



LIETUVOS IR ŠVEICARIJOS
BENDRADARBIAVIMO PROGRAMA

IMPLEMENTATION OF THE LITHUANIAN-SWISS COOPERATION PROGRAMME

EXECUTIVE SUMMARY

CLIENT: MINISTRY OF FINANCE OF THE REPUBLIC OF LITHUANIA

18 May 2017

EXECUTIVE SUMMARY

The object and the main aim of the evaluation

During the period of 2007-2017, CHF 70.9 million in financial support was granted for the implementation of the Lithuanian-Swiss Cooperation Programme (LSCP) whose targeted use had to contribute to the reduction of the economic and social disparities in the enlarged EU, reduction of the economic and social disparities between the dynamic Lithuanian urban areas and the structurally weak peripheral regions and strengthening of Lithuanian-Swiss bilateral relations.

Switzerland provided funding to Lithuania was planned to invest in four priority fields:

- 1) improvement of perinatal and neonatal health care (CHF 26.6 million) and introduction of energy-saving technologies in hospitals, providing perinatal and neonatal health care services, including modernization of the heating, water supply, ventilation and conditioning systems (CHF 19 million);
- 2) expansion of fundamental research (CHF 13 million);
- 3) support to the initiatives of the non-governmental organizations of Lithuania (further – NGO) in order to strengthen their capacities and cooperation with municipal institutions (CHF 5.55 million);
- 4) modernization of the court system (1, 77 million CHF).

About CHF 1.34 million were allocated to the expenditure on the management and implementation of the programme and to help intermediary authorities prepare applications of the projects and block grants.

The main aim of the evaluation of the Lithuanian-Swiss Cooperation Programme was to assess the *process* of the implementation of the Lithuanian-Swiss Cooperation Programme, its *relevance, efficiency, effectiveness, impact* and *sustainability*. Based on the evaluation results, consistent and quality *conclusions* and *recommendations* on the *implementation process* of the Lithuanian-Swiss cooperation programme and potential cooperation *priorities and interventions*, as well as suggestions for a *new administration system* were provided if there were new Swiss contribution period.

The methodology of the evaluation

In order to adequately interpret the results of the evaluation, the assessment of the LSCP implementation was based on the theory of change, which let the evaluators to identify the causal links between the intervention and outcomes expected. Theory based evaluation is valuable and useful for the decision makers as it provides insights about what works or does not work in certain case. The main element of the theory of change are:

- 1) the links between resources and outputs, results and outcome, i.e. vertical logic of intervention;
- 2) the assumptions the vertical logic of intervention relies on;
- 3) the identification of unintended consequences (outcome and impact);
- 4) the identification of other explanatory and alternative factors.

Since the object of the evaluation consisted of three projects, the NGO block grant, an Individual project and three Funds, the theory of change was adapted to the complexity of the case. Firstly, we reconstructed a general theory of change of the Lithuanian-Swiss Cooperation Programme, then specific theories of change were prepared for the LSCP funded intervention areas and only then we began collecting and analysing the data.

The findings and recommendations of the evaluation of programme implementation are based on the desk research, interviews with the responsible authorities and beneficiaries, seven surveys of the applicants,

project promoters and beneficiaries, 7 case studies, analysis of policy alternatives, SWAT analysis and the results of a focus group. A total of 13 interviews with the representatives of the responsible authorities including representatives of the Switzerland, as well as 9 interviews with the executing agencies and beneficiaries were conducted.

While evaluating the impacts of intervention in the field of NGOs, a comparative statistical analysis was performed by comparing two different groups: a group that experienced the impact of the intervention (the target group) and a group that did not experience the intervention (a control group). In comparison to previous evaluations, a large number of beneficiaries made it possible to collect statistically representative data for such analysis.

Below we present the main results of the evaluation according to the fields of intervention funded and results of assessment of the efficiency of LSCP administrative system.

Improvement of perinatal and neonatal health care services

Interventions targeted to improve the perinatal and neonatal health care services, which received 67 per cent of total Swiss contribution, were aimed at the improvement of the quality of perinatal and neonatal health care services and increasing the energy efficiency of hospitals in the whole country, thus reducing the disparities between urban centres and the periphery and increasing access to quality services for all residents. At the same time, the main aim was to reduce the values of neonatal and maternal mortality indicators lagging behind the EU average.

Implementation of the LSCP interventions in the health sector led to the achievement of all targets set in the programmes of perinatal and neonatal health care improvement and introduction of energy efficient technologies. Due to the additional funds derived from the CHF exchange rate fluctuations that were used to increase the funding for the previously planned activities or funding new activities, part of the actual indicator values exceeded the targets set in the programmes. The evaluation indicated that the key factors affecting the achievement of indicators and high quality of results were the appropriate planning of the intervention, leadership of the Ministry of Health and political attention of Lithuania and Switzerland to the programme implemented, as well as close cooperation of the programme administration institutions, the executing agency and beneficiaries during the programme implementation. An adequate separation of the interventions (the comprehensive service improvement and energy efficiency) by implementing a centralized comprehensive project aimed at improving the quality of services nationwide, and allowing each hospital to plan and implement energy-saving technology introduction projects also contributed to the efficiency of the intervention.

The implementation of targeted interventions in the perinatal and neonatal health care increased the overall level of patient satisfaction with the hospital services from 28 to 51 (and up to 63 for not-first-time delivering women) and reduced the likely CO₂ emissions, thus contributing not only to a better quality of health services for the target group, but also a reduction of the environmental impact. However, the patient satisfaction survey demonstrated that a good physical environment and facilities are perceived by the patients as a self-evident aspect of the services provided; this factor could affect the general satisfaction level only when the premises are in a very poor condition. The analysis also revealed that the implementation of the intervention did not have a significant impact on patient satisfaction with the quality of information provided to them and the attention to women of the post-natal period, which remained among the lowest rated of aspects of perinatal and neonatal health care services. On the other hand, the contribution of interventions to the changes in the neonatal mortality rate is obvious: during the implementation of the programmes this indicator gradually declined and in 2016 reached 2.3 cases per 1,000 births, which corresponds with the level of the EU Member States in 2004. Considering that the investments of the Lithuanian-Swiss Cooperation Programme accounted for the highest share of funding for the improvement of perinatal and neonatal health care services during the period 2009-2015, changes in the important indicators demonstrate a positive impact of the intervention to the target group and to society at large.

Analysis of the future needs and financing priorities revealed, that substantial disparities in the areas of personal as well as public health sectors between Lithuania and other EU Member States remain. Actions directed at the improvement of health care services are planned in various strategic documents and investment programmes. In order to ensure relevant programming and high added value of the expected Swiss contribution, interventions funded from other sources should be assessed to identify the area of health care, where Swiss experience could be the most valuable.

Strengthening of the Research and Development

Interventions in the field of the research and development – the Research and Development Programme and the Scholarship Fund – sought to reduce the Lithuanian R&D sector indicators lagging behind the EU average and to promote internationalization of the R&D sector. The R&D programme provided funding to 9 joint research projects and 11 institutional partnership projects, while Scholarship Fund granted fellowships for 50 Lithuanian researchers from public research and higher education institutions.

In the implementation of the joint research projects of the R&D programme the most important results planned in this type of projects were achieved – joint scientific publications were published and 67 of them were included in the *Thomson Reuters Web of Science* data base; prototypes of new equipment were developed; 1 patent application was submitted and transfer of technologies took place; also, active dissemination of research results was performed. Also, cooperation was actively developed both during joint research and institutional partnership projects and further research was carried out in the same field of research; applications for joint research were also submitted. However, indicators that would allow an objective evaluation of intervention outcomes at the programme level have not been set. A subjective evaluation of results revealed that the implemented projects of the R&D programme - joint research and institutional partnerships - allowed the involved researchers to achieve good research and cooperation results. Also, the funding of the Scholarship Fund contributed to the scientific and cooperation capacities of researchers.

The R&D programme also had a direct impact on the Lithuanian-Swiss scientific cooperation as the funding created an incentive for the Swiss science institutions to become interested in the input of Lithuanian researchers in the specific areas of science, looking for joint collaborative research opportunities. The fact that the funds of the Lithuanian-Swiss Cooperation Programme were invested in research activities and cooperation with internationally recognised Swiss research institutions led to high-quality scientific results and a tangible impact on the promotion of collaboration between researchers and institutions. It is likely that without the interventions of the Lithuanian-Swiss Cooperation Programme in the R&D sector, such a change would not have occurred, since the financing became a catalyst of productive cooperation in the field of R&D. However, in the future, in order to gather reliable evidence about the impact of interventions in the R&D sector, it is necessary to improve the intervention logic, to identify the indicators and calculation methods, as well as to collect information about the progress of interventions and the results achieved.

Despite good results, in 2007–2017 Lithuanian-Swiss cooperation was limited mostly to the fundamental research area and only research projects of the public sector were eligible for funding. Our analysis revealed, that in order to promote further development and internationalization of R&D field and increase economic effect of the investments, more active cooperation of public and private research organizations and commercialization of research results should be promoted.

Strengthening of the NGOs

The aims of funding to the NGO sector relied mostly on the target groups identified in the feasibility study, i.e. the needs of non-governmental organizations, because during the intervention planning period strategic documents defining their fields of development of the NGO sector had not yet been worked out. Therefore, in particular, investments were allocated to strengthening the NGOs institutional capacities and their cooperation, regardless of the nature and field of the organizations' activities.

The NGO Fund was targeted to reduce the social and economic disparities and promote sustainable development inside the country by contributing to the NGOs' training activities, various action plans, strategies, studies, data bases; the existing material needs of the organizations were also satisfied through buying of hardware, furniture, cars and more.

The evaluation of NGO Fund effectiveness was aggravated by the underdeveloped intervention logic lacking specific indicators of the level of impact and results, which would have allowed to identify expected changes and the contribution of the supported activities to their achievement. The survey of final beneficiaries showed that NGO Fund significantly contributed to the strengthening of the non-governmental sector, while the outputs and results created during sub-projects were of high quality, often used and sustainable. The survey revealed, that most of the respondents agree or fully agree that the quality of services delivered by their organizations has increased (88,5 %), also the amount of delivered services has increased (76,9 %), the organizations attracts more volunteers (63,5 %) and employees (43,8 %), attracts more funding (62,7 %) and more actively participate in decision making (55,1 proc.). In comparison to the results of the survey of control group's NGOs, which applied, but did not get funding from NGO Fund, funded NGOs were more positive in accessing the current situation of the organization's development. In the field of NGO, the efficiency of project implementation was also enhanced by the possibility to implement complex projects and comprehensively strengthen the organization's capacity.

Further development of non-governmental sector is mostly related to the potential of NGOs to deliver services in cooperation with public sector, thus contributing to the solution of social problems in Lithuania. Lithuania has committed to transfer at least 15 per cent of public services to the NGOs and non-profit organizations. The Government appointed in 2016 also demonstrates political support to the transfer of public services to the non-governmental sector and wider participation of NGOs in the delivering of public services. To this end, it is important to encourage cooperation of local authorities and NGOs, to strengthen the capacities of NGOs and to create models of delivering high-quality public services in specific areas.

Modernisation of the court system

The Individual project aimed at modernizing the performance of courts through the introduction of video conferencing equipment targeted to optimize courts proceedings in terms of costs and time, to promote usage of modern technologies in courts and to simplify the possibilities of specific groups to participate in courts proceedings. The intervention was in line with the broader EU e-justice agenda aimed at increasing the efficiency of courts, improvement of service quality and the promotion of cooperation. Video-conferencing equipment is successfully exploited by the courts of Switzerland, Portugal, Denmark, Austria, the United Kingdom, Finland and other counties, thus implementation of the Individual project contributed to the reduction of disparities between Lithuania and other EU Member States.

Due to the implementation of the Individual project stationary video-conferencing equipment was installed in 18 courts, mobile video-conferencing equipment were passed on to all 13 imprisonment institutions, 2 sets were given to the Prosecutor's Office and 5 sets – to regional courts, who should ensure the accessibility of the mobile equipment to the district courts. Also, three study visits in Switzerland, Portugal and Denmark were organised as well as staff of aforementioned institutions were trained on how to work with video-conferencing equipment. Implementation of the Individual project as well as its results and outputs, contributed to the achievement of the main objectives – to optimize court proceedings in terms of costs and time used, as 9 % of state expenses for examination of cases were saved due to possibilities to organize remote hearings and 6,68 % more of cases were examined in 2015.

Introduction of the video-conferencing equipment in the courts, as well as leadership of NCA and effective communication with final beneficiaries led to the substantial increase in numbers of remote court hearings: there were 243 remote court hearing held in 2015 compared to the target of 50 such hearings. Effective implementation of the Individual project and result achieved was ensured by the clearly defined change, centrally implemented project, aimed at accessibility of the equipment as well as leadership and effective communication of NCA.

Efficiency of the LSCP administrative system

In the development of the administrative framework for the Lithuanian-Swiss Cooperation Programme the experience and administrative capacities of the Lithuanian authorities, had been acquired during the administration of the funds of the EEA and the Norwegian financial mechanisms, the EU Structural Funds and other financial programmes, were effectively exploited. The areas assigned for intermediary institutions were broadly in line with the policies assigned to their supervision. Switzerland had not established detailed prerequisites for the institutional administration framework in the countries receiving the Swiss cooperation programme and for associated management and control systems. This provided more flexibility, but resulted in additional challenges because of the need to develop the management and control system in absence of clear guidelines and requirements.

The results of audits showed that the management and control system of the Lithuanian-Swiss Cooperation Programme is good or very good, and the management and control system procedures in place are reliable. In turn, cooperation between the Lithuanian authorities and the Lithuanian and Swiss institutions involved in the administration of the Lithuanian-Swiss Cooperation Programme has been efficient and included both formal and informal collaboration. On the other hand, the legal framework of the administration system of the Lithuanian-Swiss Cooperation Programme was very complicated, and the administration system of the Lithuanian-Swiss Cooperation Programme itself was characterised by multi-level complexity because it involved intermediate institutions in the programme management at project level. In the opinion of the beneficiaries, the major administrative burden was caused by the implementation of projects supported by the R&D programme, which may be associated with a very difficult and complex R&D programme administration system. The biggest administrative burden was caused by the preparation and submission of payment requests, public procurement and their coordination. However, the beneficiaries favourably assessed the cooperation with the administering authorities and, except for the R&D programme, agreed that the coordination of procurement documents improved their quality.

The administrative costs of the Lithuanian-Swiss Cooperation Programme amounted to about 5.8 per cent of the contribution of Switzerland allocated for the implementation of the programme, which is quite cost-effective, given the size of the programme. The administrative costs of programme measures were directly related to (1) the average size of projects (the administration of measures dominated by small projects was significantly more expensive), and (2) complexity of the administration system of respective measures. No joint integrated inter-institutional IT systems were created for the administration of the Lithuanian-Swiss Cooperation Programme; responsible institutions adapted or applied their internal IT systems for programme administration at the project level. Given the limited scope of the programme and the specific nature of project administration procedures, such decision was cost-effective and resulted in flexibility in the project administration procedures, but did not satisfy the demands related to programme administration and monitoring.

The focus areas and indicative financial allocations were defined in the Framework Agreement, and there were no competition between projects on the LSCP level. However, the commitment process was delayed due to the time consuming formal two-stage procedures for submission and approval of project outlines and final project proposals. On the other hand, implementation of Lithuanian-Swiss Cooperation Programme and disbursement of funds was delayed due to the complex and long lasting legal preparatory procedures in Lithuania and delays in launching public procurement procedures.

Based on evaluation results the Recommendations on the future intervention areas and administrative system were provided to the Ministry of Finance of the Republic of Lithuania and other institutions in case there were a decision on a new Lithuanian-Swiss cooperation period.

Recommendations on the areas for future intervention and implementation models

- Taking into consideration the expected contribution and added value of Swiss support in the health area, we propose to fund complex projects or programmes in certain area of personal health

care characterised by large imbalances; or projects aimed at improvement of the performance of public health interventions to promote healthy lifestyles and effectively change people's behaviour.

- In order to adopt Swiss experience in the health area or other fields, we propose the establishment of a *twining instrument* to enhance the cooperation of Lithuanian and Swiss national and local authorities in the exchange of knowledge, spread of good practices and promotion of systemic change in different policy areas.
- We propose to broaden R&D interventions and to provide opportunities for participation of Lithuanian and Swiss private entities in joint research and innovation projects and those aimed at strengthening the researchers' capacities; to go beyond the fundamental research in certain fields of research; and to further fund the fellowships of researchers, both internationals and intersectoral. In order to improve the intervention logic, the clearly defined change should be agreed on and relevant indicators set.
- As far as NGO Fund is considered, we propose to fund projects aimed at cooperation of NGOs and public authorities, further strengthening of NGOs' capacities, setting on and piloting new models of service co-delivery. In the future Swiss support to NGO Fund could significantly contribute to the improvement of public health care, addressing the challenges of the aging society or integration of disabled persons. Depending on the areas of intervention selected, we propose to set on relevant output and result indicators with clear baselines, targets and dates, measuring the number of individuals, who got the services delivered by NGOs. Also, functions of the Intermediary institution should be assigned to the Ministry of Social Security and Labour and interinstitutional cooperation ensured.

Recommendations on the improvement of the administrative system

- In order to ensure efficient implementation of the programme, we propose to reduce the complexity and the multi-level elements of the programme administration procedures.
- We propose to assess the feasibility of developing an integrated IT system for the administration on the programme level, which would be accessible for different administrative institutions and integrated with the State budget, accounting and payment system (SBAPS).
- Applying block grant scheme for R&D investments, which could be implemented by the Research Council of Lithuania; expand the use of simplified costs options and reduce the excess requirements on the project level.
- Applying simple competitive selection with the final application submission date for sub-projects under NGO block grant.
- Switching to one-stage project planning procedures: project outlines could be informally coordinated with the donors, while the formal approval could be applied to the final project proposals.
- Starting preparation for the implementation of the project (preparation of necessary legal documents for programmes' implementation, preparation of public procurement documents) in parallel with the elaboration of the final project proposal.