



**Implementation**  
**of the EEA Financial Mechanism 2009-2014**  
**in Lithuania**

*Final Strategic Report*

Reporting period:

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Prepared by the National Focal Point (Ministry of Finance)

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## Abbreviations

AA	Audit Authority
CA	Certifying Authority
CPMA	Central Project Management Agency
CC	Cooperation Committee
CHB	Cultural heritage building
DoRIS	Documentation, Reporting and Information System
DP	Donor Programme Partner
dpp	Donor Project Partner
EEA	European Economic Area
FMC	Financial Mechanism Committee
FMO	Financial Mechanism Office
GDP	Gross Domestic Product
GHG	Greenhouse Gas
Grants	European Economic Area and Norway Grants 2009-2014
HRMI	Human Rights Monitoring Institute
ESIF	European Structural and Investment Funds
ETS	Emissions Trading System
IrRA	Irregularity Reporting Authority
IS	Information System
NBF	National Bilateral Fund
NFP	National Focal Point
NDP	National Development Programme
NRA	National Reform Agenda
NMFA	Norwegian Ministry of Foreign Affairs
MCS	Management and Control System
MoF	Ministry of Finance of the Republic of Lithuania
MoU	Memorandum of Understanding
OECD	Organization for Economic Co-operation and Development
PA	Programme Agreement
PIA	Programme Implementation Agreement
PISA	International Student Assessment
PBF	Programme Bilateral Fund
RBD	River Basin Districts
PO	Programme Operator
PP	Project Promoter

R&D	Research and Development
Regulation	Regulation on the implementation of the EEA Financial Mechanism 2009-2014
SFMIS	Structural Funds Management Information System
STEM	Science, Technology, Engineering, and Mathematics

## 1 EXECUTIVE SUMMARY

EEA Grants 2009-2014 programmes, implemented in Lithuania since 2012, were highly relevant in terms of both National long-term and sectoral development strategies, most pronounced needs of target groups in selected areas not covered by other financial sources, also the need to comply with the country's international commitments or uphold international standards. With highlight to bilateral cooperation element with institutions from Donor Countries, successfully finalised programmes and achieved results in human and social development, environment protection and management, cultural heritage and exchange sectors led to more consistent social and economic development of Lithuania thus contributed to the overall objectives of the Norway Grants, i.e. reduction of social and economic disparities in the EEA and strengthening bilateral relation between Norway, Iceland, Liechtenstein and Lithuania.

The LT02 programme was divided into a large number of research and pilot activities complementary to interventions funded by the EU Structural Funds. The overall/long-term aim of the programme was to improve marine and inland water management (water status improvement) measures. The programme helped to prepare for the implementation of 2nd cycle River Basin Districts management plans through the collection of the missing data and complemented EU Structural Funds investments.

The LT03 programme aimed to improve measures for the conservation of biodiversity and ecosystems and to integrate these considerations into other policies more effectively. The results of the programme have helped to improve biodiversity conservation measures: the monitoring system was updated, and data and evaluation results were collected and are used in decision-making and the selection of appropriate measures for the conservation of biodiversity.

EEA Grants remained the biggest financial instrument directed at strengthening the NGOs and their role in political and social processes starting from 2004 and up until 2016. The LT04 programme (NGO Fund) was very much concentrated on the core values such as democracy and good governance, human rights, vulnerable groups, protection of environment and climate change. Taking on the best practices from Iceland, Liechtenstein and Norway provided an opportunity to further develop NGO capacity building and drive their activities for societal impact.

The LT05 programme dealt with social affairs and was focused on the availability of services to children and youth at social risk. This programme also funded the first and only specialised centre for children. It has fundamentally changed the provision of assistance and services to child victims of sexual abuse and exploitation.

The LT06 programme has significantly contributed to the preservation and adaptation of wooden built cultural heritage for public needs and facilitated the improvement of the recognition and maintenance of cultural heritage.

The LT07 programme supported the creation and presentation of international creative products (exhibitions, dance performances) in Lithuanian regions and the implementation of international cooperation projects. Looking at the financial aspect, the funds allocated under the programme made up about 14% of the total national investments in the dissemination of professional art in regions. The programme has also improved the competences of the participating organisations and individual artists as well as their willingness and capacity to initiate and participate in transnational cooperation projects in the future and, in some cases, contributed to their promotion at international level.

The LT08 programme was implemented in the education sector. It aimed to enhance student achievements in pre-school education, general education and vocational training through the modernisation of the curriculum, teacher training and in-service training of educational staff as well as to improve the participation of adults in lifelong learning through the development of competences of adult education staff. Considering the small financial volume, wide objectives and insufficient concentration of funds, the programme had a limited impact which was felt only at project level. Additional benefits may be identified in relation to the promotion of the international dimension of educational institutions.

The bilateral cooperation at programme and project level with some exceptions was rather extensive. 5 out of 6 EEA Mechanism programmes, operated by Lithuanian authorities, were developed and implemented with Donor Programme Partners. In total about 45% of projects financed from all 7 programmes were implemented with partner(s) from Island and Norway. In addition, programme level bilateral funds constituted a significant source of financing for search and development of partnerships also networking and experience-sharing initiatives. As a result, bilateral cooperation significantly reinforced mutual understanding, institutional and professional cooperation (not only between Lithuania and Donor Countries but also with other Beneficiary Countries). Cooperation activities also made it possible to learn more about different practices and organisation of systems in respective policy areas in Donor Countries (and Lithuania) and materialized into a number of new technologies, products and services to be used for better performance in Lithuania. Some Programme Operators and number of project partners continue or plan to continue further cooperation even outside the Grants programmes. In addition, co-operation resulted in wider effects via strengthen knowledge and technical competences that could be applied and provide benefits to organisations in broader context. Some examples of excellent shared results: several bilateral articles written and published in environment protection area; Support Centre for Child Victims of Sexual Abuse Center established based on Icelandic “Barnahus” model; all ten Culture Heritage buildings rehabilitated in cooperation with partners from Norway and Iceland; a dance performance “Godos”; mobile living history museum about Vikings.

The most prominent risk for achieving planed results and benefits was time left for implementation of the projects due to initial delays in programme implementation, rather complex management system, lack of human resources and expertise, Very intensive progress in 2016-2017 also due to Donor’ flexibility and decision to extent projects eligibility deadline – all programmes were successfully implemented with high absorption rate (over 95%).

Not clear or different visions for objectives, implementation and benefits of the partnership, different expectations, different legal, management and operating practices were main factors hindering bilateral cooperation. The crucial factor for making rather complex system functioning smoother and more effectively was open and constructive communication and co-operation between responsible national authorities, Donor Project Partners and Financial Mechanism Office.

## 2 ASSESSMENT OF THE EFFECT OF THE GRANTS

### 2.1 Cohesion

**National development strategies.** The underlying Lithuania's long term-planning document - Lithuania's Progress Strategy "Lithuania 2030"<sup>1</sup> reflects a national vision and priorities for development as well as guidelines for their implementation by 2030. The Lithuanian National Development Programme (NDP) for 2014-2020<sup>2</sup>, intended for the implementation of the Lithuania's Progress Strategy 'Lithuania 2030', is aimed at the creation of an advanced, modern and strong state distinguished by the harmony of smart society, smart economy and smart governance. The NDP covers not only the major provisions of the national policy but also the main provisions of the EU policy set forth in Europe 2020 (Smart, Sustainable and Inclusive Growth), and sets out the following five vertical priorities: 'Development of the society, science and culture', 'Active and solidarious society', 'Favourable environment for economic growth', 'High value-added focuses, integral economy' and 'Advanced public governance meeting the society's needs', as well as three horizontal priorities, i.e. 'Culture', 'Regional development' and 'Health for all' which can be implemented through vertical priorities.

The NDP provided for compatibility of all financial resources (EU funds, the national budget and other international financial assistance) while reaching set country development objectives. The National Reform Agenda (NRA) is one of the key national documents, which establishes Lithuania's commitment to achieve Europe 2020 targets. The Parliament election in 2016 brought some changes to Government vision; in December 2016 newly established Government during its 4-year performance period strives to fulfil abovementioned country development objectives as well as government programme through 5 main principles – sustainable individual, sustainable society, sustainable education and culture, sustainable economy and sustainable state governance<sup>3</sup>.

**Country context, challenges and potentials.** Accession to the euro area (2015) and becoming a member of the Organization for Economic Co-operation and Development (OECD) (2018) confirms Lithuania's commitment to sound and sustainable economic policies. As observed in the Country Report 2018<sup>4</sup>, Lithuania is experiencing a strong economic upswing and is using this opportunity to make growth more inclusive. It has implemented reforms in some key policy areas, like labour relations and pensions, and started taking steps towards strengthening the social safety nets and reforming the education sector. However, high income inequality and poverty remain a major challenge. A strong labour market is underpinning consumption and economic growth but at the same time labour shortages are raising concerns about the sustainability of public finances and economic growth in the long-term perspective. Demographic trends are negative due to strong emigration, and are aggravated by poor health outcomes. In this context, achieving inclusive growth, raising investment, especially in human capital, and boosting productivity and labour supply remain key challenges for Lithuania.

The activity and the employment rates have been steadily increasing since the crisis and are both above the EU average (see Chart No. 1). The employment rate stands at 75.7 % in the third quarter of 2017. Youth unemployment has more than halved from its peak of 35.7 % in 2010, and came to 13.2 % in 2017, significantly below the EU average of 16.8 %<sup>5</sup>. These improvements mainly are because of a fall in the working age population and high and sustained net emigration<sup>6</sup>. Still, the employment is shifting increasingly towards more high-skilled occupations whereas employment rates of highly skilled workers are at about the EU average, employment rates of low- and medium-skilled are below average though. Given the demographic challenges, continued good performance depends on improving participation of disadvantaged

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<sup>1</sup> Lithuania's Progress Strategy "LITHUANIA 2030", approved by Lithuanian Parliament on 15 May 2012 (Decision No. XI-2015), <http://lietuva2030.lt>

<sup>2</sup> The Lithuanian National Development Programme for 2014-2020, approved by the Governmental Resolution of 28 November 2012, No. 1482.

<sup>3</sup> Programme of the Government. <https://lr.lt/en/about-government/programme-of-the-government>

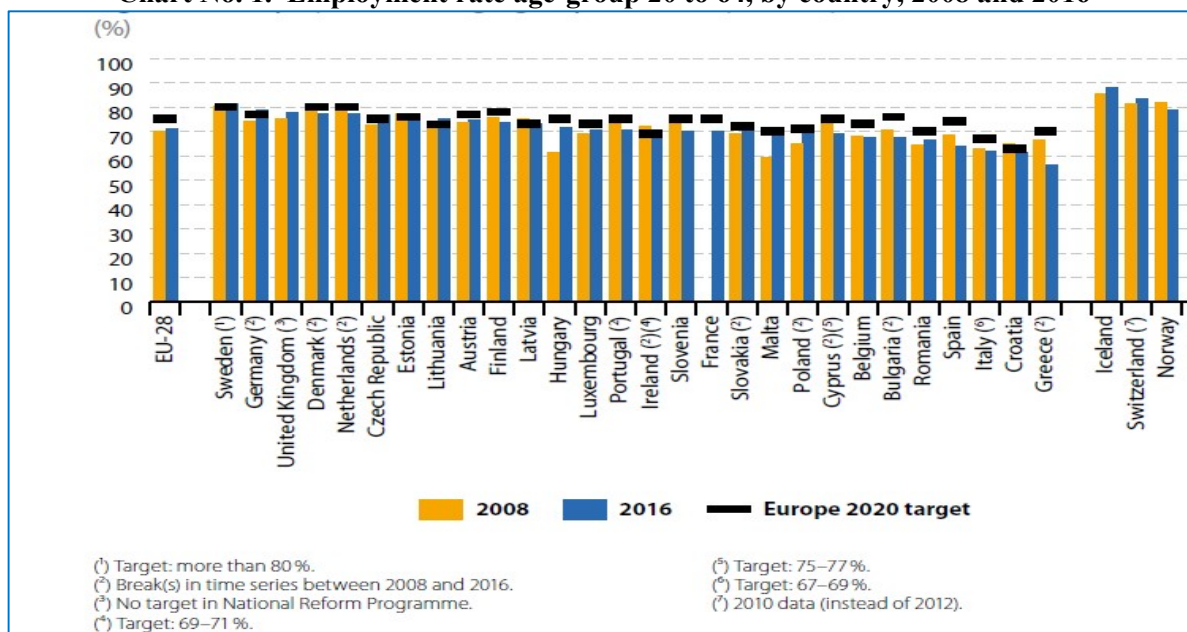
<sup>4</sup> Commission staff working document, Country Report Lithuania 2018.

<sup>5</sup> Commission staff working document, Country Report Lithuania 2018.

<sup>6</sup> <http://www.oecd.org/els/emp/ppt-of-review-of-Labour-Market-and-Social-Policies-Lithuania.pdf>

groups, in particular those who do not have relevant skills or have other difficulties integrating in the labour market.

**Chart No. 1. Employment rate age-group 20 to 64, by country, 2008 and 2016**



Source: <http://ec.europa.eu/eurostat/documents/3217494/8113874/KS-EZ-17-001-EN-N.pdf/c810af1c-0980-4a3b-bfdd-f6aa4d8a004e>

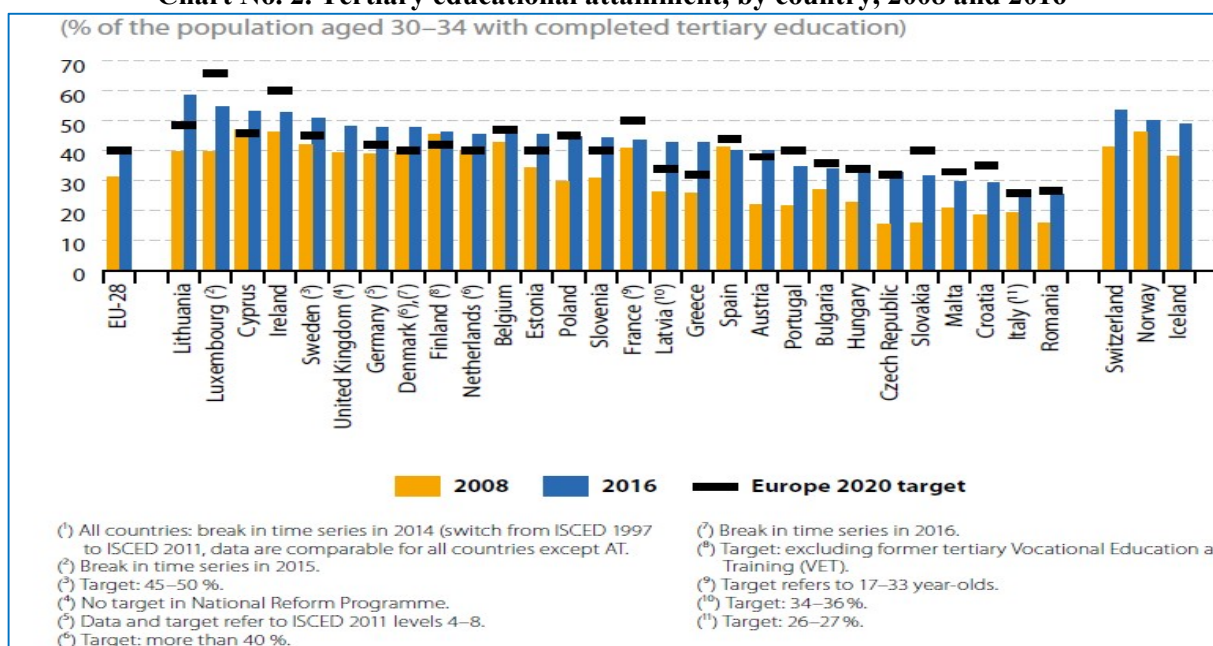
While starting from a relatively low level in the EU context, still wages are rising in Lithuania. The average gross monthly earnings in 2016 increased by 7.9% up from 2015 and the minimum monthly wage has increased significantly. However, wage gaps with other European countries are closing too slowly to suggest that emigration will decline soon. Income inequality is also very high and the poorest households have seen little improvement in their living standards over the last years. In 2016, the income of the richest 20 % of the population was 7.1 times higher than the poorest 20 %. Lithuania is considered as one of the most unequal Member States in the EU<sup>7</sup>.

To some extent, skills mismatches and labour shortages can be linked to emigration, unfavourable working conditions and demographic trends (including ageing), but they also underscore the need to improve the quality and labour market relevance of Lithuania's education system. Employees' knowledge and skills do not always match employers' needs, even though Lithuania has one of the largest shares of 30-34-year-olds with a degree in the EU (see Chart No. 2). In higher education, the number of teachers and programmes, as well as the overall infrastructure, have failed to adjust to a falling number of enrolled students, which decreased by 16 % between 2013 and 2016. Low salaries and limited opportunities for professional advancement make teaching unattractive.

<sup>7</sup> <https://ec.europa.eu/info/sites/info/files/2018-european-semester-country-report-lithuania-en.pdf>



**Chart No. 2. Tertiary educational attainment, by country, 2008 and 2016**



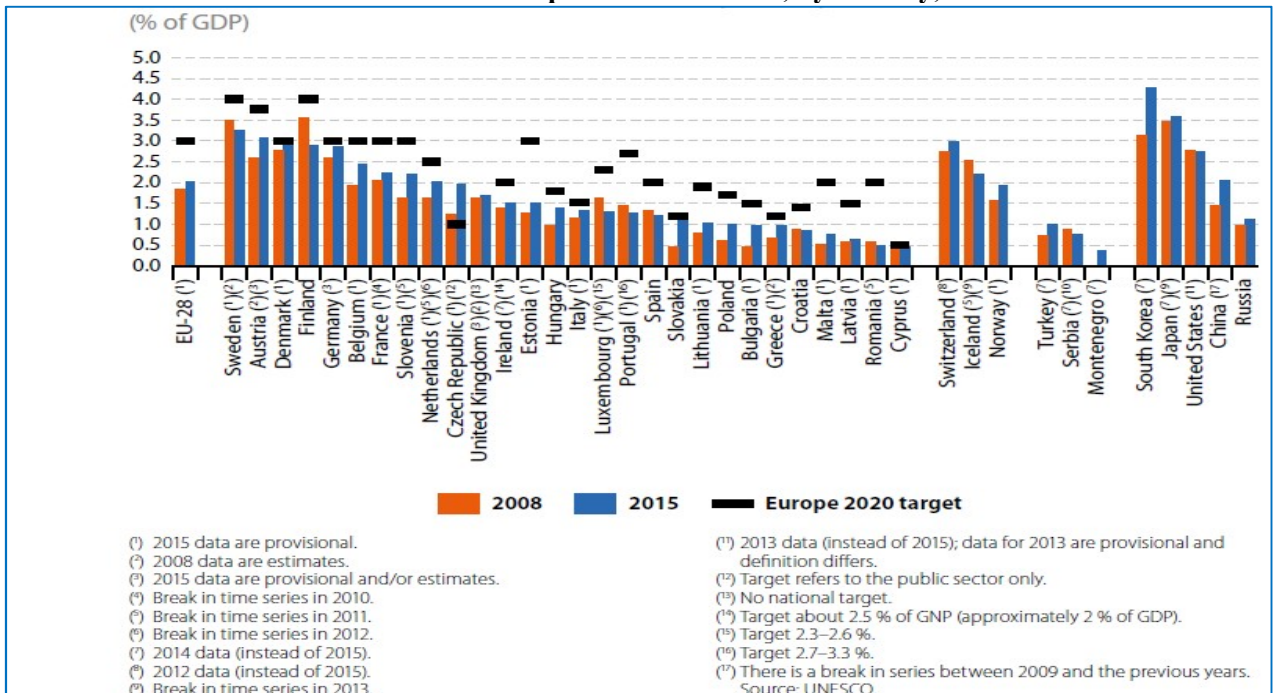
Source: Eurostat (<http://ec.europa.eu/eurostat/documents/3217494/8113874/KS-EZ-17-001-EN-N.pdf/c810af1c-0980-4a3b-bfdd-f6aa4d8a004e>)

Lithuania’s public expenditure on education, standing at 15.4 % of total general government expenditure in 2015, is above the EU average of 10.3 %<sup>8</sup>. However, high public investment in education is not reflected in the general education outcomes. Lithuanian 15 year-olds performed below the EU average according to Programme for International Student Assessment (PISA), and the number of pupils with low competences has increased since 2012. Reforms are under way to improve the attractiveness of the teaching profession as well as performance of whole higher education sector. However, efforts to increase the attractiveness of vocational education and training have had moderate effect.

The innovation environment improved significantly since 2010, especially in the areas related to the innovation in SMEs. However, significant challenges remain. In particular, the already low level of investment in R&D experienced a sharp fall in 2016. The governance of the innovation policy system remains fragmented at various levels, with multiple agencies and a variety of support schemes, including generous tax incentives which are still being underused. Fragmented coordination and governance of research and innovation policy lead to inefficiencies and prevent businesses from fully benefiting from the variety of support schemes. The on-going higher education reform is expected to address the low efficiency of the public R&D system and in this way increase public cooperation with businesses.

<sup>8</sup> Commission staff working document, Country Report Lithuania 2018.

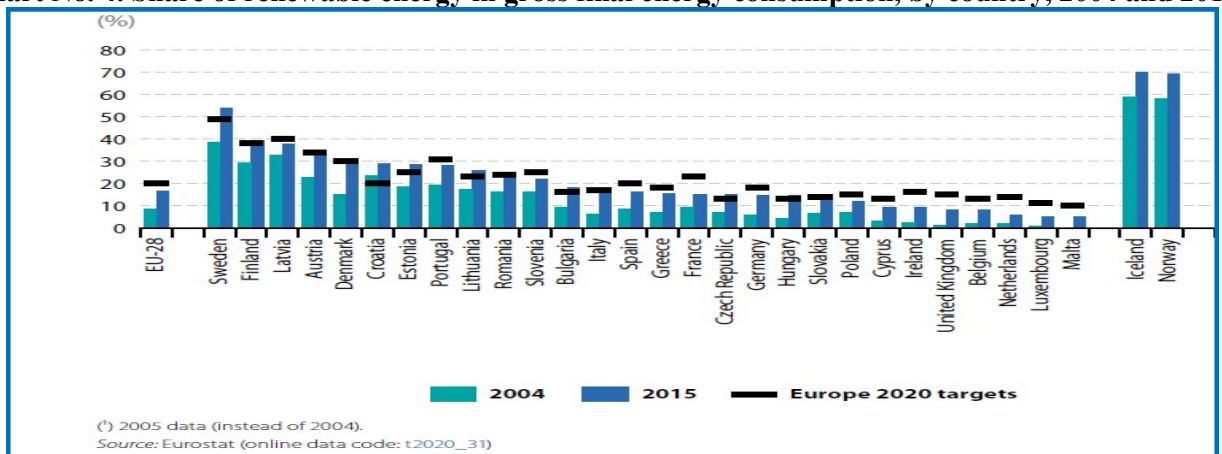
**Chart No. 3 Gross domestic expenditure on R&D, by country, 2008 and 2015**



Source: <http://ec.europa.eu/eurostat/documents>

Environmental challenges remain high. Lithuania continues to work on ensuring security of energy supply and competition on its energy market. The implementation of several gas and electricity projects connecting the region with neighbouring energy markets has diversified the Baltic countries' energy sources and brought overall lower prices. Energy-intensity in Lithuania is high making it one of the least energy-efficient countries in the EU and no much improvement is evident in these fields yet.<sup>9</sup> Lithuania's renewable energy share in gross final energy consumption was 25.6 % in 2016, above its 2020 target of 23 %. This good performance was driven mostly by the heating sector, where the share of renewables reached 46.5 %. The renewables share in electricity production reached 16.8 %. Lithuania is below the 2020 target of 10 % for renewable energy share in transport, with 3.6 % in 2016<sup>10</sup>.

**Chart No. 4. Share of renewable energy in gross final energy consumption, by country, 2004 and 2015**



Source: <http://ec.europa.eu/eurostat/documents>

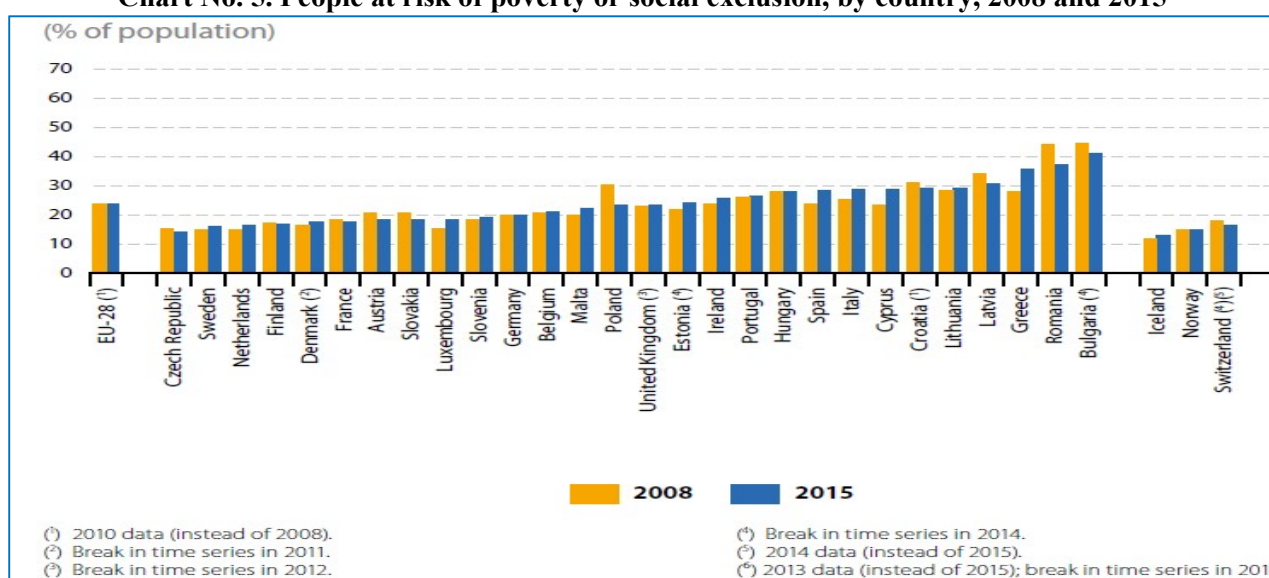
<sup>9</sup> 2016 OECD economic assessment of Lithuania, 2016,

<http://www.oecd.org/eco/surveys/Lithuania-2016-overview.pdf>

<sup>10</sup> Commission staff working document, Country Report Lithuania 2018.

Despite the solid gains in employment and upturns in remuneration, structural challenges persist. Unfortunately, the economic and employment growth did not translate into poverty reduction either. Lithuania lags behind regarding many indicators of well-being measuring the quality of life. Although the situation has improved somewhat in recent years, the poor overall situation raises concerns about the adequacy of the Lithuania's social measures. There is room for making social support and labour market institutions more effective at bringing jobless people back to labour market and reducing social inequality.<sup>11</sup> The at-risk-of-poverty or social exclusion rate is one of the highest in the EU (30.1 % in 2016, compared to 23.4 % EU average) with the unemployed, single parent households (mainly headed by women), the disabled and the elderly mostly affected. Reforms to increase monthly state supported income is underway. First step has already been made and assistance has been increased from EUR 102 to EUR 122 for the first time since 2008. Also, a universal child benefit scheme was introduced in 2018, allowing low-income earners to fully benefit from child support. The at-risk-of-poverty and social exclusion rate for children under 18 is significantly higher than the EU average (32.4 % compared to 26.4 % in 2016)<sup>12</sup>.

**Chart No. 5. People at risk of poverty or social exclusion, by country, 2008 and 2015**



Source: <http://ec.europa.eu/eurostat/documents>

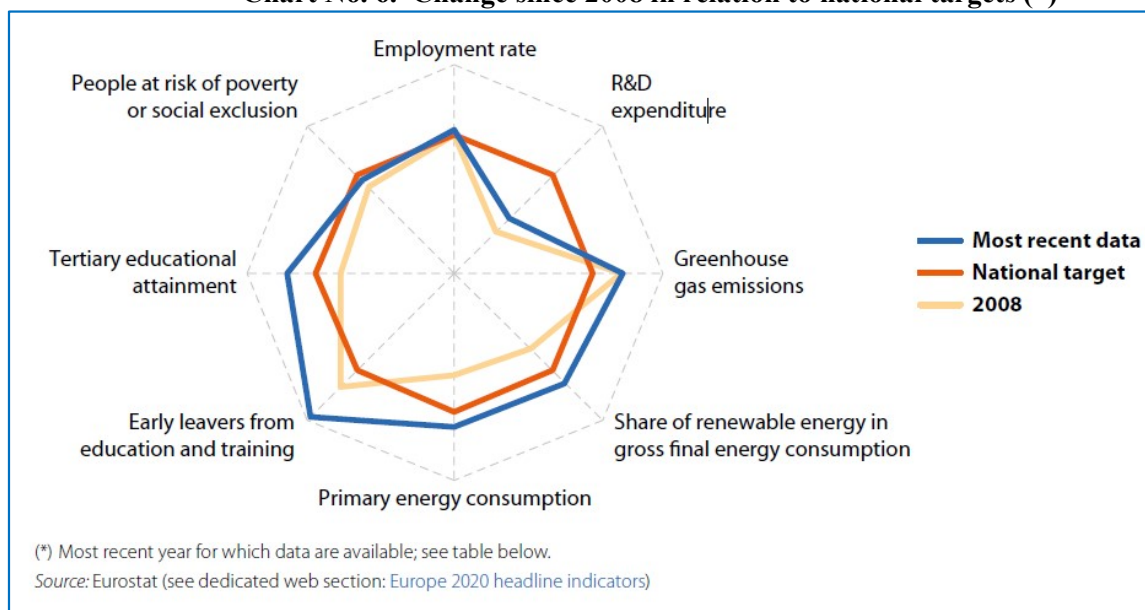
Summing up, in 2016, Lithuania had by far the highest share of 30 to 34 year olds with tertiary education in the EU (58.7 %) and exceeded its national target by 10 percentage points. In addition, its share of early leavers from education and training was almost half the EU rate and well below the 9 % national target. Notable progress has also been made on climate change and energy. By reducing its GHG emissions in non-ETS sectors by 9.9 % between 1990 and 2015, Lithuania has stayed well below its target to limit emission increases to 15 %. The country had also exceeded its renewable energy and primary energy consumption targets by 2015 for a second and fourth consecutive year, respectively. After a sharp drop in its employment level between 2008 and 2010, the rate climbed up again and in 2016 Lithuania surpassed its Europe 2020 goal by 2.4 percentage points. The country was also close to meeting its poverty reduction target by lifting around 857 000 people out of the risk of poverty and social exclusion between 2008 and 2015. In terms of R&D expenditure, a gap of 0.9 percentage point remains to be closed for the target of 1.9 % of GDP to be reached<sup>13</sup>.

<sup>11</sup> <http://www.oecd.org/eco/surveys/Lithuania-2016-overview.pdf>

<sup>12</sup> Commission staff working document, Country Report Lithuania 2018.

<sup>13</sup> <http://ec.europa.eu/eurostat/documents>

**Chart No. 6. Change since 2008 in relation to national targets (\*)**



**Table No. 1. National Europe 2020 indicators: most recent data and targets**

	Data	Year	Target
Employment rate age group 20–64 (%)	75.2	2016	72.8
Gross domestic expenditure on R&D (% of GDP)	1.04 (1)	2015	1.9
Greenhouse gas emissions in non-ETS sectors (% change since ESD base year)	- 9.9 (1)	2015	15
Share of renewable energy in gross final energy consumption (%)	25.8	2015	23
Primary energy consumption (million tonnes of oil equivalent)	5.8	2015	6.5
Early leavers from education and training (% of population aged 18–24)	4.8	2016	9 (2)
Tertiary educational attainment (% of population aged 30–34)	58.7	2016	48.7
People at risk of poverty or social exclusion (thousands)	857	2015	814

(1) Provisional data.  
(2) National target: less than 9%.

Source: <http://ec.europa.eu/eurostat/documents/3217494/8113874/KS-EZ-17-001-EN-N.pdf/c810af1c-0980-4a3b-bfdd-f6aa4d8a004e>

### EEA Grants contribution to the national social-economic cohesion development

In total 7 programmes in Human and Social Development<sup>14</sup>, Cultural heritage and diversity<sup>15</sup>, Civil Society, Environmental Protection and Management<sup>16</sup> sectors (also Technical Assistance (TA) and National Bilateral Fund (NBF)) were financed from the EEA Grants 2009-2014:

<sup>14</sup> 2 programmes were financed in Human and Social Development sector:

- LT05 “Children and Youth at Risk”
- LT08 “EEA Scholarship Programme”.

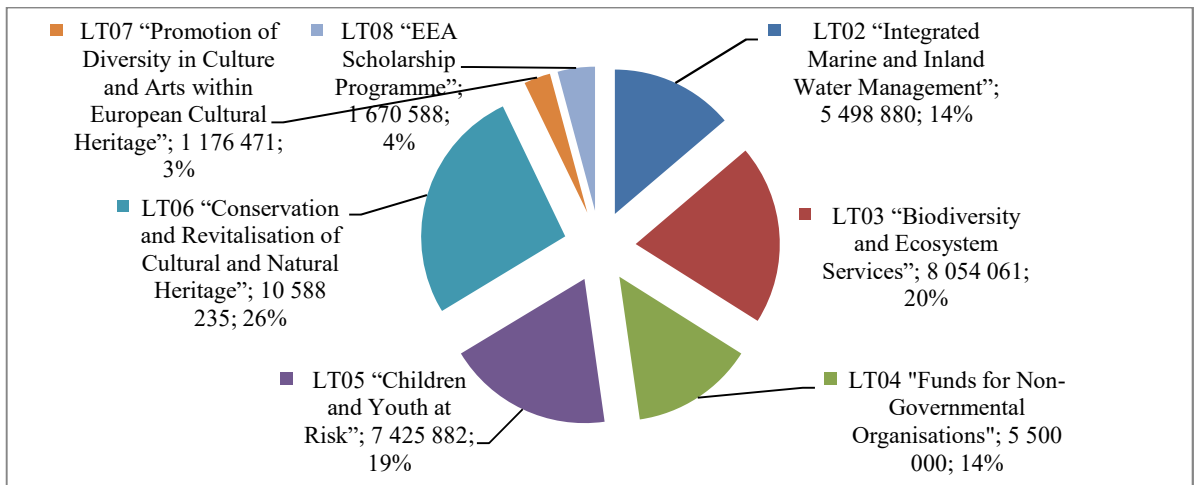
<sup>15</sup> 2 programmes were financed in Cultural heritage and diversity sector:

- LT06 “Conservation and Revitalisation of Cultural and Natural Heritage”
- LT07 “Promotion of Diversity in Culture and Arts within European Cultural Heritage”.

<sup>16</sup> 2 programmes were financed in Environment protection and Management sector:

- LT02 “Integrated Marine and Inland Water Management”
- LT03 “Biodiversity and Ecosystem Services”.

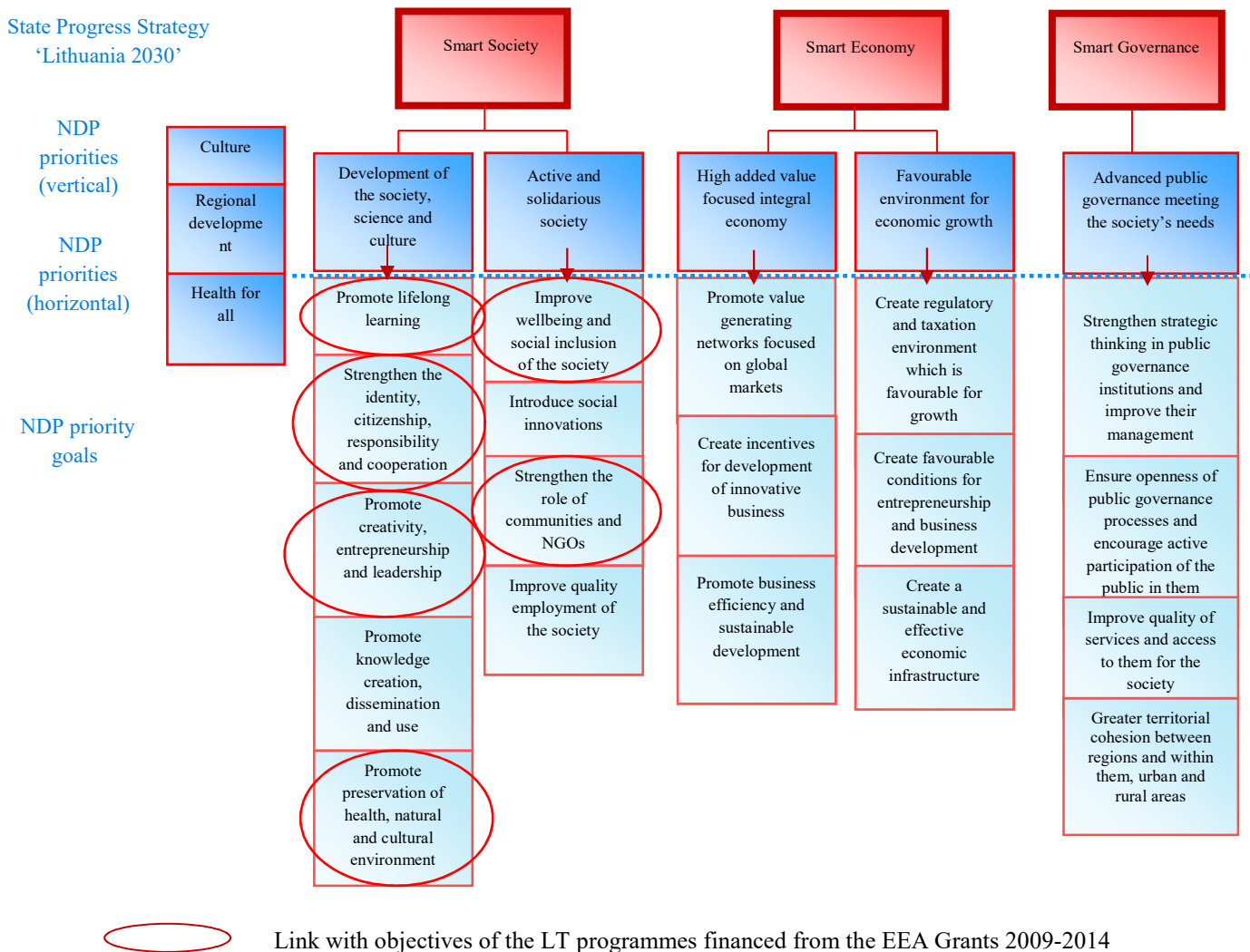
**Chart No. 7. EEA Grants programmes (grant and national co-financing, Euros)**



Source: MoU.

The funding from EEA Grants supplemented national budgetary allocations and EU funds and contributed to the above mentioned Lithuania’s medium and long-term national development strategies as well as sectoral ones (see Chart No. 8).

**Chart No. 8. Lithuania's Progress Strategy, Priorities, Goals and link with EEA Grants Programmes**



The high relevance of the programmes financed from the Grants in terms of both national strategic agenda and the needs of the target groups, i.e. interventions of programmes fully corresponded to the directions for national strategic development and the needs of the target groups indicated in general and sectoral national strategic documents or the need to comply with the country's international commitments or uphold international standards was also concluded by external experts<sup>17</sup>.

It could be observed that due a big number of rather small financial scale programmes the investments of the EEA Grants were not sufficiently concentrated and therefore had limited prospect to produce substantial change at the national level. However, as the choice regarding the programmes to be financed during the MoU negotiation stage was based on the most pronounced need for financial support in specific areas that were not covered by other financial instruments, quite significant and appreciable effects were achieved in

<sup>17</sup> Summary of the report on interim evaluation of the implementation of EEA and Norwegian financial mechanisms 2009-2014, 25 August 2016, BGI Consulting (interim evaluation commissioned by the NFP), p. 5. <http://finmin.lrv.lt/en/financial-assistance/the-european-economic-area-and-norway-grants/eee-ir-norway-grants-2009-2014-period/monitoring-of-financial-mechanisms-implementation>

the selected sectors. The external experts<sup>18</sup> concluded that programmes that were more concentrated and focused on narrow problems and making a difference for a specific target group („niche” programmes) had a significant impact and led to real changes in the relevant areas (e.g. LT05 programme has contributed to the improved services and their accessibility for children and youth at social risk as well as has bridged the gap in the services for child victims of sexual abuse and exploitation; the LT06 programme has been a major contributor to the rehabilitation of wooden CHBs and ethnographic villages;).

### **Environment Protection and Management**

The considerable allocation of European Structural and Investment Funds (ESIF), in total 2,9 billion EUR during 2007 - 2020 for environment emphasizes that the environment is an important national priority. Despite that, the EEA Grants assistance (**Programmes LT02 and LT03**) was of great importance whereas covered the fields not covered by the other means and where some important results in terms of tools developed for environmental status assessment and prediction as well as management of protected areas were produced. One has to admit that these measures were small in scale and could not have a considerable positive impact nationwide, but should be considered as pilot activities paving the way for larger scale interventions financed from other sources instead. Experience acquired will streamline implementation of the future projects.

Being a member of EU means not only a possibility to access the Structural and Investment Funds. It also means that the water resources had to be managed in accordance with respective EU directives – first of all the Urban Wastewater Directive 91/271/EEC and the Water Framework Directive 2000/60/EC (WFD)<sup>19</sup>. The monitoring data showed that 51 per cent of rivers and 40 per cent of lakes in Lithuania do not meet the requirements of good ecological status. None of the transitional and coastal water bodies meets these requirements either. **Programme LT02** facilitated the development of measures for improvement of the status of marine and inland water bodies. The new and additional data has been collected and new methods have been tested. Findings are being incorporated into strategic environmental documents and legal acts. However tangible improvement in the status of water bodies will show only in mid- and longer perspectives and the success will heavily depend on integration of environmental aspects into other sectoral policies and cooperation between various ministries and institutions. The possession of the up-to-date reliable data on the state of environment in general and inland and marine waters in particular allows the researchers to determine the trends and to provide the authorities with scientific advice regarding the decisions which should be passed at government level in order to avert negative developments, if any. The LT02 Programme helped to build the knowledge base by collecting broad range of environmental status monitoring data and demonstrated at pilot scale practical measures on how to manage the water quality by means of selected pilot projects. Moreover, the programme has facilitated the implementation of additional, costly public monitoring studies that do not have sufficient national funding and are necessary for compliance with EU and other international requirements. The data collected within **Programme LT02** will be effectively used in drafting the second generation River Basin Districts (RBD) plans and implementing the measures identified in the current RBD plans. The financing for the latter mostly comes from the measure “Improvement of the Status of Water Bodies” of the EU Structural and Investment Funds for the period 2014-2020. Achieved results contributed to compliance with other international commitments, e.g. a system for control of discharge of ballast waters from the ships. Besides this, Programme results were used in drafting certain legal acts, e.g. on use and management of ponds (artificial water bodies), questionnaire for inspection of operational hydro-power plants, methodology for assessment of damage on ornitofauna caused by fluctuations of water level in reservoirs, update of relevant parts of the Environmental Impact Assessment Law.

Despite active preparation and implementation of various sets of measures, plans and programmes, which were and/or are integrated into Water Sector Development Programme for 2017–2023 and Action Plan for Implementing the Water Sector Development Programme 2017–2023, still many challenges are faced in management of marine and inland water as Lithuanian marine area covers about 1,5% of Baltic Sea area,

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<sup>18</sup> Final evaluation report on the implementation of EEA and Norwegian financial mechanisms 2009-2014, 12 April 2018, ESTEP (final evaluation commissioned by the NFP), p. 112. <http://finmin.lrv.lt/en/financial-assistance/the-european-economic-area-and-norway-grants/eee-ir-norway-grants-2009-2014-period/monitoring-of-financial-mechanisms-implementation>

<sup>19</sup> An integrated river basin management directive.

which ecosystem is one of the most unique marine ecosystems on Earth<sup>20</sup>, and even 4% of the country's territory are covered by inland waters.<sup>21</sup> Therefore, input of **LT02 programme** in marine and inland water management development in Lithuania is considered as significant. A great while, the marine and inland water quality issues were not on the top of political agenda and were hardly recognized by decision makers in other sectors. Hopefully, the EEA Grants contribution will provide the highest level decision makers tools in changing that situation.

The National Environmental Strategy adopted yet back in 2015, sets out long-term objectives for the period until 2030 and a vision of Lithuania's environment until 2050. This Strategy covers four priority environmental policy areas, including the sustainable use of natural resources and waste management, environmental quality improvement, preservation of ecosystem stability, and mitigation of and adaptation to climate change. As well, Lithuania ratified Paris Agreement on new targets on climate change and Lithuanian Government renewed National Inter-Institutional Plan for Climate Change Policy Management in 2016. Beside this, **LT03 programme** contributed to range of purposes set out in 2016 by approving the national objectives for conservation of natural habitats of Community interest and supplementing National Plan for Landscape and Biodiversity Conservation for 2015–2020 with specific requirements for development and public support for landscape conservation projects and supplementing National Plan for Landscape and Biodiversity Conservation for 2015-2020 with priority criteria for development of public infrastructure for visitors in protected areas, as well as for infrastructure for ecological education.<sup>22</sup>

Given the limited scope of Programme LT03 in comparison with activities financed by ESIF, the impact of the achieved results on surface may seem modest. Nevertheless, importance of achievements should not be downplayed, as the implemented projects were well targeted to address the specific problems and served as a demonstration of good practice on how to maximize results with limited funding available and set the example for replication using alternative sources of funding elsewhere. The data obtained during the Programme implementation is used in decision making in designing measures for better protection of biodiversity and implementing international commitments. Taking over the Norwegian experience, new mechanisms and measures for the conservation of biodiversity and the improvement of its status were piloted in Lithuania for the first time. They proved to be successful and continue to be used by those involved in the activities. Moreover, new measures have helped to change the attitude of local communities to the benefits of and the need for biodiversity conservation measures.

Undoubtedly, both **LT02 and 03 programmes** strongly contributed to the implementation of the Lithuanian and EU legislation as well as to achievement and consolidation of the sustainable results in the supported environmental areas.

### **Human and social development**

Human and social development priority also received considerable allocation of ESIF during 2007 – 2020 to tackle most prominent challenges of the sector. In addition to EU funds, the **Programme LT05** addressed objectives set out in national development strategies in the field of the protection of children and youth welfare (such as the Child Well-Being Programme for 2013-2018, the National Youth Policy Development Programme for 2011-2019 and the National Programme for the Prevention of Violence against Children and Assistance for Children for 2011–2015) also were in line with the Lithuanian international commitments under the Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse. Due to well-targeted and focused interventions, Programme LT05 has significantly contributed to the improved services and their accessibility for children and youth at social risk as well as has bridged the gap in the services for child victims of sexual abuse and exploitation. The first and only specialised centre for child victims of sexual abuse and exploitation providing specialised and integrated services is now operational and accessible for needs from all the country. In addition, between 2014 and 2017, the programme financed around 10% of the development of the network of child and youth day care

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<sup>20</sup> Lithuanian fund for nature. Baltic sea. <http://www.glis.lt/?pid=20>

<sup>21</sup> Eurofish. Overview of the Lithuanian fisheries and aquaculture sector. <https://www.eurofish.dk/index.php/member-countries/lithuania>

<sup>22</sup> EEA grants LT03 programme annual report 2016.



centres (eight new centres for children, seven new youth centres, and five new centres for children and youth). Some of the new child day care centres set up under the programme are in municipalities that needed them the most, including districts of Šiauliai, Ignalina and Utena, and the city of Alytus. Moreover, the programme also improved conditions in 23 existing day care centres - now they offer more services, more spaces and more room for accommodation. During the implementation of the programme, it was decided that day care centres could be attended by all children and young people, regardless of whether they are at risk, in order to promote children's mutual understanding, tolerance and integration into society. Prior to the implementation of the programme, child day care centres were attended by around 23% of children at social risk, now the rate increased to around one third. Some projects have brought unexpected benefits for communities and centres, for example a youth park and creative workshop, a community family club, a training programme for family mentors established, a dialogue between different generations (seniors and youth) facilitated and increased involvement of young people in volunteering.

The education sector attracted significant investment during the programme implementation period. Most funds were allocated under the Human Resource Development Operational Programme 2007-2013 priority "Lifelong Learning" (€7.4 billion between 2008 and 2017). Investments were also made under programmes of the European Territorial Cooperation Objective 2007-2013 and programmes of the European Neighbourhood and Partnership Instrument. A number of education related strategies, legal acts, qualification requirements for heads of state and municipal educational institutions and teachers professional development were developed seeking to apply new and more innovative approach in Lithuanian educational sector, increase attractiveness of teacher's profession as well as make pre-school education obligatory.

Despite the attempts made to increase better performance indicators in educational sector, Lithuania is still lagging behind many EU countries according to the share of adults (25-64 years old) engaged in lifelong learning. In 2015, only 5.8 percent of population took part in adult learning, which was significantly lower compared to the EU average of 10.7 percent (Eurostat data). Performance of Lithuanian pupils in international test according to OECD Programme for International Student Assessment (PISA) in reading, mathematics and science are not improving almost ten years in a row.<sup>23</sup>

**Programme LT08** was of extremely small scope and not sufficiently focused, i.e. the range of supported activities was very broad, including strengthening general and professional skills, sharing knowledge and collaboration, modelling and application of models, applying research to the development of curriculum, consultation, etc. All this made it difficult to expect a significant impact on education at national level. Nevertheless, the programme has made a major contribution to dealing with small issues in adult education, pre-school education, general education and vocational training sectors and increasing the international dimension of institutions in these sectors. Hopefully, with the help of experience acquired by the educational institutions of Norway, Iceland and Liechtenstein and the results achieved by working jointly - the publications prepared, new methods implemented, or by improving the qualification of the employees, more incentives for modernising different spheres of education and improving the pupils' achievements will appear.

### **Cultural heritage and diversity**

The cultural heritage sector is an area where the EEA Grants really made a difference. Located at the crossroads of east and west, Lithuania is characterized by diverse cultural heritage that reflects its complex history and identity. According to the official statistics<sup>24</sup>, there are 16 191 immovable cultural heritage objects in Lithuania of which 6 060 have status of state protected objects. Unfortunately, limited financial capacities of the country and low public awareness of cultural heritage importance result in great losses and untapped potential. Quite for a period<sup>25</sup>, the EEA Grants remained the only available source of funding in addition to state budgetary assignments aimed at raising of cultural awareness and sociocultural integration of wider public thus strengthening identity, citizenship, cooperation as well as responsibility in using the items being restored for cultural, social and/or economic needs of the modern society and/or local

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<sup>23</sup> Source: PISA

<sup>24</sup> LT06 Final Programme Report

<sup>25</sup> Situation has changed in recent years, as from 2014-2020 ESIF period 87 million EUR was allocated to aimed at preservation of cultural heritage and its adaptation for public and tourism needs.

communities. Furthermore, the long-term programme for preservation of cultural values provides not only for the preservation and, where possible, restoration of the most significant cultural values, but also linking the protection of cultural heritage with public cultural needs and encouraging the public to take interest in cultural values, their fostering and exploration.

**Programme LT06** interventions were relatively concentrated; their results have an intrinsic value, as contributing to the preservation of cultural heritage (in particular immovable wooden cultural heritage, which has relatively lower funding from other sources). In this context, the Programme LT06 interventions have created tangible benefits for the direct target groups – operators and owners of cultural heritage objects as well as to conservationists, also a tangible impact on the public as a wider target group was also identified. Besides its direct impact – restored cultural heritage values, implementation of Programme LT06 in many cases indirectly contributed to the objectives of the Programme by providing considerable attention to traditional craftsmanship which is not only important in respect of preservation of the crafts, but will also have an effect to the economic situation of people in this line of work as well as to the perfection of their professional skills. The wider impact of the Programme is related to added value in regional development, tourism and local business.

**The LT07 Programme** also contributed significantly to the development of the cultural heritage and diversity sector in Lithuania and was dedicated to the cultural exchange, specifically targeting regions outside the more developed biggest cities and prioritised national minorities; therefore it directly contributed to the diminishing of sociocultural inequalities in Lithuania and promoted creativity and cooperation. Programme provided people with greater access to the culture, in particular to contemporary arts, as well as contributed to the stronger international cultural cooperation between cultural players. Additionally to its direct aim, the programme by attracting people from socially excluded and disadvantaged groups, to events making them free of charge, contributed to the social inclusion; directly engaging the young people into the projects activities expanded their horizon and raised self-confidence; promoted tolerance between local community member and motivated being an active citizens.

### **Civil society**

Lithuania has taken important steps forward in developing the needed legal and policy framework to modernise its public administration, improve efficiency and effectiveness, and support accountability and transparency to establish as such a context for citizens to engage in the public policy-making processes. With all the improvements, the civic sector in Lithuania still remains fragmented, lack with one single official register and NGOs are challenged by low public participation in addition to limited administrative and financial resources<sup>26</sup>. Despite a group of continuously active NGOs and individual civic activists, civic activeness in Lithuania was declining for several years in row and a little increase is observed only in 2016. According to the data available Civic Empowerment Index in 2015 was 33.4 out of 100 (34 and 36 in 2014 and 2013 accordingly, 37 in 2016)<sup>27</sup>. A majority Lithuanians reported being engaged in some sort of civic activity, but this is mostly high-profile, national level nongovernmental initiatives, such as food drives and environmental clean-ups, while 34% did not participated in any of civic actions.

Until 2014, NGO sector was lagging clear legislation what was identified as one of the biggest handicaps for the positive development in the sector. Law on NGOs sector development has introduced a long awaited legal NGO definition as well as defined NGO collaboration with state institutions and involvement in decision making process.

Overcoming existing challenges and strengthening capacities of both individual organizations and the whole sector are essential for the Lithuania's NGO sector seeking to advocate the democratic values of civil society and participate in the government-citizen dialogue professionally. Despite all the intensive discussions in relation to the ESIF for 2007-2013 and 2014-2020, EEA Grants remained the biggest financial instrument directed at strengthening the NGOs and their role in political and social processes starting from 2004 and up until 2016. **Programme LT04** was very much concentrated on the core values such as democracy and good

<sup>26</sup> <https://freedomhouse.org/report/nations-transit/2016/lithuania>

<sup>27</sup> <http://www.civitas.lt/en/time-line/civic-empowerment-index-2015/>

governance, human rights, vulnerable groups, protection of environment and climate change, thus positive developments could already be observed in these selected areas. Taking on the best practices from Iceland, Liechtenstein and Norway provided an opportunity to further develop NGO capacity building and drive their activities for societal impact.

## 2.2 Bilateral relations

Existence of several different instruments (Donor Programme Partnership (DPP), National Bilateral Fund (NBF), programmes bilateral funds (PBF), partnership under projects) ensured that bilateral relations were increased and strengthened on different levels and even outside the immediate boundaries of the implementation of the Norwegian Financial Mechanism.

### Programme level bilateral co-operation

**Extent of co-operation.** 5 out of 6 EEA Mechanism programmes (LT02, LT03, LT06, LT07, LT08), operated by Lithuanian authorities, were developed and implemented with DPP(s). In total about 45% of projects financed from all 7 programmes were implemented with partner(s) from Island and Norway. In addition, PBF constituted a significant source of financing for search and development of partnerships also networking and experience-sharing initiatives in addition to those already planned in the projects (about 60 bilateral initiatives were implemented from PBF).

**Table No. 2. Implementation of PBF**

Programme	Funds allocated for the bilateral relations (Eur)	Disbursed to bilateral initiatives (Eur)	Disbursed to bilateral initiatives (%)	Bilateral initiatives
LT02	117 647	105 345	89,5%	1 bilateral initiative between PP and DPP (exchange visits and seminars, measure B)
LT03	309 635	228 483	73,8%	1 matchmaking event (measure A), 20 bilateral initiatives (measure B)
LT05	122 099	109 464	89,7%	1 matchmaking event (measure A), 13 bilateral initiatives (measure B)
LT06	158 823	155 520	97,9%	1 matchmaking event (measure A), 6 bilateral initiatives (measure B)
LT07	41 557	41 390	99,6%	12 project planning visits (measure A), 3 bilateral initiatives (measure B)
LT08	27 256	7 429	27,3%	4 project planning visits (measure A), 1 bilateral initiative (measure B)
	<b>777 017</b>	<b>647 629</b>	<b>83,3%</b>	

Source: Final Programme Reports, Final evaluation report on the implementation of EEA and Norwegian financial mechanisms 2009-2014, 12 April 2018, ESTEP

The highest project partnership level evidenced in LT07 and LT08 programmes, respectively 100% and 90% due to compulsory requirements<sup>28</sup>. In remaining programmes partnership level varied from 0% to 52%<sup>29</sup> due

<sup>28</sup> Due to challenges in finding partners, LT08 programme for 2<sup>nd</sup> call changed compulsory requirement to establish and sign partnership contracts to requirement have bilateral activities under project

to challenges in finding suitable or interested to co-operate partner (LT03, LT05) or due to specific set-up of programmes (LT02 had only 1 project promoter for both projects, considerable part of LT06 programme involved “hard” measures thus limited space for bilateral activities). It should be noted, that limitations in creation project level partnerships were effectively compensated by using PBF in all programmes except LT08 (less than third of available PBF used) mainly due to programme management and implementation shortages.

**Shared results.** DPP(s) role in programme design, implementation and monitoring varied: from very active and effective involvement (the programme design and its implementation in such cases may be considered a shared result) (LT06) to rather formal participation and no real needs demonstrated for a programme level partnership (LT02). There were also variations in reaching shared results in the projects<sup>30</sup> – from rather formal contribution to more active advisory role and implementation 10-25% project activities to equal partnership in development and implementation of the project (e.g. LT07). Some examples of excellent shared results: DPP’s experience in installing fishways directly applied in the project (LT02); several bilateral articles written and published (LT03); Support Centre for Child Victims of Sexual Abuse Center established based on Icelandic “Barnahus” model (LT05); all ten CHBs rehabilitated in cooperation with partners from Norway and Iceland (LT06); a dance performance “Godos”; mobile living history museum about Vikings (LT07); a physical fitness assessment methodology developed and planned to be applicable also in other than Lithuania countries (LT08).

**Improved knowledge and mutual understanding.** Each programme reported contribution to improved knowledge and increased mutual understanding in respective areas:

- increased general knowledge in Lithuania about the Donor Countries and its contribution in solving Lithuanian socio-economic challenges also in Donors Countries about implementation of mechanisms in Lithuania;
- increased mutually general knowledge about each country, its people, systems and institutions and culture;
- increased understanding about organisation and implementation of public services in respective areas in Donors Countries and best practises;
- opportunity to share innovative ideas or experiences.

**Wider effect.** The final evaluation observed<sup>31</sup> that bilateral co-operation in programmes produced even wider effects.

#### Wider cooperation:

- some POs and DPPs (e.g. LT06, LT07) still keep in touch and plan new joint initiatives;
- in the frame of Grants contacts and cooperation has been increased with other Beneficiary Countries implementing similar programmes (in areas of all programmes);
- number of project promoters reported about plans to continue cooperation with project partners (all programmes), professional network has been created (e.g. for wood craftsmen, LT06), wider cooperation at international level promoted (LT07, LT08);

#### Other effects:

- strengthened the overall capacity of the project promoters and partners, e.g. in the management of large, transnational projects, intercultural communication and the establishment of relations, may be used in new projects;

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<sup>29</sup> For more detailed information about number of projects with donor project partner(s) per programme, please refer to Annex 2 of the Report.

<sup>30</sup> According to survey made by external evaluators. Final evaluation report on the implementation of EEA and Norwegian financial mechanisms 2009-2014, 12 April 2018, ESTEP, <http://finmin.lrv.lt/en/financial-assistance/the-european-economic-area-and-norway-grants/eee-ir-norway-grants-2009-2014-period/monitoring-of-financial-mechanisms-implementation>

<sup>31</sup> Final evaluation report on the implementation of EEA and Norwegian financial mechanisms 2009-2014, 12 April 2018, ESTEP

- improved professional knowledge and technical competences and new approaches to work are useful for the implementation of projects and in broader operations at the organisation; opportunity to present useful experiences and broaden the horizon;
- contribution to the promotion of Lithuanian artists at international level (LT07).

**To summarise above**, the cooperation at programme and project level with some exceptions were rather extensive. Functioning of the Cooperation Committee (CC), bilateral indicatives financed from PBF and co-operation through partnership projects significantly reinforced mutual understanding, institutional and professional cooperation (not only between Lithuania and Donor Countries, but also with other Beneficiary Countries). Cooperation activities also made it possible to learn more about different practices and organisation of systems in respective policy areas in Donor Countries (and Lithuania) and materialized into a number of new technologies, products and services to be used for better performance in Lithuania. Some POs and number of project partners continue or plan to continue further cooperation even outside the Grants programmes. In addition, co-operation resulted in wider effects via strengthen knowledge and technical competences that could be applied and provide benefits to organisations in broader context.

Nevertheless, as the level and quality of achievements of bilateral objectives varied by programme, the external evaluators concluded that overall the effectiveness of the Financial Mechanism in fostering cooperation was considered average, as some programmes failed to fully exploit all the opportunities and the extent of cooperation was lower than expected. On the other hand, the relations set up in all the areas (even in those where cooperation was of a lesser extent) have brought tangible benefits – improved the project results or developed wider benefits beyond the framework of the programmes (see Table No. 3)

**Table No. 3. Evaluation of results of bilateral cooperation per programme**

PROGRAMME	EFFECTIVENESS	BENEFITS AND SUSTAINABILITY
LT02 “Integrated Marine and Inland Water Management”	low	average
LT03 “Biodiversity and Ecosystem Services”	average	average
LT05 “Children and Youth at Risk”	average	average
LT06 “Conservation and Revitalisation of Cultural and Natural Heritage”	average	average
LT07 “Promotion of Diversity in Culture and Arts within European Cultural Heritage”	high	big
LT08 “EEA Scholarship Programme”	average	big

Source: Final evaluation report on the implementation of EEA and Norwegian financial mechanisms 2009-2014, 12 April 2018, ESTEP<sup>32</sup>, <http://finmin.lrv.lt/en/financial-assistance/the-european-economic-area-and-norway-grants/eee-ir-norway-grants-2009-2014-period/monitoring-of-financial-mechanisms-implementation>

According to external evaluators methodology and observations, LT07 received the highest rating **as regards effectiveness of co-operation** among EEA grants programmes. LT07 allocated a relatively large share of the funds to cooperation and implemented intensive cooperation activities (the partnership was very successful at both programme and project level). As many as four programmes were rated as average. The LT06 programme created many formal project partnerships. The extent of formal partnership in LT03, LT05, programmes was not very high (because of the small number of projects and project promoters), but wider

<sup>32</sup> Aggregated results of evaluation against the following criteria:

- Effectiveness of bilateral cooperation (1. Cooperation financing scale; 2. Intensity of cooperation (formal partnerships (at programme and project levels) and other cooperation activities): high performance / average performance / low performance;
- Benefits and continuity of bilateral cooperation (1. Benefits of cooperation for the implementation of the programme; 2. Benefits of cooperation for mutual understanding and knowledge: greater knowledge of Lithuania; 3. Continuity of cooperation and benefits for establishing wider connections; 4) Wider initiatives): big benefits/ the average benefit/ little benefit;

cooperation was secured by PBF and complementary action. The LT08 programme built a lot of formal project partnerships, but failed to actively and effectively use the funds of PBF and complementary actions. The low effectiveness of LT02 programme was a result of a small number of organisations involved in the programme (only one project promoter as well as limited opportunities for other organisations to carry out PBF-funded activities).

The **overall benefits and sustainability of cooperation** within the framework of the Financial Mechanism were evaluated as higher than average. LT07 programme also lead with regards this aspect - artistic products were created in cooperation, which allowed partners to establish contacts and maintain them after the completion of the programme. Cooperation under the LT08 was also very beneficial, even though the extent and intensity were not that high. The benefits and sustainability of cooperation under the remaining three programmes (LT03, LT05, and LT06) were rated as average. The lowest score was given to the LT02 programme. Cooperation with the Norwegian partner made a small direct contribution to the project results, but created wider benefits: the knowledge gained has been adapted to broader operations of the project promoter (Environment Protection Agency) and is used in planning and implementing water status improvement measures.

### **National Bilateral Fund (NBF)**

NBF, designed to be implemented via financing of pre-defined activities, travel reimbursement scheme and open call for ideas, aimed to provide a platform for increasing mutual political, professional and academic relations in areas considered to have a cross-sector effect and is complementary to the agreed programmes. Until the eligibility deadline 287 220 Eur (68%) funds out of 420 000 Eur<sup>33</sup> million was used (4 383 Eur under the travel reimbursement scheme and 282 837 Meur for 7 pre-defined projects).

**In 2017**, the following initiatives were implemented:

*Predefined Project* „Promotion of transnational cooperation among the State Labour Inspectorate of the Republic of Lithuania and National Labour Inspection Authority of the Kingdom of Norway and sharing of best practices to enhance the activities promoting decent work” (Budget 9 228 Eur, Promoter: State Labour Inspectorate of the Republic of Lithuania, partner: Norwegian Labour Inspection Authority). Main result – partnership agreements between both authorities signed, background for further co-operation established (continuation of co-operation materialised in new Grants period via pre-defined project under Social Dialogue - Decent Work programme).

*Reimbursement*: cost of travel of 3 persons (Ministry of Justice, National Courts Administration, General Prosecution Office) to participate in experts meeting in Oslo with Norwegian partners to discuss potentials for co-operation in new period of Grants were covered.

*Open call* (about 125 000 EUR to promote bilateral research co-operation) was not announced due to lack of administrative capacities as well as specific sectoral knowledge at the NFP. Instead, a pre-defined project on awareness raising social campaign inviting not to tolerate bullying was planned however not contracted, as Project Promoter has not prepared an application.

No initiatives were financed in 2018 year.

**As a result**, NBF provided for the implementation of cooperation initiatives and the establishment and strengthening of partnerships beyond the scope of the programmes. The NBF projects facilitated research as well as academic and political debate on energy security, democratic institutions, gender equality and human rights. It also identified policy implementation issues and provided concrete solutions and tools to address them (e.g. projects “Gender Equality Implementation in Research Institutions – Collaborative approach (GEIRICA)” and “Energy security in the Baltic Sea region” created added value not only to the academic community, but also to public policy at the higher levels (the EU, the Baltic Sea region)). Moreover, many

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<sup>33</sup> The NBF was financed from both – EEA and Norway grants according to the rate 45,7143:54,2857

projects also contributed to the Lithuanian Presidency of the EU Council in 2013. The final results of the NBF are presented the Table No. 4.

**Table No. 4. Results of NBF**

Dimension	Results
<b>Extent of cooperation</b>	<ul style="list-style-type: none"> <li>• 5 of 7 projects had official partners from the donor countries, while the other two chose informal cooperation;</li> <li>• the projects involved 14 institutions from Lithuania and the donor countries (two institutions participated in two projects): educational institutions, NGOs and public institutions;</li> <li>• 6 partnership agreements in the public sector were concluded;</li> <li>• 18 events organised;</li> <li>• visits to the donor countries and to Lithuania (45 participants in total).</li> </ul>
<b>Shared results</b>	<p>Partner's role in creating the result:</p> <ul style="list-style-type: none"> <li>○ partners played an equal role in the NBF projects and were involved in most activities.</li> </ul> <p>Other shared results:</p> <ul style="list-style-type: none"> <li>○ bilateral articles;</li> <li>○ one joint scientific article.</li> </ul>
<b>Improved knowledge and mutual understanding</b>	<ul style="list-style-type: none"> <li>• Improved knowledge of project promoters/partners about practices applied in the donor countries/Lithuania at project and activity levels.</li> <li>• Improved knowledge about the countries (five articles about the other partner country were written and published within the framework of two projects).</li> </ul> <p>Target groups in Lithuania whose knowledge has increased:</p> <ul style="list-style-type: none"> <li>○ project promoters/partners;</li> <li>○ academia;</li> <li>○ politicians;</li> <li>○ public sector institutions and organisations;</li> <li>○ civil society, NGOs and general public.</li> </ul>
<b>Wider effects</b>	<p>The projects paved the way for wider professional and international cooperation initiatives:</p> <ul style="list-style-type: none"> <li>• three professional networks between Lithuania and the donor countries were created and launched;</li> <li>• project partners from Lithuania and the donor countries joined a European/international network;</li> <li>• four joint actions were initiated at international level.</li> </ul>

*Source: Final evaluation report on the implementation of EEA and Norwegian financial mechanisms 2009-2014, 12 April 2018, ESTEP, Project reports*

**Lessons learned.** Establishment of bilateral objective as a separate together with several instruments (DPP, CC, PBF, NBF) provided for that adequate attention and efforts was allocated in considering and achieving it. After summarising results and benefits achieved, it could be argued that in some programmes the availability of bilateral cooperation and Donor Country expertise was by no means less valuable as additional financing to solve most prominent problems in the programme areas in Lithuania. However, there were some issues and challenges experienced and consequently some lessons learned could be formulated for even higher achievements towards this objective in future:

General:

- A clear goals or overall strategy for the implementation of the objective of bilateral cooperation in general and in programmes were missing.
- A number of new however poorly defined cooperation promotion and financing instruments (NBF, PBF, Complementary actions, possibility to finance bilateral activities from programme management costs) caused some confusion at the launch of the Financial Mechanism, but the practice showed that the

creation of separate and targeted sources helped to establish more relations and partnership projects. On the other hand, the distribution of resources available for cooperation into separate funds and measures created additional confusion and administrative burden.

- Tendency of national authorities or implementing bodies to over-regulate or over-control created additional obstacles and decreased attractiveness of co-operation at all levels.
- Adequate indicators were missing to properly measure effects of the cooperation.

NBF, a new instrument, proved to be very useful as it provided the opportunity to implement relevant initiatives of bilateral cooperation with sustainable products outside the Grant programmes, however, it was not exploited to full extent, as:

- there was no clear strategy how to use funds in the most effective way and selecting (initiate, develop) the best bilateral initiatives was missing. This could be solved while strengthening strategic planning and involving in decision making all relevant for bilateral relations national and donors authorities in a more formalised way and on a constant basis;
- approach to finance pre-defined activities proved to be rather successful in reaching tangible bilateral cooperation results as well as flexible in addressing both beneficiary and donors interests and rather simple for the NFP in administration. However, organisation and managing of open call for research co-operation were a challenge to the NFP due to the limited administrative resources and lack of specific sectoral knowledges. Possibility to delegate administrative functions (organising of calls, contracting, verification of expenditures and financial management) of the NBF to the competent body with relevant experience and resources would allow the NFP to concentrate on strategic planning and ensure smoother administrative processes.

#### Programme level:

- DPP and CC concept – a new method of working together proved its benefits, however had brought in some cases challenges at the initial stage due to not clear roles and different expectations how to develop and implement programme. The FMO, Norwegian Embassy and the NFP put efforts to facilitate this process, however not all risky cases were identified and addressed immediately. Some steps if were taken at the very early stage of implementation of the mechanisms, e. g. bringing the all involved institutions together for a discussion on substantial partnership issues and expectations could prevent from a number of misunderstandings and provided for smoother process.
- Different types and missions of the partners in the national systems also different legal practices and administrative culture negatively affected efficiency and effectiveness of bilateral cooperation. PO in Lithuania were mostly ministries – national level authorities, with main responsibilities of planning and control of respective policies and drafting of legislation. DPPs were sectoral implementing bodies.
- MCS assigned administrative and operational management of the PBF for POs. This created additional challenges and huge administrative burden for them as was not typical function of the ministries and required specific experiences and qualifications.

#### Project level:

- The most prominent risk related to achieving bilateral goals was to find a suitable project partner for potential project promoters. Among main factors to cause this the following could be identified: overall delays in programme development and consequently less time available for partnership development and implementation of the project discouraged interest of potential partners; Lithuanian promoters competed for partnerships with other Beneficiary Countries; no clear visions for objectives and benefits of the partnership; shortages or failures of partnership facilitation initiatives.
- Challenges posed by differences in management system and operating practices, including of expenditure eligibility requirements, in Lithuania and Donor Countries, as well as some cultural issues directly influenced the quality of cooperation.
- The success to achieve shared results depended on the ability of partners to mutually find new solutions that are appropriate for the context of Lithuania, since Donor Countries good practices and experiences in the organisation and implementation of public services were often not directly applicable.



## 2 REPORTING ON PROGRAMMES

### 2.1 Overview of Programme achievements

In total there were 7 programmes implemented within the EEA Financial Mechanisms in Lithuania. Six programmes were operated by Lithuanian national administrative bodies and the remaining one (LT04) was operated directly by the FMO through the selected Fund Operator - Human Rights Monitoring Institute (HRMI).

The implementation of programmes is considered successful. Overall effectiveness was quite high and many programmes achieved their intended aims, however impact of results achieved differs from programme to programme (see overview by external evaluators in Table No. 5). Programmes that were concentrated and focused on narrow problems and making a difference for a specific target group had a significant impact and made a difference in the area concerned. Two implemented programmes have led to real changes in the relevant areas: Programme LT05 has contributed to the improved services and their accessibility for children and youth at social risk as well as has bridged the gap in the services for child victims of sexual abuse and exploitation; the LT06 programme has been a major contributor to the rehabilitation of wooden CHBs and ethnographic villages.

Some programmes have created necessary conditions for change, but have not the change themselves due to several reasons: (i) more time is required to see any benefits of the results; (ii) some of the programmes have facilitated the improvement of policy outcomes, but to see their impact additional actions are needed. For example, the LT02 and LT03 programmes helped to collect data and identify effective environmental improvement measures to be implemented; (iii) programmes piloted new measures that had never been used in Lithuania before. To make a real difference, these measures should continue to be used and applied on a wider scale. LT07 programme has brought professional art to regions and led to change in the attitudes of consumers (residents) and artists to the importance of art in regions. As for Programme LT08; it allowed for bottom-up initiatives and had an impact at the level of individual projects, but no major changes were triggered in the educational system.

Regarding the sustainability, external experts during final evaluation concluded<sup>34</sup> that LT06 programme results are expected to be used for the longest period (over ten years), and even though many of them require additional conditions for sustainability, these conditions have been sufficiently secured. It should be noted that in many cases these programmes covered the development or improvement of infrastructures, the purchase of equipment and other hard investment (the results of this kind are more sustainable). LT02, LT03, LT05, and LT07 were of average sustainability. These programmes included soft activities with a relatively shorter life span or additional actions and efforts (such as additional financing, legal amendments, etc.) are needed to ensure the sustainability of their results. The sustainability of LT08 was evaluated as somewhat doubtful because they did not provide sufficient conditions for the continued use of the results, which largely depends on the motivation of the beneficiaries themselves.

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<sup>34</sup> Final evaluation report on the implementation of EEA and Norwegian financial mechanisms 2009-2014, 12 April 2018, ESTEP, p. 113, <http://finmin.lrv.lt/en/financial-assistance/the-european-economic-area-and-norway-grants/eee-ir-norway-grants-2009-2014-period/monitoring-of-financial-mechanisms-implementation>

**Table No.5. Results of implementation of socio-economic objectives**

Programme	Effectiveness	Impact	Sustainability
LT02 “Integrated Marine and Inland Water Management”	high performance	Water status improvement	average
LT03 “Biodiversity and Ecosystem Services”	average performance	Conservation of biodiversity	average
LT05 “Children and Youth at Risk”	high performance	The availability of services to children and youth at social risk	average
LT06 “Conservation and Revitalisation of Cultural and Natural Heritage”	high performance	The conservation and adaptation of the Lithuanian cultural heritage for public needs	high
LT07 “Promotion of Diversity in Culture and Arts within European Cultural Heritage”	high performance	The dissemination of professional art in regions	average
LT08 “EEA Scholarship Programme”	average performance	Improvement of education service	doubtful

Source: Final evaluation report on the implementation of EEA and Norwegian financial mechanisms 2009-2014, 12 April 2018, ESTEP<sup>35</sup>

Based on monitoring and external evaluations<sup>36</sup> results the following **lessons learned** as regards implementation of individual programmes could be identified:

- the implementation of the Financial Mechanism through programmes was a new development that occurred only in the 2009-2014 period. The Lithuanian experience showed that it was a success. The programme-based support ensured that the investments under programmes were targeted and compatible with other public interventions;
- however the set of 7 rather small financial scale programmes covering a number of different areas and subsequently different objectives was not sufficiently concentrated and lessened possibilities to achieve a national wide impact or a change of the Norwegian mechanism as such;
- many individual programmes had adequate intervention logic – the supported objectives and activities responded to the needs of specific areas and were compatible with other measures (external compatibility). The programmes were focused on financing narrow and specific areas or looking for better instruments and business models. Only LT08 programme had material weaknesses in the intervention logic, including unclear or too broad targets and expected outcomes, which significantly reduced its impact;
- the effectiveness of programme management was an important factor with a significant impact on the outcomes. The effectiveness of management varied considerably across individual programmes. Programmes where POs had a high attitude towards the responsibilities imposed by programme agreement and ownership of the results as well as political support inside the PO’s institution, involved “content-related” departments in the planning of programmes and projects also which assigned adequate qualified human resources, were more successful. Management at project level was effective; it was carried out by the CPMA, an institution with extensive experience and strong

<sup>35</sup> Aggregated results of evaluation against the following criteria:

- Effectiveness (1. Financial implementation; 2. Level of achievement of the product and results; 3. Quality / adequacy of indicators): **high performance/ average performance/ low performance**
- Impact (1. Size of finance; 2. Concentration; 3. Type of the main change; 4. Benefits of the result): **significant impact in the field / created the preconditions for a change in the field / there is insufficient evidence of exposure**
- Sustainability (1. Period of use of the result; 2. Additional conditions for the continuity of the result; 3. Ensuring conditions for continued use): **high / average / doubtful**

<sup>36</sup> Midterm evaluations, implemented by BGI Consulting and final evaluation, implemented by ESTEP (both commissioned by the NFP)

project management capacity. This in programmes with lesser management capacities made a vital role in delivering planned programme results;

- not all monitoring indicators were of sufficient quality and suitable for measuring the progress and effectiveness of programmes. Several key issues related to the monitoring indicators can be identified. Firstly, some of the indicators were not directly related to interventions, meaning they were not specific enough. Secondly, the indicators did not match the nature of the output and result indicators – most of the indicators measured outputs. Thirdly, the targets planned were too low and not ambitious enough. Fourthly, descriptions of the indicators and calculation methodology were not sufficiently clear. Additional confusion was brought by the requirement to apply standard indicators at Financial Mechanism level, which did not fully reflect the interventions supported.
- time was the most prominent risk factor to deliver planned programmes results and objectives. Due to protracted process of development of programmes and documents necessary to organise calls, select projects and conclude contracts and delays in taking needed decisions left rather short time for implementation of the projects. The implementation of the most of the projects also suffered from protracted procurement procedures.
- the Donor's flexibility and decision to extent projects eligibility deadline played a major role in managing time related risk; i.e. allowed to complete projects in due time and contributed to higher quality results as well as let to higher absorption rate.
- A risk of non-achievement of planned results identified under Programme LT08 was managed by close CPMA monitoring of projects activities and efforts made by very motivated and result orientated project promoters.

## 2.2 Overview of calls and financial figures

**Table No. 6. Overview of calls and financial figures**

Programme No.	Funds allocated to the programme (Eur) (EEA or Norwegian funds + national cofinancing)	Funds allocated to the projects (Eur)	Disbursed to Programme* (Eur)	Disbursed to Programme (%)	Disbursed to** Projects (Eur)	Disbursed to Projects (%)	Number of calls	Committed funds via calls (Eur)	Disbursed funds to projects selected via calls (Eur)	Notes (details of the funds allocated to the projects)
LT02	5 498 880,00	4 900 027,00	5 304 955,28	96,47%	4 824 220,69	98,45%	0	0	0	only pre-defined projects (2)
LT03	8 054 061,00	6 933 839,00	7 542 555,10	93,65%	6 712 211,26	96,80%	1	5 161 359,71	4 965 164,72	10 open-call projects; 3 pre-defined projects
LT05	7 425 882,00	6 523 522,00	7 040 057,99	94,80%	6 341 755,82	97,21%	1	5 658 127,78	5 477 843,48	26 open-call projects; 1 pre-defined project
LT06	10 588 235,00	9 402 398,00	10 298 584,88	97,26%	9 342 927,42	99,37%	1	9 402 397,99	9 342 927,42	only open-calls projects (19)
LT07	1 176 471,00	1 015 384,00	1 116 265,46	94,88%	981 459,77	96,66%	1	1 027 613,75***	981 459,77	only open-calls projects (11)
LT08	1 670 588,00	1 436 957,00	1 507 894,66	90,26%	1 321 443,28	91,96%	2	1 368 889,14	1 321 443,28	only open-calls projects (19)
	<b>34 414 117,00</b>	<b>30 212 127,00</b>	<b>32 810 313,37</b>	<b>95,34%</b>	<b>29 524 018,24</b>	<b>97,72%</b>	<b>6</b>	<b>21 590 774,62</b>	<b>22 088 838,67</b>	

Source: Final programme reports<sup>37</sup>

\* "Disbursed to programme" means total amount of all kind of funds of programme disbursed to relevant recipients to cover eligible expenditures - to PO, CPMA (management costs, complementary actions), to bilateral funds initiatives' promoters and to the projects (including advanced payments, grants +15 perc. national cofinancing).

\*\* "Disbursed to projects" means funds transferred to project promoters for eligible expenditures (excluding programme management costs, complementary actions, bilateral funds) (including advanced payments, grants +15 perc. national cofinancing)

\*\*\* Over-contracting (the funds allocated to the projects vs committed funds via calls) in programme LT09 is due to additional allocation of the savings of the completed projects to the open-call projects under implementation

<sup>37</sup> The newest irregularity in project LT05-0020 (affected amount is 36 528 Eur, including grant and co-financing) and related to the breach of sustainability requirements, was detected and case opened after the LT05 Final Programme Report had been submitted to the FMO, therefore, it might lead to corrections of the Final Programme Balance figures.

### 3.2 Individual Programme summaries

**Programme LT02** was implemented under the Environmental Protection and Management priority area and was aimed at improving marine and inland water management (water status improvement) measures. To achieve this aim two priority directions were selected: (i) optimising the monitoring and inventory system of hazardous substances, and (ii) gathering information about the status of water bodies and the effectiveness of water status improvement measures in different areas. Two pre-defined projects were implemented in total. In general, the implementation of Programme LT02 was successful. The results of the programme have significantly contributed to the improvement of the monitoring programme to meet supplemented EU requirements on monitoring hazardous substances in water bodies. New investigations and the analysis of the data collected earlier have provided new insights for decision-making and a fresh look at the current situation. The data collected and new knowledge has a direct impact on the improvement of water quality indicators. Designed water quality improvement measures are integrated into the drafting and implementation of strategic documents and regulatory changes in other areas (e.g. by setting more stringent controls in a particular sector). The data collected from the investigations under the projects have been used in the Water Sector Development Programme 2017-2023<sup>38</sup>. They will also be included in the Programme for the Reduction of Water Pollution by Hazardous Substances, which is designed for River Basin Districts (RBD) and should be completed in 2018. The results achieved are important for compliance with the Water Framework Directive<sup>39</sup>. The information collected in the course of the project about the current status of waters, the factors affecting it and effective status improvement measures was used in the development of 2<sup>nd</sup> cycle RBD management plans and other parts of the Water Sector Development Programme 2017-2023 (e.g. the protection of the marine environment of the Baltic Sea), as well as in the implementation of the 1st cycle RBD management measures.

Significant obstacles were posed by the tight project implementation schedule (due to the protracted programme design stage and procurement procedures), the dependence of the results on the availability of expert services (all activities were carried out by external suppliers) and climatic conditions (which affected field research). Some targets were not achieved due to the risks involved (no research proposals were submitted for the procurement process, therefore several expected activities were not implemented), some results were delayed, and the reliability of the results slightly deteriorated (data collected for two years rather than three as was planned and necessary for reliability).

The partnership was of small scale and low intensity at both programme and project level. Finding bilateral partners turned out to be quite a complicated task. The PBF funds allowed Lithuania and Norway to share useful experiences between the project promoter and the DPP (the counterpart authority). The new useful contacts and cooperation at work level are likely to be maintained after the completion of the programme. However, the opportunities for cooperation were not fully exploited: the PO did not take a more prominent role; the Programme did not involve other organizations operating in the sector. Quite a significant share of the BF remained unused.

**Programme LT03** was implemented under the Environmental Protection and Management priority area and was aimed at improving measures for the conservation of biodiversity and ecosystems and integrating these considerations into other policies more effectively. The overall aim was achieved by facilitating better formulation and implementation of measures, in particular by eliminating any gaps in data and information about the current status of biodiversity, the factors affecting it and the effectiveness of possible measures, as well as by gaining experience through their implementation. Four priority directions were selected: (i) strengthening the capacities to manage and monitor Natura2000 network; (ii) gaining experience in reducing the ecosystem fragmentation; (iii) development of measures for climate change adaptation; and (iv) integration of biodiversity aspects into other sectoral policies. Additionally, attempts were made to involve

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<sup>38</sup> Report on the evaluation of the achieved goals and objectives of the Operational Programme for the Promotion of Cohesion for 2007-2013, 1 March 2017. The evaluation was commissioned by the Ministry of Finance of the Republic of Lithuania and conducted by ESTEP Vilnius UAB and Visionary Analytics UAB.

<sup>39</sup> Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy.

local communities into activities aimed at protection of biodiversity, thus promoting ideas of sustainable way of life.

In total 13 projects were implemented: three were pre-defined and ten were selected through a call for applications. Pre-defined projects were implemented by the Environment Protection Agency (EPA) and the State Service for Protected Areas under the Ministry of the Environment, and projects selected through a call for applications – by directorates of protected areas, scientific institutions and NGOs acting in environmental sector. In general, the implementation of Programme LT03 was rather successful; 3 out of 4 selected directions were more or less implemented and all targets achieved. National capacity to monitor the status of populations of species of community interest and their habitats has been strengthened. The mechanisms created by the projects and recommendations on the management of specific Natura 2000 sites have increased the efficiency of biodiversity status improvement measures and ensured the sustainability of the results of the earlier management activities. The results of the programme have allowed directorates of protected areas to raise awareness about biodiversity. Using well-established practices and Norwegian experience, awareness raising services have expanded to the best part of the network of directorates of protected areas (76% of all the directorates). Project involved in developing measures for adaptation to climate change has contributed to addressing the lack of data on the impact of climate change on biodiversity and ecosystems in Lithuania. Of course, one project did not solve the underlying problem, but it had a different kind of benefit – it has played a significant role in the development of botanical science in Lithuania. The results of evaluation studies were published in a book on the current situation of biodiversity and they are used by Lithuanian as well as foreign botanists. They have also contributed to the Lithuanian Rare Plant Gene (Seed) Bank. There was practically no such practice in Lithuania, leaving it well behind the targets established by strategic documents for the conservation of global plant diversity.

However, effectiveness was significantly reduced by the failure of the mapping project, which in turn resulted in the failure to achieve outcome 4 namely, “Improved integration of biodiversity considerations into sectoral policies and legislation”. Unfortunately, the terminated project contract resulted in non-achievement of two related output indicators “Number of ecosystem types for which data availability assessed methods for mapping of ecosystem and its services on local and national scale elaborated” and “Number of ecosystem services on national scale assessed” which remained at zero values. Though being important and essential, the integration of biodiversity considerations into other policies was also not facilitated. This was the biggest set-back of entire Programme.

The partnership was rather successful at programme and project levels. The DPP was a major contributor to the promotion of bilateral cooperation initiatives at project level. The BF provided quite extensive opportunities for establishing and strengthening relations, while funded activities included cooperation with organisations from Norway as well as Iceland. A number of initiatives were implemented that made it possible to communicate, get acquainted and increase knowledge in various areas of the conservation of biodiversity, but did not create any long-term relations. The overall bilateral outcome can be rated as a modest success.

**Programme LT04** was operated by the FMO through the selected Fund Operator (FO) - HRMI. The NGO Programme played a significant role in providing NGOs with the support and tools to contribute to more active role of civil society in the policy- and decision-making processes. NGO Programme has had an unusually high number of outcomes, outputs and indicators to achieve, but the interest of more than 600 applicants and commitment of 56 project promoters have made it possible and to a large extent successful. NGOs working with children and families at risk as well as persons with disabilities managed to propel the long awaited reforms of institutional care system and force a shift of policy towards greater sensitivity of stakeholders and more inclusiveness within the society. Methodological and systematic approach brought to numerous social services, in many cases utilizing the experience and good practices of Norwegian and Icelandic societies. This kind of development allowed NGOs being accepted as reliable partners at a number of municipal authorities and institutions, many more willing to do so in the nearest future. The idea of voluntarism was highlighted at national and regional levels, volunteering opportunities made visible and accessible and NGO skills of volunteer coordination had improved. Consolidated networking efforts, shadow

reports, international expertise and operational practices used as advocacy measures at a higher qualitative level thus increasing involvement into policy and decision making.

Bilateral cooperation with donor countries partners increased significantly. In addition to the results achieved within mainstream projects of the Programme, 25 bilateral initiatives were funded under the PBF what helped NGOs establish or maintain fruitful cooperation and exchange of knowledge. BF was even more useful to organizations that did not receive funding for their projects – they were able to engage in small initiatives of exchange of experiences and best practices as well as build partnership for the future projects.

The aim of the **Programme LT 05** was to allow children to grow up in their biological families through the development of the availability of preventive and complex services for children, taking into account their interests and needs. To this end, three objectives were established: (1) increasing the well-being of children and youth at risk; (2) implementing effective and efficient measures addressing vulnerable groups of children and youth; and (3) preventing violence, abuse and exploitation of children and youth through the existing measures. The programme provided for achieving these objectives through the improvement of the institutional infrastructure and competences of its staff. It had two priority axes: (1) developing and improving day care centres for children and youth; and (2) setting up a specialised Centre for Child Victims of Sexual Abuse and Exploitation (hereinafter – the “specialised centre”).

During the Programme implementation period all 27 projects, including a pre-defined project, were successfully implemented, there were no major deviations from the plan and all Programme outputs’ indicators and almost all outcomes’ indicators were reached. During project implementation 23 child day-care centers, 13 open youth centers and 7 child day-care centers with open youth spaces were established/renovated in Lithuania. The development of child day-care centers as well as open youth centers, in particular, in rural areas have contributed to the development of children and youth at risk various abilities, socialization, nutrition and hygiene and definitely contributed to the outcome ‘Effective and efficient measures addressing vulnerable groups of children and youth facing particular risks implemented’.

The development of the network of day care centers also aimed at improving the competence of their staff and volunteers so more than 700 specialists and volunteers developed their professional competences during the Programme period. Also contributing to the outcome ‘Instances of violence, abuse and exploitation against children and youth prevented and tackled through high-impact implemented measures’ this programmer funded the first and only specialized center for child victims of sexual abuse. Before opening the center 25 specialists were trained and a methodology for work with child victims was developed. Since the Centre was opened, the services have been provided to 239 children at the end of 2017. It is important to note that the new specialized center has contributed to change in the institutional approach to the importance and methods of work with abused children.

The Donor Countries and Lithuania have different institutional models for the provision of services to children and young people at social risk, therefore the programme was not focused on the development of partnerships and joint results. As a result, only a fifth of the projects established partnerships at project level and they all were based on previous contacts. The partnerships established were successful and beneficial. They encouraged further institutional cooperation and the exchange of good practices. Considering the small scale of the formal partnership at project level, the PBF and complementary action were used for promoting cooperation. The PBF enabled Lithuanian institutions to get acquainted with a different institutional structure of assistance for children and young people at risk, to strengthen their mutual relations and share their practices with institutions from the donor countries. The conference organised using the funds made available for complementary action gave the opportunity to discuss the issue of domestic violence at international level and gain knowledge about measures applied by other countries.

The **Programme LT06** was focused on the conservation and adaptation of the Lithuanian cultural heritage for public needs. In the negotiations with the donor countries, Lithuania proposed the content of the Programme and the donor countries accepted it. The Programme had three priority axes and covered three types of projects: (1) rehabilitating wooden cultural heritage buildings (CHBs); (2) rehabilitating partly restored CHBs; and (3) establishing applied cultural heritage research and conservation centres in CHBs.

During the Programme implementation period all 19 projects were successfully implemented, of which ten in cooperation with partners from Norway or Iceland, there were no major deviations from the plan and all Programme outcomes' and outputs' indicators were reached. The Programme was concentrated to the preservation of wooden architecture (9 projects), establishment of cultural heritage research centers (2 projects) and finalization of works in partly restored cultural heritage objects (8 projects). There was only one outcome indicator set for the Programme – the number of buildings of cultural heritage value restored or rehabilitated. The 19 projects supported resulted in revitalization of 85 cultural heritage buildings while the outcome target set for this funding period was only 15. Cultural heritage objects supported greatly varied in type, function and materials made of. In this Programme 13 % of the buildings preserved were non-wooden and 87% of them were wooden which reflected the Programme priority. Wooden heritage was the main priority of the Programme as it is one the most valuable and unique elements of Lithuanian culture, a distinctive part of cultural heritage. Despite the differences in objects' style and historic function, all of the buildings have been adapted to the current needs of the public. Their premises now are used for museum or library activities, cultural and educational events, cultural heritage training or research activities, religious, residential and other purposes.

PBF strengthened relations between Lithuania and Norway. Support for study visits (measure A) provided excellent opportunities for 12 Lithuanian and 11 Norwegian cultural organizations to meet prior to the submission of applications, establish partnerships, exchange experience and develop cooperation projects. Accordingly, a third of applications received and more than half (10 out of 19) of the projects selected have been carried out in partnership with organizations from Norway or Iceland. Most of the partners contributed by giving lectures, trainings, providing consultations, presenting good practice examples of their countries. It is important to note, that international cooperation was developed not only on project level. PO and DPP had organized 6 bilateral events (under measure B) relevant to the culture sector which attracted 415 people of different target groups. All of these events were attended and/or led by the participants of both countries. One of the most successful events was a cycle of wooden doors and windows restoration workshops carried out in 3 different parts of the country. Around 100 participants took part in these practical trainings including owners of wooden buildings, architects, students, restorers and general public interested in preservation and restoration of wooden structures. Participants were guided by Norwegian and Lithuanian craftsmen through all stages of these elements' restoration using traditional methods and materials, they also took part in excursions and lectures all of which not only provided them with useful skills but also made them appreciate wooden heritage more, and encouraged to share the knowledge with others.

The **Programme LT07** focused on facilitating the internationalization of Lithuanian art and cultural organizations and the dissemination of professional art in regions. The Programme had two priority axes: (1) increasing the dissemination of contemporary art and culture in society; and (2) raising awareness of cultural diversity and strengthening intercultural dialogue. The funding was made available for international creative production projects under priority axis 1 and for international cultural cooperation projects under priority axis 2. Both measures had two objectives: (1) to stimulate the dissemination of professional art products in Lithuanian regions; and (2) to encourage Lithuanian cultural organizations to participate in international cooperation projects and initiate them.

During the Programme implementation period, 11 projects were successfully implemented, there were no major deviations from the plan and all Programme outcomes' and outputs' indicators were reached. The Programme had two outcomes – 'Contemporary art and culture presented and reaching a broader audience', and 'Awareness of cultural diversity raised and intercultural dialogue strengthened'. These outcomes were reached by 13 co-productions such as exhibitions of contemporary art (in which 41 new works of art were showcased), mobile museums, concert programmes, a mobile application and a contemporary dance performance. These co-productions were presented to the audiences of the three countries 58 times. Aiming that more people outside the biggest cities of Lithuania would gain access to newly created artistic products, it was required that results of the co-productions would be presented in at least two regions of Lithuania. As a result, 55% of all the presentations took place in the Lithuanian regions. A high number of 23 494 persons were directly exposed to these newly created artistic and cultural products. That was roughly 4 times more than planned and such overachievement confirmed that there is a high demand and audience for professional

art and culture in the regions. Clear prioritization of organizations and audiences in the regions resulted in increased accessibility to culture and contributed to sustainable development of the cultural sector. Also it is worth to mention that in implementation of projects were involved 28 cultural organizations: 14 from Lithuania, 9 from Norway and 5 from Iceland.

Strengthening bilateral relations between Lithuania and Donor Countries was, also, very important objective of the Programme. Cooperation with the DPP Arts Council Norway created many shared results through close cooperation on the preparation of the programme, facilitation of partnerships, and organization of bilateral events that increased mutual understanding. Support for study visits (under measure A of PBF) provided excellent opportunities for 12 Lithuanian, 13 Norwegian and 4 Icelandic cultural organizations to meet, establish partnerships and develop cooperation projects. Two bilateral events organized for the public stimulated dialogue and networking, provided cultural organizations with needed encouragement and support.

**Programme LT08** was implemented under the Human and Social Development priority area and was aimed at the pre-school, general education and vocational training student achievement and improvement in adult participation in lifelong learning. Two priority directions were selected: (i) enhancing student achievements in pre-school, general education and vocational training through the modernisation of the curriculum, teacher training and in-service training of educational staff; (ii) improving the participation of adults in lifelong learning through the development of competences of adult education staff. Additionally, attempts were made to involve local communities into activities aimed at protection of biodiversity, thus promoting ideas of sustainable way of life.

In total 19 projects were selected and implemented through 2 organised calls for applications. Adult education improvement projects contributed to the development of competences in public and digital security, citizenship education, intercultural communication and cooperation, the development of basic competences and the development of a massive open e-learning training platform. Projects focused on strengthening competences of the teaching staff contributed to the development of non-violent communication competences, the improvement of work with autistic children, the development of multicultural and STEM (science, technology, engineering, and mathematics) skills, increasing motivation, the adaptation of non-traditional art therapy to education, the introduction of students' physical capacity testing, the promotion of healthy lifestyle and physical activity among students, and the improvement of aircraft repair skills.

Although not all the output and outcome indicators were achieved, but due to the good results produced, new partnerships, good experience and new skills gained the Programme could be considered as successful. Even though the number of the projects supported was smaller than planned, the number of the participating institutions was larger than expected. The mobility objectives were not achieved, but activities targeted at sharing best practices were effective (multiple scientific articles were written and many reports were presented in international events). However, considering the small financial volume, wide objectives and insufficient concentration of funds, the programme had a limited impact which was felt only at project level. Additional benefits may be identified in relation to the promotion of the international dimension of educational institutions – the programme enabled them to make contacts, which, based on the monitoring indicators and the survey of project promoters, should be further developed. Unfortunately, the initially estimated potential to contribute to the quality of educational outcomes was reduced due to extent of the projects as well as operational issues of the programme implementation.

The partnership was rather successful at programme and project levels. All projects, except for one, were implemented with partners from the donor countries. Very often partners played an equal role with project promoters. As a result, the partnerships were successful and beneficial, encouraging further institutional cooperation and the exchange of good practices. The BF was a measure aimed at strengthening partnerships and shared results. Still, more than half of the BF funds were left unused, suggesting that cooperation could have been even more productive and beneficial. That being said, the project promoters who had made use of this fund were very positive about its benefits, in terms of both finding a partner and sharing best practices. The funds made available for complementary action were also not used to the full extent – only half of the funds were used and the events did not have any wider effects on the PO.



## 4 MANAGEMENT AND IMPLEMENTATION

### 4.1 Management and control systems

The institutional set-up of MCS also functions and responsibilities of the national management authorities (NFP, CA, PA, IrRA, AA), POs and CPMA were established back in 2012. The created MCS provided for rather centralized approach – legal acts establishing unified detailed requirements and procedures for management and implementation of all programs and projects, including the Technical assistance and administration of NBF, were approved by respective orders of the Minister of Finance (NFP) in 2013. In the course of implementation (2014-2017), the legal requirements were amended taking into account further development of the MCS, clarification and/or amendment of the Regulation, also to upgrade requirements that were not functioning in practice according to the monitoring or audit observations. Based on the set general unified requirements the national management authorities, POs and the CPMA developed their internal work procedures. During the course of implementation some minor MCS adjustments at programme level were introduced due to structural changes or additional units involved into administration and implementation of the programmes in some POs institutions and (or) the CPMA.

In 2017, two major changes at the national MCS were introduced and respective amendments to the MoU were made:

- MoU amendment to establish subordination of both the NFP and the CA/IrRA to the same Vice-minister seeking to eliminate excess administrative steps, to standardise and align management processes with EU investments have been agreed in Annual Meeting 19 June. The amendments were confirmed through the Letters of Exchange in July 2017. Consequently, MCS description and related national legal acts were updated accordingly by the NFP. The heads of units, performing functions of the NFP and the CA/IrRA were assigned with additional decision-making responsibilities to ensure adequate separation of functions inside the Ministry of Finance (MoF);
- During optimisation and reorganisation of the administrative structure and management processes in the MoF and seeking to ensure consolidation of competencies to maximise benefit of different investment sources - planning and implementation function of the long-term investment financed from all types resources was assigned to one unit – the Investment Department (formed out of the EU Funds Investment Department). The International Financial Assistance Coordination Division, originally performing the functions of the NFP, was abolished and its functions with reference to co-ordination of the Grants were integrated into the mentioned Investment Department. Information and publicity functions of the NFP were assigned to a separate administrative unit of the MoF – the Communication Division. The administrative units, performing CA/IrRA and AA functions changed their titles and implement internal adjustments, but no major changes as regards the functions of the authorities were introduced. This change was agreed in the extra Annual Meeting on 26 October 2017, formalised via Letters of Exchange and came into force as of 1 March 2018.

**Lessons learned.** In general, the created MCS operated effectively, agreed in MoU programmes were implemented, planned objectives and results were achieved to high extent, legal compliance assured, no financial corrections by donors until the end of reporting period applied. However, the implementation suffered from delays, project eligibility extension was requested and was vital for achieving planned programme results, some programmes and bilateral funds not used significant sums. Therefore, a number of strong points and unfortunately weaknesses as related of MCS structures, resources, procedures and processes could be identified<sup>40</sup>.

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<sup>40</sup> Observations are formulated around administrative efficiency factors, proposed by external evaluator BGI consulting in the Mid-term Evaluation Report:

- *Structures*: institutional framework defining specific responsibilities and functions, application of the partnership principle and proper stakeholder management, inter-institutional cooperation;
- *Human resources*: human resources in terms of quantity (number of employees), human resources in terms of quality (competence and administrative capacity of employees)
- *Administrative measures and procedures*: donor expert, technical and administrative assistance, external expertise and technical assistance, clear procedures of high quality, administrative resources (IT instruments, logistics, etc.)

#### *Structures:*

- The MCS could be described as complicated as involved a large number of institutions at several vertical levels (management at national, programme, project level, number of sectoral institutions and several countries).
- The MCS functioning especially at the beginning involved many uncertainties related to institutional responsibility and principles of work. In the course of MCS development the roles and responsibilities were clarified and institutional framework defining specific responsibilities and functions and communication links was established.
- The national responsible authorities had relevant institutional experience gained in management of previous period of Grants and EU funds. Not all assigned PO had relevant programme management experience – therefore to compensate such shortages also due to rather big number of small programmes an experienced implementing body – the CPMA was introduced to all programmes to implement part of the PO functions related to daily administration of projects.
- The national responsible authorities developed constructive and productive co-operation between themselves also with the FMO and during course of programme development and implementation with POs (with some exceptions) and the CPMA. It allowed in identifying negative tendencies and risks at the early stage and to agree on the best corrective action.

#### *Human resources:*

- Limiting factor of efficiency was shortage of human resources in POs in quantitative and qualitative terms, high turnover of staff (also relevant to NFP), lack of political will and interest in Grant support in some of the institutions performing the PO functions.

#### *Administrative measures and procedures:*

- The legal acts created specified in very detailed requirements, procedures and processes. This in some case provided needed clarity, however redundant requirements led to high administrative burden and rigidity.
- A lot of focus on compliance, procedures and control – there is room for improvement toward implementation of results based management approach to full extent.
- Donor and other external expertise and assistance were not used to full extent or there was a lack of it in all phases of programme (especially expertise was need during programme intervention planning).
- Creation of the IT system for the administration, management and control of the programmes, projects and finances allowed to relieve the administrative burden imposed by very complex Grant administration system and to reduce chance of human error as well as intentional malpractices.

## **4.2 Compliance with EU legislation, national legislation and the MoU**

Apart from the exception on general payment model which was agreed with the Donor and described in the description of the MSC (1<sup>st</sup> stage), the implementation system of the EEA Grants in Lithuania is in line with the Regulation and the MoU. As a slight deviation from paragraph 2 of Article 4.8 of the Regulation could be identified – due to very specific set-up in Lithuania, the NFP prepared a single detailed description of the MCS 2nd stage covering all the programmes.

Regarding the related EU legislation, appropriate provisions of national legal acts on the implementation of the Financial Mechanism and programme implementation agreements are set in a manner to secure that all involved actors must comply with applicable EU policy requirements including but not limited to state aid, environmental directives and public procurements. Via monitoring process or upon request the NFP (together in consultation when relevant with other national management authorities and the FMO) provided explanations to the POs and CPMA as regards compatibility to MoU, Programme and Programme Implementation Agreements (PA, PIA) and created specific national legal acts for Grants management. In case programme development and implementation justified needs and benefits in changing PAs or even the MoU – the NFP discussed it and agreed with FMO/Donor. Agreed changes when necessary, resulted mostly in amendments of PAs, some adjustments were made to the MoU. At project level, the CPMA ensured

advanced consultation of project promoters as regards requirements for implementation, and later on, during implementation, compatibility with legal requirements were checked as a part of eligibility verification procedure.

In general, all programmes were implemented in compliance with the MoU<sup>41</sup>, Regulation, national legal acts, as well as relevant national and sectorial strategies. Deviations from legal acts in implementation resulted in initiations of irregularity procedure and upon results of investigations by competent authorities, steps were implemented to restore the correctness if possible or to apply financial corrections. Most deviations at all levels were related with eligibility of expenditure, some projects faced challenges to ensure sustainability of project results.

#### **Lessons learned:**

- It could be stated that compliance with EU legislation, national legislation and the MoU (Regulation) was ensured. Important factor for this was advanced and extensive consultations in case of uncertainties. Contrary, too big focus on compliance in comparison with efforts for timely and effective delivery of the results could be identified (over-regulation led to over-control and big administrative burden issues).
- Main challenge in securing compliance was related with very detailed and complicated national legal requirements as regards procurements and unfortunately as regards over-regulation of implementation of programmes and projects. Creation of very detailed national legal regulations for implementation of the Grants in initial stage was determined by objective to secure assurance of compliance and unified practices taking into account a big number of programmes and a big set of institutions involved with very different administrative capacities. In the course of implementations regulations we supplemented with additional more detailed requirements as a response to audit's insights and recommendations. It could be argued that this approach is very much related with specifics of national legal and administrative culture.

#### **Irregularities and complaints**

In 2017–2018 four project level irregularities, one of which fell under Article 11.4 (in LT05 programme) and remaining under Article 11.5 of the Regulations (in LT05, LT06, LT08 programmes) were detected and reported to the FMO. Total affected amount was 46 555, 45 Eur (including grant and national co-financing). Three irregularities amounting to 10 027,45 were remedied, expenditures excluded from respective Interim or Final Financial Reports. The newest irregularity in project LT05-0020 (affected amount is 36 528 Eur, including grant and co-financing) and related to the breach of sustainability requirements, was detected and case opened after the LT05 Final Programme Report had been submitted to the FMO, therefore, it might lead to corrections of the Final Programme Balance figures.

In addition, in 2017-2018 there were some minor irregularities detected under projects. All of them fall under the provisions of Article 11.7 of the Regulation, and will be reported only upon FMO request.

No complaints were received under the complaint mechanism established according to the requirements of Article 11.8 of the Regulation.

#### **Programme conditions and post-completion obligations**

The NFP held a register of the conditions set in programme agreements and during regular monitoring process reviewed status of its fulfilment. The reminders and consultations were provided to the PO(s) in case of challenges with its implementation.

Requirements for post-completion obligations were introduced into national legal acts, guidelines for applicants and respective project contracts. The projects are obliged to provide annual reports on status of implementation of post-completion obligations to the CPMA. CPMA is assigned a function to monitor implementation of obligations by analysing reports and performing on-the-spot checks according to risk assessment results also to apply corrective measures if necessary and in consultation with PO.

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<sup>41</sup> The audits of programmes and projects have not identified serious legal incompliances, instead provided recommendations for better or more efficient/effective procedures and performance in securing compliancy

### 4.3 Monitoring, reviews, evaluations and audit

Commissioned by the NFP, external consultancy company BGI Consulting performed a **mid-term evaluation** on the implementation of the Norway Grants in Lithuania in year 2016. Analysis, insights and recommendations provided by external experts were found very valuable for improving and optimising administration, management and control processes, identifying relevance, coherence, effectiveness and sufficiency of interventions chosen, good practice examples as well as Programmes' contribution towards the common goals of the Grants for current period and possible future investments.

The **final external evaluation of results, impact and sustainability** of programmes implemented under the Norwegian Mechanism also of the NBF was commissioned by the NFP and implemented by consultancy company ESTEP in the end 2017 – beginning 2018. The evaluation Report summarised achievements and assessed its impact and sustainability, provided insights for success and failure factors, lessons learned and recommendations for future investments. The results and insights of this evaluation were extensively used in preparing this Final Strategic Report (summary of the findings and recommendations of this evaluation is provided in the Annex No. 6 of this Report.)

The NFP, also, having its overall responsibility for reaching the objectives of the mechanisms carried out regular day-to-day monitoring of the programmes throughout year 2017 with specific attention to the eligibility deadlines for project and PBF. No audits were commissioned by the NFP.

Within the monitoring actions at programme level, a meeting of the Monitoring Committee took place on June 2017; status of implementation of the Financial Mechanism was discussed and positive opinion in respect of the Strategic Reports for year 2016 was expressed.

The CA and IrRA also carried out monitoring activities in line with its competencies (on-the-spot checks in the CPMA):

- During the on-the-spot check carried out on 28–29 March 2017, the eligibility of expenditure of the sample of projects costs under the Norwegian Financial Mechanism to be declared and/or declared to the FMO was verified. No essential inadequacies of procedures and ineligible costs were identified. Two inaccuracies were detected and one recommendation regarding the internal control measures in order to ensure the compatibility of the information presented in the documents (contracts and its annexes) and to avoid the inaccuracies related to the verification of payment request was proposed.
- During the on-the-spot check carried out on 28–29 November 2017, the management of irregularities of the sample projects Norwegian Financial Mechanism was examined. After examination of the procedures performed by the CPMA related to the suspicion and investigation of the irregularities, determination of ineligible expenditure, preparation and submission of the irregularities reports to the IrRA, no essential inadequacies of procedures were identified.

### 4.4 Information and publicity

The Communication Strategy for the EEA and Norway Grants was approved on 14 November 2012. All information and publicity measures defined in the Communication Strategy supported the **overall objectives** of the EEA and Norway Grants to contribute to the reduction of economic and social disparities in the EEA and to strengthen bilateral relations between the Donor States and the Beneficiary States. The **key goals** of information, publicity and communication were to increase awareness of existence, objectives and benefit of the 2009-2014 EEA and Norway Grants; to promote positive image of the 2009-2014 EEA and Norway Grants; to ensure public access to all relevant information about the 2009-2014 EEA and Norway Grants; to promote bilateral relations between the Donor States and the Beneficiary State; and to ensure timely and effective communication and cooperation between grants' administrative bodies.

Main communication measures were also chosen with regard to target groups (the main ones were: general society, opinion and decision makers, applicants and institutions involved in the Grants management), specific approach channels were identified accordingly. Activities were planned taking into account the

specificity of different stages of the Financial Mechanisms implementation, so Communication Strategy was divided in to **three stages** and 2018 is the last year of the third stage of implementation of Communication Strategy.

- **Stage 1 (year 2011-2012, beginning of the Grants)** was concentrated on assessment of the current situation, i.e. the starting point with regards to awareness of the Grants, building the means for further communication actions and spreading the information about existence of the Grants and possibilities provided by the assistance. Main actions made/started to be made in this stage:
  - ✓ The survey of public awareness about the Grants was carried out in October 2012 (1009 respondents, age 18 to 65). It showed that 17% of respondents had heard about the financial support of the Grants to Lithuania. Interestingly, more respondents (24%) recognised at least one of 3 promotional videos that were aired on TV an online in 2011 and advertised the results and benefit of Financial Mechanisms 2004-2009. 12% had seen at least one of two EEA and Norway Grants logos (7% recognised specifically the EEA Grants logo, compared to 11% who knew Norway Grants logo, 6% among them had seen both logos).
  - ✓ Joint Communication Working Group was established on 17 July 2012 consisting of the NFP, the POs and the CPMA. Norwegian Embassy in Vilnius was also invited to participate in the group's meetings as an observer. The group's main tasks were coordination of communication activities while sharing best practices and future plans (at the end of each year the members had to present activity plans for the following year), finding areas for common actions, discussing problems and searching for their solutions. During the period of implementation of the Grants, 8 meetings were organized and a lot of problems were discussed and solved.
  - ✓ On 25-26 September 2012 the NFP together with the Norwegian Embassy held the launching event where the new period of the Grants was introduced to the public. It was a two days event where the first day the festive evening was held in the Vilnius Small Theatre attended by about 170 representatives from the Lithuanian Parliament, ministries, local authorities as well as cultural and non-governmental organizations. DPPs were also represented by guests from Innovation Norway, Directorate for Nature Management and the Norwegian Association of Local and Regional Authorities. The second day of the launch event was dedicated to introducing the programs to be funded by the Grants 2009-2014 to potential applicants. The event drew a lot of attention and gathered an audience of more than 160 participants from different regions of Lithuania.
  
- **Stage 2 (year 2013-2015, programme implementation phase)** was designed to communicate all the necessary practical information for applicants and project promoters, publicise interim results and monitor the effectiveness of the publicity. Main actions made/started to be made in this stage:
  - ✓ In order to make the online publicity more efficient in 2012 it was decided to establish one common website for the EEA and Norway Grants and all supported programmes instead of the separate ones. It was planned to launch the new joint EEA and Norway Grants website in the second half of 2013, but due to complexity of the website and therefore longer than expected preparation of public procurement documents, the website was launched in February 2014. Despite the late launch of the website, it has been a huge success. During the first years of the website, the number of sessions of visitors increased more than twice and the highest number of visitor sessions was reached in 2016 - 17833. Despite the fact that today all the programmes are already closed, the website still has 7336 visitors, of which 82 percent are returning ones.
  - ✓ In order to ensure timely and effective communication and cooperation between Grants' administrative bodies trainings in reporting and in results and risk management (on December 2013) were organized for NFPs and POs from Lithuania, Latvia and Estonia. Trainings involved a total of 75 people from which 20 were representatives from Estonia, 18 representatives from Latvia, 34 representatives from Lithuania, 2 representatives from the FMO and one representative from the Innovation Norway. During these trainings POs had an opportunity to access other country POs who are working in the same field, to discuss the problems, which arise in implementation of programmes, in reporting, in reaching outcomes, and in managing the risks, share best practices, build up contacts.
  - ✓ In order to monitor the intense of reports about the Grants and the tone of publicity, a qualitative analysis of media coverage was carried out during period 2014-2017. During this period more than

2300 reports (more than 3700 key words) related to the EEA and Norwegian Financial Mechanisms were captured. The keyword “The EEA and Norwegian Financial Mechanisms” was mentioned most often and accounted almost 67% of all keyword hits. The most visible programmes during this period were “NGO programme” and “Children and Youth at Risk programme”. Also it is worth to mention, that the positive publicity was always dominating the communication flow and there were only 44 negative keywords hits which amounted for 1,2% of all the keywords.

- ✓ To improve the awareness of existence, objectives and benefit of the EEA and Norway Grants and also to reach the younger audience, at the beginning of 2015 a new user profile was created in social network Facebook dedicated to EEA and Norway Grants in Lithuania. The Facebook profile shared the most up-to-date information, announced games in which you could win various prizes, and people were invited to participate in various events organized by programme operators and project promoters. Despite all the efforts to make this Facebook profile popular, today the profile has only 391 followers. One of the main reasons for this could be named as lack of information concentration (separate Facebook profiles of programmes) and also programme operators lack of understanding of the power and benefits of social networks.
  - ✓ The second survey of public awareness about the Grants was carried out in December 2015. The survey involved 1038 respondents, age 18 to 75. It showed that during 3 years’ time the awareness of the EEA and Norway Grants in Lithuania increased by 4%, from 17% to 21% and the awareness of the EEA and Norway Grants logos increased by 6% from 12% to 18%.
  - ✓ Also to increase awareness of existence, objectives and benefit of the 2009-2014 EEA and Norway Grants in November 2015, a 6 months promotional campaign was launched to promote EEA and Norway Grants. 2 buses and 2 trolley-buses in capital Vilnius and 2 buses in second largest city Kaunas labelled with support attributes rode through the streets and drew attention of many citizens.
  - ✓ With a purpose to promote the results and good work done while implementing the programmes and projects in the beginning of 2015 electronic newsletters were started to be spread among the ministries, municipalities, project promoters and other Lithuanian and Donor countries institutions. During the period of 2015-2018, 22 electronic newsletters about the implementation of the Grants in Lithuania were prepared and spread both in Lithuanian and in English languages.
- **Stage 3** (2016-2018, closure of programmes) is concentrated to publicise achieved results and benefit created as well as to measure the public awareness and the image of the Grants within the society after two full cycles of provided assistance. 2018 is the last year of this stage. The main new actions made/ started to be made in this stage are:
- ✓ to increase awareness of benefit of the Grants and to show exceptional results achieved through cooperation with donor countries, in the beginning of 2018 it was decided to create 3 video films about 3 exceptional projects / activities that were born from close cooperation with Donor countries. The purpose of these films is to show the general society the benefits that co-operation brings to society and the outstanding results that can be achieved through the Grants. The video films will be made in June 2018 and they will be demonstrated on the national TV.
  - ✓ The closing event of the Grants is planning to be held at the end of June 2018. Representatives from the Lithuanian Parliament, ministries, local authorities as well as cultural and non-governmental organizations, also DPPs and representatives from FMO will be invited to attend this event.
  - ✓ The third survey of public awareness about the Grants was carried out in January 2018. The survey involved 1014 respondents, age 18 to 75. It showed that during all the period from 2012 the awareness of the EEA and Norway Grants in Lithuania decreased by 3%, from 17% to 14% but the awareness of the EEA and Norway Grants logos increased by 2% from 12% to 14%. The decline in public awareness about the Grants can be explain by the fact that the survey of public awareness was made more than half a year after the closure of the programmes, when the programme operators were no longer conducting intensive publicity activities so the information about the Grants were forgotten by the general society. Another reason could be the mixing of Structural Fund projects with EEA and Norway Grants projects. As the practice showed, usually people and unfortunately journalists assign the results of EEA and Norway Grants projects to Structural Funds.

This situation has shown the importance of consistently pursuing publicity and educating the public about the benefits and importance of grants.

**To summarise** it could be noted, that all information and publicity measures defined in the Communication Strategy supported the overall objectives of the Grants to contribute to the reduction of economic and social disparities in the EEA and to strengthen bilateral relations between the Donor States and the Beneficiary States. Also all the key objectives of all 3 stages were implemented successfully and all the communication efforts helped to contribute to the 5 key goals mentioned earlier.

**During the implementation of programmes**, most of the **POs** also very actively contributed to the main key goals of information, publicity and communication to increase awareness of existence, objectives and benefit of the Grants, to promote positive image of the Grants, to ensure public access to all relevant information about the Grants and also to promote bilateral relations between the Donor States and the Beneficiary States. POs used different channels for publicity of their managed programmes – a variety of events, Internet (websites of Grants implementation in Lithuania and PO web sites, accounts specifically created for their programmes on Facebook), the media (press, TV and radio broadcasts), printed information material and etc. During the implementation of the Grants, the most actively engaged in publicity activities were POs of LT03, LT06 and LT07 Programmes. LT06 and LT07 PO prepared the biggest amount of press releases and articles, also was a leader in promotion of the programmes in the joint EEA/Norway Grants website) and organizing a lot of useful events. The least attention to publicity activities was given from the programme operators of LT02 and LT08 programmes (only a few articles in the Grants website were published and a few events organized).

Also it is worth mentioning that the interim evaluation of the implementation of the Grants made in 2016<sup>42</sup> revealed the major issues that need to be addressed in order to have more efficiency and more effective publicity. It showed that several POs met the problem of lack of necessary human resources (both in quantitative and qualitative terms) for programme publicity activities, and those POs who had human resources responsible often lacked the publicity experience. Also another big problem was lack of constructive measurable indicators to measure the success of the publicity activities made.

The NFP made every effort to ensure proper communication and cooperation between all institutions involved in implementation of EEA Financial Mechanism. The NFP organized plenty of meetings with POs, CPMA, Norwegian Embassy in Lithuania during 2012-2018 period to discuss the progress made in implementation of information and publicity measures, usage of programme bilateral funds, the operational challenges, the best practise gained and the opportunities and tools for cooperation in joint activities.

#### **Lessons learned:**

- One website for all the programmes and the national level proved to be a success. However not all POs exploit this instrument to its full capacities.
- The supportive attitude and involve of the Norwegian Embassy in planning and implementing communication and publicity events at national also programme level proved to be a success and contributed significantly to high achievements.
- Due to the high variety of programme topics and target groups, programme publicity was left for the discretion of PO. The established Joint Communication Working Group provided for coordination of communication activities, finding areas for common actions, discussing problems and searching for their solutions. This format of cooperation for visibility and communication objective could be further explored in terms of professional advice and capacity building also initiation and implementation of joint publicity events.
- Some of POs lacked human resources for the implementation of publicity activities, in both quantitative and qualitative terms; it is essential for PO to have a staff member responsible specifically for publicity with adequate qualifications.

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<sup>42</sup> Report on interim evaluation of the implementation of EEA and Norwegian financial mechanisms 2009-2014, 25 August 2016, BGI Consulting, p. 158.

- Publicity activities should be targeted not only at the general public, but at specific target groups relevant to programmes.
- More effective publicity of project achievement was mostly prevented by failure to comply with the requirements for project promoters provided in contracts. In the future it is needed to provide relevant trainings and advise, even consider to establish sanctions (for example, related with suspension of payment of assistance funds) that may discourage project promoters from failure to comply with the obligations.

## 5 SUMMARY LIST OF ISSUES AND RECOMMENDATIONS

**Achievements and benefits.** Despite rather late start but very intensive progress in 2016-2017 also due to Donors' flexibility and decision to extent projects eligibility deadline - programmes were successfully implemented with high absorption rate (which is slightly above 95%), almost all planned results were achieved or even overachieved and impact for the target groups in respective areas is already evident or will be evident after required time span or additional measures implemented.

The approach in the MoU process to direct investments from the Grants to the areas with most pronounced challenges but lacking financing from the national budget due to its constraints or from EU funds due eligibility rules also taking into account availability of Donors' expertise in these areas proved to be very beneficial and led to more consistent social and economic development of Lithuania.

Considering focus and scope of the set of programmes also quality of intervention of the individual programmes, it could be observed that a big number of rather small financial scale programmes in different areas and serving rather different objectives limited prospect to produce substantial change at the national level. However, changes were facilitated by the programmes that were focused on a narrower area. Some programmes have created necessary conditions for change, but more time is required to see benefits of the results, other programmes piloted new measures that had never been used in Lithuania before, but to make a real difference, these measures should continue to be used and applied on a wider scale.

To maximise achievements and benefits in future, it is recommended 1) to concentrate investments to less number of programmes and to less number of objectives inside programmes addressing most prominent challenges in areas, not covered from other sources and with potentials for bilateral cooperation; 2) to align funds to specific needed changes in the agreed areas; 3) potentials in piloting new measures or new operational models should also be explored, as Grants provide possibility to get and exchange expertise and best practices via bilateral or multilateral cooperation. Piloting should be aligned with sustainability measures to implement proved new ideas and practises on a wider scale. Also expectations of all the parties as regards piloting approach should be discussed well in advance (in case the piloted intervention not proves its benefits for programme or co-operation); 4) to ensure adequate resources and expertise for development of programme intervention.

**Bilateral cooperation.** Implementation of the programmes was marked by rather high intensity and beneficial bilateral cooperation which significantly contributed to the achievement of programme results and consequently to both cohesion and bilateral objectives of the Grants. Specifically, establishment of bilateral objective as a separate together with a new instruments (DPP, CC, PBF, NBF) introduced to facilitate it ensured that adequate attention and efforts was allocated in considering and achieving it. As a result, in number of programmes the availability of bilateral cooperation and Donor Countries' expertise was equally valuable as well financial contribution to solve most prominent problems in the programme areas in Lithuania. Challenges in maximising extent and benefits of bilateral co-operation were mainly related to the following factors:

- A clear goals or overall strategy for the implementation of the objective of bilateral cooperation in general and in programmes were missing, consequently there were also shortage for adequate indicators to proper measure effects of the cooperation.
- Too big administrative burden due to number of small, separate but similar instruments to finance cooperation objective or due to complicated set-up of these instruments or due to national over-regulation.



- Not clear roles and different expectations of POs/DPPs how to develop and implement programme together mostly due to rather different types and missions of the partners in their national systems also different legal, management and operating practices.
- Limits of availability of suitable and willing to cooperate donors project partner, not clear or different visions for objectives, implementation and benefits of the partnership, shortages or failures of partnership facilitation initiatives.

NBF proved to be very useful as provided the opportunity to expand bilateral cooperation outside the Grants programmes. However, it was not exploited to full extent due to not clear strategy how to select (initiate, develop) the best bilateral initiatives and use funds in most effective way also due challenges for the NFP to have specific sectoral knowledge and capacities to administrate calls, contracting and payments

To ensure most advantaged bilateral cooperation, for future it is essential 1) to consider and agree at strategic level well in advance on the goals and overall strategy for the implementation of the objective of bilateral cooperation and to plan adequate measures to facilitate it (both at mechanisms and programme level); 2) to integrate/align resources and measures with aim to facilitate bilateral co-operation and to simplify requirement and procedures to use them; 3) delegate administrative functions (organising of calls, contracting, verification of expenditures and financial management) to the competent bodies with relevant experience and resources (both national and programme level; 4) for NFP to identify obstacles for cooperation and take corrective actions and facilitate the process (with help of FMO, Embassy) as early as possible (programme and project level).

In general, the created **MCS** operated effectively, agreed in MoU programmes were implemented, planned objectives and results were achieved to high extent, legal compliance assured. However, the functioning of the MCS faced a number of challenges, mainly due to system complexity (variety and big number of actors, operation at different vertical levels); shortages of human resources and administrative capacities or inappropriate attitude towards responsibilities; over-regulation, leading to high administrative burden and rigidity; too big focus on compliance in comparison with efforts for timely and effective delivery of the results; monitoring indicators not of sufficient quality and suitable for measuring the progress and effectiveness of programmes; very complicated national procurement requirements.

As well functioning MCS has crucial role for successful implementation of programmes, to ensure high performance in future the NFP should take leadership in addressing above mentioned challenges. While developing MCS, the NFP should promote and realise in daily practice and in all processes “results-based” management approach, less focus on developing very detailed regulation, more on communication, promotion of good practices and capacity building. It is obvious, that requirements of Regulation for set-up, international and multilateral nature of cooperation determines, that a big number of different actors again will be involved in future programmes. The crucial lesson learned for making such complex system functioning smoothly and effectively is open and constructive communication and co-operation between all responsible national authorities, the FMO and DPPs. Creation of the IT instrument for the administration, management and control of the programmes, projects and finances allowed to relieve the administrative burden imposed by very complex administration system and to reduce chance of human error as well as intentional malpractices. Such good practise should be sustained in future. To lessen administrative burden for project promoters regarding public procurements, a centralised purchase of typical services could be considered.

## **6 ANNEXES TO THE STRATEGIC REPORT**

1. Applications and selected projects
2. Projects with donors project partners
3. Programme and Country Irregularities
4. Project Irregularities
5. Summary of AA Audit Results
6. Summary of External Final Evaluation