of assessing the effectiveness of public social spending, and which could be used by ministries, the national government and Parliament, independent fiscal institutions, and regional or local authorities. These authorities and institutions usually provide and/or

approve: (i) budget implementation reports and financial statements; and (ii) their operational reports and reports on programmes and strategies, which contain indicators of social protection outputs and social spending amounts. The reports and review tools also include those prepared by the MoSSL and the Ministry of Health (MoH), their subordinate institutions, and the National Audit Office (NAO). However, the weakness of these documents is that they pay little attention to the effectiveness of public social spending in terms of social outcomes (poverty or inequality).

# 1 Country-specific monitoring frameworks for public social spending

## 1.1 Country-specific dedicated monitoring framework(s)

This section identifies monitoring framework(s) dedicated to public social spending at national level in Lithuania. Although there are no formal classifications, we single out three types of monitoring frameworks in Lithuania: an *overarching monitoring framework*, *primary monitoring frameworks*, and *complementary monitoring frameworks*.

The overarching monitoring framework – **Open Lithuanian Finance** – covers the entire Lithuanian budget system, which consists of the State budget of the Republic of Lithuania, the autonomous budgets of 60 municipalities, and the budgets of the SSIF, CHIF, and other funds (Open Lithuanian Finance, 2021a).

A dedicated website of the Open Lithuanian Finance<sup>1</sup> contains detailed data on Lithuanian public finances, the sources of which are sets of budget implementation reports and financial statements. General aggregated data on the revenue and expenditure plans of all budgets, as well as their implementation data, are presented. The national set of financial statements consists of financial data about total assets, liabilities, performance, and cash flows of all public and municipal institutions and bodies.

The Open Lithuanian Finance was launched in January 2020 by the MoF together with several other institutions within the framework of the project entitled “Development of the information system for the publicity of data on income and expenditure of state and municipal institutions in the electronic space”. The aim of the project is to publish information on income, expenditure, and other financial data of public sector entities in the information system for open finances, as well as to increase the accessibility of information to the public and promote the involvement of society in the processes taking place in the country (Open Lithuanian Finance, 2021b). This overarching monitoring framework contributes to the publicity of national financial data and creates preconditions for greater transparency and comprehensibility of the activities of public sector entities.

The overarching monitoring framework of the Open Lithuanian Finance consolidates information, including on social spending, from the **primary monitoring frameworks** of: (i) the State budget of the Republic of Lithuania; (ii) State budget appropriation managers; (iii) municipal budgets; (iv) the SSIF budget; (v) the CHIF budget; and (vi) other funds.<sup>2</sup> The MoSSL is the main State budget appropriation manager in the sphere of social protection and social spending. Other funds in the social sphere include the Guarantee Fund, the Long-term Service Allowance Fund, and the Pension Annuity Fund. The primary monitoring framework of social spending is regulated by law<sup>3</sup> and includes sets of budget implementation reports and financial statements, which are published by the MoF and on the websites of other stakeholders mentioned above.<sup>4</sup> The financial and budget implementation reports consist of detailed data on income and expenditure by type, and

<sup>1</sup> URL: <https://lietuvosfinansai.lt>.

<sup>2</sup> The Open Lithuanian Finance consolidates information based on a scheme for public sector accounting and reporting consolidation (VSAKIS) and the approved classification of the state and municipal budget revenue and expenditure. For more information see: <https://lietuvosfinansai.lt/en/about/>.

<sup>3</sup> Based on the following laws: Order of the Minister for Finance of the Republic of Lithuania on implementation reports. 29 February 2010, No 1K-022. URL: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.364883/asr>. Order of the Minister for Finance of the Republic of Lithuania on the approval of rules and forms for drawing up budget implementation reports of the state and municipal budgetary institutions and other entities at lower levels. 31 January 2008, No 1K-465. URL: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.335172/ZUdMGaOtaq>, etc.

<sup>4</sup> For the SSIF, see: <https://www.sodra.lt/lt/veikla/finansines-ir-biudzeto-vykdyto-ataskaitos>. For CHIF, see: [https://ligoniukasa.lrv.lt/uploads/ligoniukasa/documents/files/%E2%80%8BStatistinis%20informacija%20apie%202019%20met%C5%B3%20PSDF%20biud%C5%BEeto%20vykdym%C4%85%20\(PDF\).pdf](https://ligoniukasa.lrv.lt/uploads/ligoniukasa/documents/files/%E2%80%8BStatistinis%20informacija%20apie%202019%20met%C5%B3%20PSDF%20biud%C5%BEeto%20vykdym%C4%85%20(PDF).pdf), <https://ligoniukasa.lrv.lt/uploads/ligoniukasa/documents/files/7k-1027%20VLK%20FONDAS%202020%2012%2031%20IV%20LYGIS.pdf>, etc.



include explanatory notes on the main measured indicators, implementation of the income and expenditure targets, and their factors and results. Budget implementation and financial statements are then consolidated on a national level and published by the MoF<sup>5</sup> and Statistics Lithuania. Annual reports on the implementation of the State budget are approved by the Parliament of the Republic of Lithuania.

**Complementary monitoring frameworks** include additional information sources that are used for the monitoring of social spending through dedicated websites, as follows.

- **Open Sodra** (*Atvira Sodra*).<sup>6</sup> This website is aimed at observing and analysing: the income and expenditure of the SSIF; fluctuations and trends in the number of insurers, insured people, and beneficiaries; and average amounts of benefits, and structural changes in them.
- **Management of COVID-19 Consequences: Social Indicators**.<sup>7</sup> This website includes expenditure on, and the number of recipients of, COVID-19-related subsidies and benefits, as well as some social outcome indicators (e.g. unemployment rates, number of registered unemployed people, and number of employees).
- **SPIS website**.<sup>8</sup> The SPIS is an information system operating under co-operation agreements between the MoSSL and all municipalities in the country (MoSSL, 2021a). The purpose of the SPIS is to register and collect information on social support provided in municipalities; and to present this information broken down by municipalities, types of support (including in-cash and in-kind), and groups of beneficiaries.
- **Monitoring System for Social Assistance Effectiveness in Lithuanian municipalities**.<sup>9</sup> Monitoring the effectiveness of social assistance (cash benefits and social services) is carried out by selecting key indicators of the social assistance system in the areas of poverty reduction, social support, and prevention, and by combining them into a single index. In addition, the overall situation of the country in the field of social assistance and poverty reduction is monitored, as well as the dynamics of the situation over time and in comparison with other European Union Member States.
- **PSS plans** are prepared by municipalities annually in accordance with legislation.<sup>10</sup> A compulsory part of the plans is the Services Financing Plan. Information is provided not only on financing for the coming year, but also on expenditure on these services over the previous one to three years, and an evaluation thereof (e.g. Decision of Vilnius municipality, 2020).

It is of note that the complementary monitoring frameworks specified for the purpose of this report only include publicly accessible sources. Information on social spending from the above sources can also be provided using different ad hoc formats. For example, the website of the MoSSL regularly displays information on spending on categorical and means-tested cash benefits. The information is taken from the SPIS. The report "Beneficiaries and

<sup>5</sup> Budget implementation: <https://finmin.lrv.lt/lt/veiklos-sritys/biudzetas/biudzeto-vykdymas>, Implementation of municipal budgets: <https://finmin.lrv.lt/lt/aktualus-valstybes-finansu-duomenys/valstybes-biudzeto-ir-savivaldybiu-biudzetu-vykdyimo-duomenys>.

<sup>6</sup> URL: <https://atvira.sodra.lt/>.

<sup>7</sup> URL: <https://socmin.lrv.lt/lt/veiklos-sritys/socialine-statistika/covid-19-pasekmiu-valdymas-socialiniai-rodikliai>.

<sup>8</sup> URL: <http://vitrinos.spis.lt:8080/>.

<sup>9</sup> URL: <https://socmin.lrv.lt/lt/veiklos-sritys/socialine-statistika/socialines-paramos-veiksminqumo-stebesena-lietuvos-savivaldybese>.

<sup>10</sup> Based on the following legislation: Law of the Republic of Lithuania on Local Self-Government. 1994. No I-533 16 (Art. 4); Law on Social Services. 2006. No X-493 (Art. 13); Resolution of the Government of the Republic of Lithuania on the approval of the social services planning methodology. 2006. No 1132 (para. 33).

expenditure on social benefits and other cash social assistance for families and children in 2000-2021” included annual expenditure on each of about 30 cash benefits, and the number of beneficiaries was presented in Excel format (MoSSL, 2021b). In general, the monitoring frameworks described above are more comprehensive for cash benefits. Monitoring frameworks for in-kind benefits are less developed, and information on social services lacks reliability.

## **1.2 Separate monitoring framework(s) linked to schemes provided by employers**

There are no separate monitoring frameworks for social spending linked to schemes provided by employers in Lithuania, as such schemes are not integrated into the public social spending framework.

## **1.3 Distinction between current expenditure and capital expenditure**

The sets of budget implementation reports and financial statements classified as the primary monitoring frameworks for the purpose of this report make a distinction between current expenditure (on social benefits, the wages and salaries of public sector employees, and purchases of goods and services) and capital expenditure (e.g. investment in hospitals, medical equipment, and childcare facilities), as does the overarching framework of the Open Lithuanian Finance.

The complementary monitoring frameworks consist of information on current expenditure, mainly on social benefits paid and the numbers of recipients. An exception is the municipal PSS plans, which make a distinction between current and capital expenditure for the development of PSS infrastructure. The Monitoring System for Social Assistance Effectiveness has a “resources” dimension, which includes, albeit on an aggregate level, information on the capital expenditure of municipalities in the area of social protection.

## **1.4 Type of monitoring: level and outcomes**

The primary monitoring framework of the budget implementation and financial statements, as well as the overarching framework of the Open Lithuanian Finance, only monitors the level of spending (rather than social outcomes) and relies on approved classifications,<sup>11</sup> which are in line with the COFOG/ESSPROS. These also provide information on the budget implementation according to the activities and programmes of municipalities, institutions, and funds. For instance, the implementation of appropriations allocated to the MoSSL is presented by four activity axes: stimulation of employment; social assistance; development of social services and integration; and administration of the implementation of social security and labour market policy.<sup>12</sup> Social outcomes, such as reducing poverty and inequality, are not monitored.

The complementary monitoring frameworks provide some additional information, but it is mainly limited to social outputs and results (such as the number of benefit recipients, average benefit amounts, and their distribution by sub-groups) without reflecting social outcomes. The latter is true for the Open Sodra and SPIS websites. Indicators of the Management of COVID-19 Consequences website also provide information on unemployment dynamics. Municipal PSS plans monitor the level of spending, as well as some outputs and results such as the effective coverage rate of social services (persons/families for whom the need for social services has been satisfied vs the number

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<sup>11</sup> The Open Lithuanian Finance consolidates information based on a scheme for public sector accounting and reporting consolidation (VSAKIS) and the approved classification of the state and municipal budget revenue and expenditure. For more information see: <https://lietuvosfinansai.lt/en/about/>.

<sup>12</sup> See: <https://finmin.lrv.lt/lt/veiklos-sritys/budzetas/valstybes-budzeto-vykdyimo-duomenys-1>, presented in pdf format. PDF: State budget implementation data. Appropriations received by the managers of State budget appropriations.

of persons/families for whom the need for social services has been assessed). The Monitoring System for Social Assistance Effectiveness in Lithuanian municipalities includes information on poverty reduction (the dynamics of at-risk-of-poverty rates), as well as complementary indicators that help monitor the level of long-term deprivation, such as the shares of long-term recipients of social assistance.

### **1.5 Level of granularity of public social spending**

The dedicated website of the Open Lithuanian Finance includes analytical tools allowing users to search and analyse the financial activities of the State, municipal institutions, funds, and other bodies, and the use of public financial resources in general. Information on social spending can be presented in a variety of ways, and users can perform their own analysis using filters and options provided by the tool. Data are presented in nominal numbers and as a percentage of total spending.

The primary monitoring frameworks of the budget implementation reports and financial statements include nominal numbers and comparisons with the previous period and target amounts.

The complementary monitoring frameworks may provide more detailed and diverse information, including numbers expressed as percentages of GDP, on total spending and other derivatives. For example, the Monitoring System for Social Assistance Effectiveness in Lithuanian municipalities only uses derived/relative indicators, which are also used for comparing and ranking municipalities.

### **1.6 Breakdown of public social spending**

The Open Lithuanian Finance does not provide a breakdown of public social spending by specific population sub-groups (e.g. per income deciles, or age groups). Such information is also not present in the primary monitoring framework of the budget implementation reports and financial statements.

The complementary monitoring frameworks provide more detailed information by types of social benefit or service, and/or groups of recipients by demographic characteristics, and are not limited to the aggregated information based on COFOG/ESSPROS. For instance, Open Sodra provides information on social insurance benefits and the numbers of their recipients divided by age group, gender, level of disability, and income level; the SPIS website provides detailed information on social spending on social benefits in cash and in kind by gender, age group, household type, number of children in the household, urbanisation level, region and municipality; municipal PSS plans provide information about expenditure on services used by different groups, types of services, or ways of financing (budget-type funding or purchase of services).

### **1.7 Timing and public accessibility of data**

The primary monitoring framework (budget implementation reports and financial statements) is prepared on a cumulative quarterly and annual basis. The overarching framework of the Open Lithuanian Finance also follows this timeframe. These monitoring frameworks are more timely than the requirements regarding COFOG/ESSPROS. That is, budget revenue and expenditure data are periodically updated on the site of the Open Lithuanian Finance following the schedule below.

- The annual plan is published by 2 May of the current year.
- Data for the first quarter – by 1 June of the current year.
- Data for the second quarter – by 1 September of the current year.
- Data for the third quarter – by 1 December of the current year.
- Data for the fourth quarter – by 1 April of the following year.

The above deadlines do not apply to the publication of the SSIF and CHIF budget revenue and expenditure data, which are updated by 1 July and 1 October of the current year, and by 1 January and 1 June of the following year. Until these dates, preliminary data about the SSIF and CHIF budgets are used to calculate the revenue and expenditure of the state, municipal, and fund budgets. Data on the financial statements of public sector entities are published annually by 20 October of the following year.<sup>13</sup>

Budget implementation reports and financial statements are published by the MoF and are available on the websites of the relevant stakeholders.<sup>14</sup> Consolidated budget implementation reports and financial statements are published by the MoF<sup>15</sup> and Statistics Lithuania.

The complementary monitoring frameworks outlined in this report include publicly accessible sources only. The complementary monitoring frameworks are not uniform in terms of the timing of the availability of data, and differ depending on their aims. For example, the most detailed level of COVID-19 monitoring data is reported weekly. Open Sodra provides monthly information, which is then aggregated at annual level. The data for the prior month are provided on the web portal not later than the 20<sup>th</sup> day of the current month. Most of the data published on the Open Sodra website are reported going back to 2009, budget performance data are available from 2012, and information on pension funds from 2004. The SPIS website provides data on a monthly basis. The Monitoring System for Social Assistance Effectiveness in Lithuanian municipalities, and municipal PSS plans, are annual.

## 1.8 Sub-national frameworks

There are no well established sub-national frameworks for monitoring social spending, other than those established and regulated on a national level (i.e. monitoring frameworks for municipal budgets). We consider the latter as national frameworks for monitoring social benefits and social services provided at sub-national level, and reported on them above.

## 2 Reporting/review tools for public social spending

One example of the monitoring framework with a specific link to policy outcomes in the sphere of poverty reduction is the MoSSL's **Monitoring System for Social Assistance Effectiveness**.<sup>16</sup> This provides a definition of an effective social assistance system and seeks to monitor key indicators on a regular basis, according to defined criteria. An effective social assistance system is defined as a system significantly contributing to poverty reduction objectives by ensuring: (i) effective assistance (which is accessible by people who need support, is adequate, and empowers them to exit the support system); and (ii) effective prevention (which helps to reduce the number of people who need support and ensures that, for those who do need it, the support system is successful in meeting their own needs and those of their children). Monitoring of the effectiveness of social assistance is carried out by selecting key indicators of the social assistance system in the areas of poverty reduction, social support, and prevention, and combining them into a

<sup>13</sup> URL: <https://lietuvosfinansai.lt/en/about/>.

<sup>14</sup> For the SSIF, see: <https://www.sodra.lt/lt/veikla/finansines-ir-biudzeto-vykdyimo-ataskaitos>; for the CHIF, see: [https://ligoniukasa.lrv.lt/uploads/ligoniukasa/documents/files/%E2%80%8BStatistin%C4%97%20informacija%20apie%202019%20met%C5%B3%20PSDF%20biud%C5%BEeto%20vykdym%C4%85%20\(PDF\).pdf](https://ligoniukasa.lrv.lt/uploads/ligoniukasa/documents/files/%E2%80%8BStatistin%C4%97%20informacija%20apie%202019%20met%C5%B3%20PSDF%20biud%C5%BEeto%20vykdym%C4%85%20(PDF).pdf), <https://ligoniukasa.lrv.lt/uploads/ligoniukasa/documents/files/7k-1027%20VLK%20FONDAS%202020%2012%2031%20IV%20LYGIS.pdf>.

<sup>15</sup> Budget implementation: <https://finmin.lrv.lt/lt/veiklos-sritys/biudzetas/biudzeto-vykdymas>, Implementation of municipal budgets: <https://finmin.lrv.lt/lt/aktualus-valstybes-finansu-duomenys/valstybes-biudzeto-ir-savivaldybiu-biudzeto-vykdyimo-duomenys>.

<sup>16</sup> URL: <https://socmin.lrv.lt/lt/veiklos-sritys/socialine-statistika/socialines-paramos-veiksmingumo-stebesena-lietuvos-savivaldybese>.

composite index. In addition, the overall situation of the country in terms of the provision of social assistance and poverty reduction is monitored, and the dynamics of the situation over time and in comparison with other EU Member States are presented. The monitoring of social assistance is aimed at: developing a vision of an effective social assistance system; creating positive incentives for municipalities to improve the provision of social assistance; sharing experiences; and learning from good practice. However, this tool only became operational and was presented to the public in September 2021, implementing the recommendations of the NAO. It is not clear yet to what extent the tool will be used to monitor and improve the functioning of social assistance in the country.

Besides this tool, the authors of this report are not aware of any specific public reporting or review tools in relation to social spending (such as regular spending reviews) that have been prepared with the aim of assessing the effectiveness of public social expenditure in the country, and which could be used by ministries, the national government, the Parliament, independent fiscal institutions, and regional or local authorities. These authorities and institutions usually provide and/or approve two types of documents. First, budget implementation reports and financial statements, which do not report on the outcomes of social spending or its effectiveness, and which are presented in Section 1. Second, their operational reports and reports on programmes and strategies, which contain some indicators of social protection achievements and social expenditure amounts. However, these usually focus on the achievement of social protection goals rather than on the effectiveness of public social spending. Nonetheless, we will review the main reports of the second type in the section below, as they provide information about social spending and outcomes.

The **MoSSL**, along with its subordinate institutions and other entities, publishes Annual Operational Reports. The reports of the MoSSL are available via its website, going back to 2004.<sup>17</sup> The reports show the implementation of strategic goals and the use of financial appropriations (i.e. expenditure on programmes implemented by the Ministry such as stimulation of employment, social assistance, and the development of social services and integration). The Annual Operational Reports of the MoSSL include indicators of the social development of the country, legislation amending social security measures, the level of social benefits and changes in the number of beneficiaries, and the amounts of money spent to finance social protection programmes and measures. The MoSSL also used to publish annual Social Reports,<sup>18</sup> analytical documents prepared both in Lithuanian and English to highlight the main trends, issues, and achievements in the main social protection fields co-ordinated by the MoSSL. The Social Reports resembled the Operational Reports to some extent, but they also provided additional information on the results and outputs of social spending and were more targeted towards the general audience. However, the last Social Report was for 2016-2017, and the series has now been discontinued. The MoSSL and its subordinate institutions also produce or commission various research reports on an ad hoc basis, which may include assessments of the different aspects of social protection, including cash and in-kind support.<sup>19</sup>

Subordinate institutions of the MoSSL also produce their own Operational Reports. For example, the Annual Operational Reports of the **Employment Service** have been available since 2001 on its website. These reports show the budget allocation and spending on active labour market measures, as well as the scope and structure of funding provided to social enterprises (Employment Service, 2021a). The Employment Service also provides information on the implementation of projects funded by the European Social Fund, including total funding and the uptake of funds (Employment Service, 2021b).

Operational Reports of the **Department of Supervision of Social Services** at the MoSSL provide very brief, incomplete information on certain types of social spending, but not on

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<sup>17</sup> MoSSL (2020).

<sup>18</sup> MoSSL. Social Reports. URL: <https://socmin.lrv.lt/lt/veiklos-sritys/socialinis-pranesimas>.

<sup>19</sup> MoSSL. Commissioned reports: <https://socmin.lrv.lt/lt/veiklos-sritys/tyrimai>.

its effectiveness. Part of the Department's functions relate to public spending monitoring (e.g. the Department collects information from municipalities on the cost of social services purchased or financed in the previous 12 months, and publishes average prices of social services; assesses the need for public investment in social services institutions; and analyses and evaluates data from the financial statements of public social programmes, measures, and projects, among others) (Department of Supervision of Social Services, 2021a & 2021b).

**The MoH** also prepares and publishes Annual Operational Reports, which are available via its website (MoH, 2021). The reports show the implementation of strategic goals and the use of allocated appropriations (i.e. expenditure on the programmes implemented by the Ministry). There is no explicit reference to the effectiveness of spending by the MoH in the reports.

The open portal of health statistics of the **Institute of Hygiene** at the MoH publishes a range of data on population health each year, but it provides only minimal information on healthcare spending (Institute of Hygiene, 2020). Since 2001, the Institute of Hygiene has been publishing a periodical, *Health Statistics of Lithuania*, which includes a section on healthcare financing. However, it only provides very general indicators of healthcare spending (total spending, percentage of GDP by sources of healthcare financing, etc.) and does not assess the effectiveness of spending (Health Statistics of Lithuania, 2020).

The **NAO** carries out a performance audit of public entities, including agencies responsible for social protection. To improve the performance of the entities audited and increase public benefit, recommendations are formulated based on the results of the public audits. As stated, "*public audit is an important factor in promoting the efficiency, accountability, and effectiveness of the public institutions and improving citizens' lives*" (NAO, 2021). The NAO performs evaluations and audits of the activities of public institutions, the amount of allocated funds, and the effectiveness of applied measures with respect to set institutional goals, but not of the effectiveness of social spending. In its Annual Reports, the NAO presents the audits and assessments carried out, and the impact of previous audit recommendations in the public sector. When drawing up annual plans, the NAO carries out a comprehensive analysis of the activities of the public sector, evaluates the problems arising in it, and takes into account the risks and expectations identified by the stakeholders and clients. The status of the implementation of the recommendations (including actions, deadlines, and results) for audited entities is published on the NAO website in the open data section. The Annual Reports for audits carried out in the sphere of social protection over the last three years have not assessed the effectiveness of public social expenditure in the country. These reports include the following.

- Assessment of the regularity of the 2019 sets of consolidated financial statements and budget implementation reports of the SSIF, and the legality of the management, use, and disposal of its funds and assets (2020).
- Assessment of the regularity of the 2020 set of statements of the Pension Annuity Fund, and the legality of the management, use, and disposal of its funds and assets (2020).
- Social integration of people with disabilities (2020).
- Does social assistance ensure the minimum consumption needs of people living in poverty and promote the labour market integration? (2019).
- The accessibility of healthcare services and the orientation towards the patient (2018).
- Is housing accessibility assured to low-income residents? (2017).
- Suicide prevention and aid to individuals related to the risk of suicide (2017).

Reports of this kind can hardly be considered as monitoring the effectiveness of social spending if the results are not linked to expenditure. For example, the 2019 report on social assistance and minimum consumption needs said: "*The purpose of the audit is to*

*assess whether the system of social support for people living in poverty provides opportunities to meet the minimum consumption needs and whether municipalities use measures to promote participation in the labour market” (NAO, 2019).* The analysis performed in this audit report is not directly focused on the effectiveness of social spending on social assistance.

Apart from reports by the authorities and institutions described in this section, some of them offer open-access information systems that provide information not only on social benefits but also on their results, in the form of the number of beneficiaries and benefit levels. These information systems are described in the first section of this report. For example, the SSIF has its statistical data portal **Open Sodra**, aimed not only at monitoring the budgeted expenditure of the SSIF, but also at reporting the number of beneficiaries and the average amounts of benefits allocated, as well as structural changes in them. However, social spending data are not linked to defined and specific social objectives and outcomes in the portal.

At the municipal level, municipalities publish annual **PSS plans** on their websites. There are very brief spending reviews provided in the plans: an assessment of funding sources for services (whether funding for services is increasing/decreasing according to the different sources and methods of funding); the municipal budget's annual expenditure on PSS per capita; and the ratio of state grants to municipal budget appropriations for PSS as a percentage of the municipal budget.<sup>20</sup> Nevertheless, the impact of this funding (e.g. on the availability or quality of services) is only very briefly and fragmentarily articulated in the plans.

Finally, it should be noted that the overview of the reporting/review tools in this section only includes publicly accessible sources. The MoSSL performs impact assessments of the planned reforms of social benefits and pensions on inequality and poverty. However, these impact assessments are prepared and published only on an ad hoc basis.<sup>21</sup>

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<sup>20</sup> Order of the Minister for the MoSSL. Dėl socialinių paslaugų plano formos ir socialinių paslaugų efektyvumo vertinimo kriterijų patvirtinimo [On the approval of the form of the social services plan and the criteria for assessing the effectiveness of social services]. 12 April 2007. No A1-104. URL: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.295795?ifwid=2r1mes3v>

<sup>21</sup> The impact assessments are published here: <https://socmin.lrv.lt/lt/veiklos-sritys/tyrimai/ministerijos-atlikti-tyrimai>. Also published by the MoSSL are annual nowcasts of inequality and poverty indicators, which reflect fiscal policy developments, economic changes and changes in the labour market.

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