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Evaluation of the Implementation of the European Economic Area (EEA) and Norway Grants 2009-2014

Commissioned by
the Ministry of Finance of the Republic of Lithuania

SUMMARY



Evaluation of the Implementation of the European Economic Area (EEA) and Norway Grants 2009-2014
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The evaluation was carried out by UAB BGI Consulting

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1. AIM AND OBJECTIVES OF THE EVALUATION

On the basis of the EEA and Norway Grants, three Donor States – Iceland, Liechtenstein and Norway – provide financial assistance to economically weaker or newly acceded Eastern, Central and Southern European Union (EU) Member States. The overall objectives of the Grants are 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 main **aim of the evaluation** was to assess the implementation process, relevance, efficiency and effectiveness of the 2009-2014 EEA and Norway Grants in Lithuania and to provide recommendations for improving the implementation of the Grants.

In order to achieve this aim, **6 objectives of the evaluation** have been carried out:

- *Relevance* of the Grants has been assessed;
- *Efficiency* of the Grants has been assessed;
- *Effectiveness* of the Grants has been assessed;
- *Lessons learned* and *good practice examples* from implementing the Grants in Lithuania have been identified;
- The *influence* of the Grants *on the development of bilateral relations* between the Donor States (Iceland, Liechtenstein and Norway) and Lithuania has been assessed;
- *Conclusions and recommendations* for increasing relevance, efficiency, effectiveness and influence on strengthening of bilateral relations have been provided.

2. OBJECT OF THE EVALUATION

In the programming period 2009-2014, the total of 84 million EUR of the EEA and Norway Grants assistance was allocated to Lithuania. The funding under the Grants assistance was provided for 14 programmes, 12 of which are managed by Lithuanian institutions. The **object of the evaluation** is diverse, consisting of three main elements of the Grants: **interventions, management system** and **bilateral relations**.

INTERVENTIONS

The evaluation encompassed interventions of 12 programmes under the 2009-2014 Grants assistance. The total of 82.4 million EUR was allocated for the implementation of the following programmes:

- LT02 “Integrated Marine and Inland Water Management” (EUR 5.498.880);
- LT03 “Biodiversity and Ecosystem Services” (8.054.061 EUR);
- LT05 “Children and Youth at Risk” (7.424.882 EUR);
- LT06 “Conservation and Revitalisation of Cultural and Natural Heritage” (EUR 10.588.235);
- LT07 “Promotion of Diversity in Culture and Arts within European Cultural Heritage” (EUR 1.176.471);
- LT08 “EEA Scholarship Programme” (EUR 1.670.588);
- LT09 “Green Industry Innovation” (EUR 9.411.765);

- LT10 “Capacity-Building and Institutional Cooperation with Norwegian Public Institutions, Local and Regional Authorities” (EUR 9.411.763);
- LT11 “Public Health Initiatives” (EUR 7.058.824);
- LT12 “Schengen Cooperation and Combating Cross-Border and Organised Crime, Including Trafficking and Itinerant Criminal Groups” (EUR 4.014.118);
- LT13 “Efficiency, Quality and Transparency in Lithuanian Courts” (EUR 9.058.824);
- LT14 “Correctional Services, Including Non-Custodial Sanctions” (EUR 9.058.824).

Interventions were being evaluated on the basis of the **relevance, coherence, effectiveness** and **sufficiency** criteria.

MANAGEMENT SYSTEM

The management system under evaluation encompassed the institutional set-up, procedures, human resources and administrative tools in the management and control system of the Grants. The latter is comprised of the following institutions:

- The Ministry of Finance of the Republic of Lithuania, acting as the National Focal Point (NFP), Certifying Authority and Authority Reporting on Irregularities (CA), Paying Authority (PA) and the Audit Authority (AA) of the Grants;
- The Ministry of Environment of the Republic of Lithuania, the Ministry of Culture of the Republic of Lithuania, the Ministry of Social Security and Labour of the Republic of Lithuania, the Ministry of Health of the Republic of Lithuania, the Ministry of Education and Science of the Republic of Lithuania, the Ministry of Justice of the Republic of Lithuania, the Ministry of Economy of the Republic of Lithuania, the Ministry of the Interior of the Republic of Lithuania and the National Courts Administration, acting as Programme Operators (PO);
- Central Project Management Agency (CPMA).

The management system was being evaluated on the basis of the **efficiency** criterion.

BILATERAL RELATIONS

In the framework of the Grants, bilateral relations are being developed in different ways:

- Partnership at the programme level;
- Partnership at the project level;
- Activities financed from the bilateral funds at the programme level;
- Activities financed from the National Bilateral Fund (NBF).

Partnership on both programme and project levels was being evaluated by analysing changes in the **extent of cooperation, mutual contribution to shared results** and changes in **mutual knowledge and understanding**. Bilateral funds were being evaluated on the basis of **administrative efficiency, benefit** and **added value** criteria.

3. METHODOLOGY OF THE EVALUATION

In the evaluation, a combination of secondary analysis (i. e. analysis of the available information) and primary analysis (i. e. analysis of the information gathered by the evaluators) was employed. In order to carry out the objectives of the evaluation, different **evaluation methods** were applied:

- *Document analysis.* Documents determining the management and control system of the Grants and management of Grants assistance, Descriptions of Financing Conditions for Projects, national strategic documents, programme documents of other financial assistance, etc. were analysed;
- *Analysis of secondary sources.* Relevant studies, evaluations, etc. were analysed;
- *Analysis of monitoring data.* Quantitative data as of 31 December 2015 on the implementation of the Grants programmes and projects was analysed;
- *Expert evaluation.* Insights from the experts of the evaluation team and the external sectoral experts were gathered;
- *Theory-based evaluation.* Relevance of the intervention logic (operational objectives, activities, products and results) of the Grants programmes, in terms of achieving their overall goals, was analysed;
- *Survey.* Surveys of 7 groups of respondents (institutions in the management and control system of the Grants, Donor Programme Partners, project promoters, Donor Project Partners, applicants not granted funding, NBF project promoters and their partners) were carried out. The findings of the surveys of the institutions in the management and control system of the Grants, applicants not granted funding, project promoters and Donor Programme Partners are applicable for the entire survey populations. The results of the surveys of the Donor Project Partners, NBF project promoters and their partners are not representative enough, however, they provide valuable insights and supplement the information gathered by other methods;
- *Interview.* 13 semi-structured interviews with 27 representatives of the institutions in the management and control system of the Grants, acting as NFP, PO and CPMA, were conducted.

4. REVIEW OF THE EVALUATION RESULTS

4.1 GRANTS INTERVENTIONS

4.1.1 RELEVANCE

The relevance of the programmes under the Grants of 2009-2014 was evaluated by analysing national strategic documents of the period of 2009-2015. Two approaches to assessing the relevance of the interventions – **relevance in terms of national strategic agenda** (directions for national strategic development) and **relevance in terms of the needs of the target groups** – were applied. It was concluded that the relevance of the programmes under evaluation is **high** in terms of both national strategic agenda and the needs of the target groups, i.e. their interventions fully correspond to the directions for national strategic development and the needs of the target groups indicated in general and sectoral national strategic documents of 2009-2015. Relatively lower – medium to high – relevance was observed in the cases where some directions of the interventions under the programme are not prioritized in the national strategic agenda (LT05 programme) or do not correspond to the changes in the relevant national strategic

documents indicated in the analysed period (LT14 programme). Nevertheless, in such cases, the relevance and importance of the interventions are justified by the need to comply with the country's international commitments or uphold international standards.

4.1.2 COHERENCE

Three approaches to assessing the coherence of the interventions of the programmes under the Grants were applied. **Internal coherence on the programme level** (among different directions of interventions within the programme), **internal coherence on the Grants' level** (among interventions of the different programmes) and **external coherence** (between the interventions under the Grants and those funded from other sources of international financial assistance) were analysed.

INTERNAL COHERENCE ON THE PROGRAMME LEVEL

Internal coherence on the programme level is **high** in the absolute majority of the programmes, as their directions of interventions do not contradict each other, do not overlap and supplement one another. Internal coherence among the different directions of interventions within the LT03 and LT10 programmes is **medium**. Due to highly fragmented intervention logic of the LT03 programme, some of its directions of interventions overlap. Furthermore, part of the directions of interventions in the LT10 programme are too disembodied from the overall intervention logic of the programme. Among the directions of interventions within the analysed programmes, a synergy effect on the different levels – public policy sector, institutional, systemic, target group and project – was identified. The synergy effect is observed in the cases where the different directions of interventions comprehensively contribute to the development of specific public policy sector (LT02, LT03, LT06, LT07, LT09, LT11, LT12 programmes), different capacities of the same institution (LT03, LT13 programmes) or different elements of the same system (infrastructure, equipment, human resources) (LT05, LT13 programmes), fulfilment of different needs of the same target group (LT05, LT08, LT10, LT11, LT14 programmes), or when the products developed in one project are used for the development of the products in other projects (LT11 programme).

INTERNAL COHERENCE ON THE GRANTS' LEVEL

Internal coherence on the Grant's level is **high**, as the interventions of the different programmes do not contradict to each other, do not overlap and, in some cases, supplement one another. Among the programmes funded by the Grants, a synergy effect on different levels – public policy sector, target group and institutional – was identified. The synergy effect is observed in the cases where interventions of the different programmes comprehensively contribute to the development of specific public policy sector (LT02, LT03, LT09, LT10 – environmental protection), different capacities of the same institution (LT02, LT03 – Environmental Protection Agency, LT10, LT12 – police) or fulfilment of different needs of the same target group (LT05, LT07, LT08, LT11, LT14 – children and youth at risk, LT10, LT14 – statutory officers in correctional services and public security systems, LT06, LT07 – culture users).

EXTERNAL COHERENCE

External coherence of the programmes under the Grants was being evaluated by comparing the interventions under the 2009-2014 EEA and Norway Grants with the activities in the similar period financed from other international funding sources – EU structural funds (ESF, ERDF and CF), EAFRD, EFF and Swiss assistance. External coherence of the programmes under the Grants varies **from low to high**. It

is high in the cases where no activities similar, in terms of nature or target group, to the interventions under the Grants were financed or were only modestly financed from other funding sources of the same period (LT05, LT07, LT11, LT13, LT14 programmes). External coherence of the programmes under the Grants where interventions partly resemble, in terms of their nature, to activities in the similar period financed from other funding sources (LT02, LT03, LT06, LT10, LT12 programmes), is medium. In the cases, where activities similar to the interventions under the Grants in the same period were abundantly financed from other funding sources, external coherence is low (LT08, LT09 programmes).

4.1.3 EFFECTIVENESS

As of 31 December 2015, only small part of achieved values of product and result indicators of the programmes were recorded, since the majority of projects were still pending. For some of them, the implementation period had been extended until 30 April 2017. According to the results from the survey of the project promoters, **expected effectiveness on the project level is high** in all the programmes under evaluation. However, various risks posing a threat to the full achievement of the planned values of the project indicators were identified. The main risks encompass belated start of the project implementation (LT05, LT06, LT08, LT10 programmes) and challenges related to organising public procurement for purchasing goods and services in the project (LT02, LT03, LT05, LT06, LT10, LT11, LT12, LT13, LT14 programmes). Other risks worth mentioning – failure by external service providers to fulfil their commitments (LT06, LT11 programmes), unfavourable climate conditions (LT02 programme), too ambitious planning of achievements (LT06, LT07, LT14 programmes) and shortcomings in the system of indicators (LT13 programme). **Expected effectiveness on the programme level is high or very high** (exceeding 100 %) in almost all the programmes (LT02, LT03, LT05, LT06, LT07, LT09, LT10, LT11, LT12, LT13, LT14 programmes). Nevertheless, due to lower than expected demand for funding for some directions of interventions under the LT03, LT05, LT06 and LT07 programmes, planned values of their indicators will not be fully achieved on the programme level. Only in the case of the LT08 programme, which implementation started relatively late, expected effectiveness on the programme level is low.

4.1.4 SUFFICIENCY

Sufficiency of the interventions of the programmes under the Grants was being evaluated by analysing the **sufficiency of the focus and geographic scope of the interventions**, as well as **sufficiency of funds, in terms of developing quality products and results**. The capacity of the interventions to tangibly contribute to micro-level (target group) or macro-level (public policy sector) changes is directly dependent on the size of the focus of the interventions and of the geographic distribution of their products and results (the larger, the better), and the sufficiency of the funds to develop quality products and results of the interventions. The sufficiency of interventions under the programmes under evaluation can be summarized in the following statements:

- The interventions of the LT02 programme are considered sufficient to tangibly benefit their direct target group – specialists of institutions in charge of water management who will acquire methodological tools necessary for efficient performance of their tasks. However, due to relatively small budget of the programme and its focus on strengthening the capacities in only one of the stages of the public policy cycle (i.e. monitoring), the sufficiency of the interventions to cause considerable changes in the society or the environmental protection sector is limited;
- The interventions of the LT03 programme are considered sufficient to tangibly benefit one of their direct target groups – specialists of institutions of different levels responsible for protection of biodiversity who will acquire methodological tools necessary for efficient performance of their tasks.

However, due to high fragmentation of the interventions, their sufficiency to cause considerable changes in the society or the environmental protection sector is limited;

- The interventions of the LT05 programme are considered sufficient to tangibly benefit their main target groups – children (including those having suffered from sexual abuse) and youth at risk in different regions of the country, as favourable conditions for meeting their needs will be created. However, taking into account the large size of target groups in question, widely publicly discussed problems they face and high demand for assistance under the programme, the financial sufficiency of the interventions is rather limited;
- The interventions of the LT06 programme are considered sufficient to tangibly benefit their direct target groups – managers and owners of cultural heritage objects who were provided with an opportunity to revitalise cultural heritage they manage or own, and specialists of cultural heritage preservation for whom favourable conditions to engage in research and conservation of cultural heritage in newly-developed centres have been created. The programme will also create considerable benefit for the society by providing an opportunity to use improved cultural heritage objects for its needs;
- The interventions of the LT07 programme are considered sufficient to tangibly benefit their main target groups – specialists of art and culture for whom favourable conditions to realize creative ideas were provided, and inhabitants of the country's regions who were presented with different cultural products and opportunities to engage in creative activities. However, taking into account the high demand for assistance under the programme, the financial sufficiency of the interventions is rather limited;
- Due to small geographic coverage of the interventions under the LT08 programme (i.e. projects of the 1st open call for proposals) and their uneven distribution among the target groups of the programme, they are considered insufficient to tangibly benefit the target groups or, let alone, the educational sector. The only target group which will benefit relatively more from the programme is specialists of adult education who were provided with an opportunity to exchange experience and improve their competence;
- The interventions of the LT09 programme are considered partly sufficient to tangibly benefit their direct target group – economic subjects who might employ market innovations developed as a result of the programme for increasing their competitiveness. Due to limited scope of investments and rather small number of projects under the programme, the sufficiency of the interventions to cause considerable changes in the society or the green industry sector is limited;
- The interventions of the LT10 programme are considered sufficient to tangibly benefit one of their direct target groups – municipality specialists working in the field of climate change prevention and police officers responding to calls regarding domestic violence who were provided with an opportunity to improve their competence and capacities. However, due to high fragmentation of the interventions, in terms of target groups and nature of capacity-building activities, their sufficiency to cause considerable changes in the society or the public sector is limited;
- The interventions of the LT11 programme are considered sufficient to tangibly benefit both specific target groups – children and youth in large part of the country's territory, by improving technical capabilities of their health care, and the society, by directly contributing to its health improvement and reduction of health disparities. However, taking into account high demand for assistance under the programme, the financial sufficiency of the interventions is rather limited;
- The interventions of the LT12 programme are considered sufficient to tangibly benefit both their direct target groups – police and customs specialists who will acquire technical tools necessary for efficient performance of their tasks, and the whole public security sector by increasing the capacities of its main institutions;

- The interventions of the LT13 programme are considered sufficient to tangibly benefit both their direct target group – various judicial specialists who were provided with an opportunity to improve their competence, and the whole judicial system. The programme will comprehensively contribute to increasing the impartiality and efficiency of the latter. However, due to the limited budget of the programme, only approximately one-third of the judicial system in the country will be modernized, rendering the financial sufficiency of the interventions rather limited;
- The interventions of the LT14 programme are considered sufficient to tangibly benefit the whole correctional services system of the country. Comprehensive contribution by the programme to its development is a significant step towards modernization of the system. However, the funding under the programme was insufficient to fully achieve planned results of the interventions, thus, the sufficiency in this respect is rather limited.

4.2 MANAGEMENT SYSTEM OF THE GRANTS

Administrative efficiency of the management system of the Grants is determined by the sufficiency of various administrative efficiency factors in the **different stages of the programme management**:

- *Planning*: drafting and approving the Memoranda of Understandings of the Grants and the programmes, setting-up the management and control system of the Grants;
- *Implementation*: implementing the programmes and their projects (drafting the descriptions of financing conditions for projects, organising calls for proposals, assessing applications, selecting projects, concluding project agreements, managing projects and organising public procurement for purchasing goods and services in the projects);
- *Monitoring*: recording and following up the implementation of programmes and projects (recording the achievements of the programme and project indicators, drafting, submitting and approving reports at different levels, performing on-site visits and handling irregularities).

Administrative efficiency factors analysed in the evaluation encompass:

- *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.)

4.2.1 PLANNING STAGE

According to the joint evaluation of the representatives of the NFP, PO and CPMA, the efficiency of the planning stage **ranges between medium and high**. The implementation phase was marked by a clear institutional framework defining specific responsibilities and functions, and clear and high quality procedures, along with higher than average efficiency of inter-institutional cooperation. Nevertheless, there are factors limiting the efficiency in this phase, specifically:

- Shortage of clear and quality procedures determined by delay and, in turn, urgency in signing Memoranda of Understanding for Grants, and systemic changes of Grant administration (as compared to the previous programming period);

- Complicated communication with donors caused by mentality differences, leading to excessively long approval process of programme proposals;
- Lack of political will and interest in Grant support in some of the institutions performing the PO functions;
- Shortage of human resources in PO in quantitative and qualitative terms (number of employees working with the Grant programs and shortage of administrative capacity and experience);
- Shortage of administrative and technical support of donors and external contributors to the PO in preparation of the programme proposals.

4.2.2 IMPLEMENTATION STAGE

According to the joint evaluation of the representatives of the NFP, PO and CPMA, the efficiency of the implementation stage **ranges between medium and high**. The implementation phase was marked by a clear institutional framework defining specific responsibilities and functions, and clear and high quality procedures, and higher than average efficiency of inter-institutional cooperation. Nevertheless, there are factors limiting the efficiency in this phase, specifically:

- Excessively stringent administrative procedures due to the administrative model not adequate to the size of Grants, established by the PAFR;
- Lengthy procedures for approval of different administrative aspects determined by the institutional framework of the complex administration of Grants;
- Shortage of human resources in PO in quantitative and qualitative terms (number of employees working with the Grant programs and shortage of administrative capacity and experience);
- Lack of expert, technical and administrative assistance of donors, particularly with respect to communication between Lithuania and donor countries;
- Insufficiency of external expertise and technical support for the PO in the preparation of DFCP.

4.2.3 MONITORING STAGE

According to the joint evaluation of the representatives of the NFP, PO and CPMA, the efficiency of the monitoring stage **ranges between medium and high**. Relatively high administrative efficiency and sufficiency of influencing factors, especially clear institutional framework, procedures and consistent inter-institutional cooperation was identified in the monitoring phase. Nevertheless, there are factors limiting the efficiency in this phase, specifically:

- In some cases, challenges determined in selecting not always suitable system of indicators of the planning phase in recording achievements of some indicators;
- Challenges for PO due to the lack of necessary administrative skills and experience in forecasting the need of the Grants funding for implementation of activities in the specific period;
- Limited technical capacity of information systems used for monitoring.

4.3 BILATERAL RELATIONS IN THE FRAMEWORK OF THE GRANTS

4.3.1 PARTNERSHIP ON THE PROGRAMME LEVEL

The partnership between the Lithuanian PO and Norwegian institutions at the programme level includes three-quarters of the analysed Grant programmes (LT02, LT03, LT06, LT07, LT08, LT09, LT10, LT13 and LT14). Considering the fact, that the needs and opportunities for international cooperation are different in different public policy sectors, the scale of cooperation is evaluated as sufficient.

Both the Project Partners and the Project promoters contributed, albeit to different extent, to the planning and implementation stages of the Grants programmes. Contribution of Norwegian institutions was relatively more significant in the implementation rather than in the planning stage. They mostly contributed to the planning stage by transferring the expectations of Donors and providing the Project promoters with the experience of implementation of the Grants in other beneficiary countries. Norwegian institutions contributed to the implementation stage by preparing premises required for partnership on the project level (making proposals regarding possible project partners from Donor countries, usage of bilateral funds for cooperation and organising the search for project partners from Donor countries). The contribution of Norwegian partners varied in different programmes. Relatively lesser involvement of some of Donor's institutions could have been caused by fatigue of partnerships with PO of different countries, and, in turn, lower interest in the programme implemented in Lithuania; lack of personal interest and initiative of the representatives of the programme partners; lack of actual need for partnerships, and, therefore, its value added; unevenness of partnership.

Partnership at the programme level encouraged the increase of mutual knowledge and understanding between Lithuania and Norway. According to the PO, the participation of Norwegian partners in the preparation and implementation of the Grants programmes is valuable due to the additional clarity and valuable experience it brings to the implementation of the Grants. Accumulation of the latter, in turn, increases the knowledge of the Donor country. Majority of the programme partners also stated that they enhanced their knowledge and understanding of the Lithuanian political, cultural and socio-economic situation, and got a better understanding of the Lithuanian authorities performing the PO functions. However, not fully effective partnership in the context of some of the programmes determined that more than a quarter of the programme partners from Norway did not have any benefits from participation in implementing the Grant programs in Lithuania.

Partnership on the programme level has created assumptions for further cooperation between Lithuanian and Norwegian institutions. The extent of cooperation at the institutional level, compared with the period prior to the period of implementation of Grants of 2009–2014, has increased. All PO and more than three-quarters of Norwegian programme partners see the prospect of further cooperation (long-term or fragmented). Due to the scepticism, in the opinion of some of the programme partners, of the programme administration, some of the donor institutions were disinterested in further cooperation.

4.3.2 PARTNERSHIP AT THE PROJECT LEVEL

Only half of the project promoters had project partners from donor countries. At the project level, partnerships not with donor countries but with other Lithuanian organisations were dominant. Partners from donor countries accounted for slightly more than one-quarter of all project partners and the share of unique partners was more than one-fifth of all project partners. 88% of project partners from donor countries accounted for Norwegian organisations and the remaining 12% accounted for Icelandic organisations. Organisations from Liechtenstein did not take part in the implementation of the Grants 2009-

2014 projects in Lithuania. The share of international partnership projects is different in various Grant programmes. The share of international partnership projects was relatively largest in the programmes LT07, LT08, LT10 and LT10. In the case of the programmes LT07, LT08, LT10, international cooperation comprise the essence of the interventions of the programmes. On the other hand, the LT13 programme features an exclusive development partnership model, where the same organisation the role of both programme and project partner. The share of international partnership projects was average in the programmes LT03, LT06, LT09 and LT12. The need for international partnership or the interest of foreign partners was relatively restricted in these programmes. The share of international partnership projects was relatively lowest in programmes LT02, LT05, LT11 and LT14. In the case of the programme LT05, the project promoters struggled to find adequate partners from the donor countries. In the context of the projects of the programmes LT02, LT11 and LT14, there was little room for inclusion of foreign partners due to the particularity of the projects (focus on development of infrastructure, inclusion of external service providers in development of the project products).

Both the Project Partners and the Project promoters contributed to the implementation of the Grants projects. The contribution of project partners was relatively highest in the implementation of the project activities and development of the project products. The contribution was relatively lowest in preparation of project applications. In general, Norwegian and Icelandic organisations evaluated their contribution in various stages of implementation of the projects as less significant than their Lithuanian partners did. It signifies that the project promoters consider cooperation with partners from the donor countries to be valuable despite the actual contribution of the partners to implementation of the projects.

Partnership on the project level partially contributed to the increase of mutual awareness and understanding between Lithuania and the donor countries. According to the project promoters, the inclusion of the foreign partner during implementation of the project helped to acquire a better understanding about cultural, political and socio-economic situation of the donor country. On the other hand, Norwegian and Icelandic organisations were less interested in learning more about Lithuania – only up to one-third of the surveyed project partners improved their general knowledge and understanding about Lithuania. In general, cooperation with project promoters in Lithuania met the expectations of project partners from donor countries on the average level. There were also those who said that partnership with Lithuanian organisations did not meet their expectations at all.

Partnership on the project level has created assumptions for further cooperation between Lithuania and donor organisations. Unlike at the programme level, the scale of cooperation between donor countries and organisations in Lithuania at the project level was significant even before the period of implementation of Grants of 2009-2014. In this respect, the scope of cooperation has increased only slightly due to cooperation on the project level. All project promoters and more than three-quarters of project partners see the prospect of further cooperation after implementation of the Grants 2009-2014 projects. However, fragmented cooperation initiatives are more likely than long-term cooperation, according to organisations from the donor countries. Due to extensively stringent requirements for the administration of the Grants assistance, in the opinion of some project partners, there were programme partners disinterested in further cooperation.

4.3.3 BILATERAL FUNDS AT THE PROGRAMME LEVEL

Decentralisation of administration of bilateral funds of the programmes (establishing rules for bilateral cooperation was left to the discretion of PO) resulted in **differences in administrative efficiency of the funds between the programmes**. Due to the lack of understanding about the conception of usage of the funds and aspiration for the highest possible level of clarity and control, some of the PO prepared rules for fund administration, which are relatively stricter than necessary.

Funds from the bilateral cooperation fund are allocated to 2 kinds of activities – finding project partners from donor countries or development of partnership at the stage of preparation of the application (“**Measure A**” – partner-finding events and preparation of applications) as well as the exchange of information, experience and best practices with organisations from donor countries (“**Measure B**” – informational, learning and working visits to the partner country, thematic and capacity building events, etc.). Majority of the surveyed project promoters, who implemented the projects together with project partners from the donor countries, used the funds from the bilateral cooperation fund to find project partners from donor countries or to develop a partnership during preparation of the application. Nevertheless, the added value of the activities funded by “Measure A” for cooperation with organisations with the donor countries was restricted due to a short period of time between the activities funded from the bilateral fund and the due date for submission of applications. Although less than a half of the surveyed project promoters used the funds from bilateral cooperation fund for the exchange of information, experience and best practices with organisations from donor countries, the activities funded by “Measure B” had a high added value for support and enhancement of cooperation with the donor organisations.

The benefit of bilateral cooperation funds at the level of programmes is high. Firstly, these funds can be used to finance additional activities not necessary directly related with the projects of the Grant funds, but relevant in their context. Secondly, the activities of the exchange of knowledge, experience and best practices, funded by these funds, may facilitate the involvement of project partners from the donor countries in the implementation of projects. Thirdly, bilateral cooperation funds can be used for the exchange of experience not only with project partners from donor countries, but also with other organisations from donor countries, which are active in certain sectors, or with international organisations. Thus, the funds allow not only to gain valuable knowledge and experience, but also to build the prospect of bilateral cooperation.

4.3.4 NATIONAL BILATERAL FUND

The NBF is divided into 3 parts – the scheme for compensation of expenses, pre-defined projects and open call for proposals. The NFP administered the NBF flexibly, responding to a varying demand for the funds of different components and the ratio between the administrative burden and expected benefit. This allowed to direct the financing to the implementation of activities, which are easy to administer and offer the most benefits for the prioritised areas and strengthening of bilateral relations. Nevertheless, division of the NBF is not purposeful, as it leads to the increase of the administrative burden for the NFP and fragmentation of the exchange of experience.

The added value of the NBF was the highest in implementation of the pre-defined projects. In the context of the latter, the NBF allowed to implement relevant initiatives of bilateral cooperation, which did not fit the Grants programmes, in the prioritised areas. These initiatives created significant added value for the public policy and the basis for further bilateral cooperation. All surveyed NBF project promoters and majority of the programme partners see the **prospect of further cooperation** (long-term or fragmented). In some cases, actual assumptions for further cooperation have been created (for example, the partnership agreement has been signed). Unlike the partnership at the programme and, in particular, at the project level, cooperation between Lithuanian organisations and donor organisations in the initiatives funded by NBF funds is more equal, i.e. exchange of experience between professionals of high level, not only takeover of experience of the donor countries, is evident.

5. RECOMMENDATIONS

5.1 INTERVENTIONS OF THE GRANTS

Based on the results of the evaluation, the most relevant programmes or initiatives with a similar intervention logic will be related to target groups such as children and youth, participants of the court system, participants of the penal system and the public as a beneficiary of these interventions in the broad sense.

In particular, activities funded by the funds of the programme LT05 “Children and Youth at Risk” were exclusive and conformed the essential needs of a highly significant target group – children and youth. The Grants investments attracted the experience of EEA and Norway’s public policy, social services and work with target groups, which is evaluated to be as significant as the funds dedicated. Such programmes or similar interventions will remain highly significant in the coming funding period.

Respectively, LT11 “Public Health Initiatives” programmes or similar investments are particularly relevant in the present period and will remain relevant in the long-term. It is suggested to direct investments to promotion of a healthy lifestyle among youth, disease prevention and similar initiatives. It would be worthwhile to fund the projects with the highest geographical coverage of interventions in the future.

Activities funded by the funds of the programme LT13 “Efficiency, Quality and Transparency in Lithuanian Courts” were relatively unique, i.e. not significantly funded from other sources. Given the high evaluation of relevance, external coherence, expected effectiveness and the potential to create a real impact, it is recommended to continue the implementation of the activities financed by the Programme or other similar activities, using the funds of the future financial period, ensuring the dissemination of products and the results of future programmes throughout the entire court system.

Activities funded by the funds of the programme LT14 “Correctional Services, Including Non-Custodial Sanctions” were also unique, i.e. both the Cohesion Policy or the funds of the national budget do not finance the interventions for essential modernisation and development of the penal system. The Programme interventions are seen as a significant impetus for the improvement of the country’s penal system and the system that may ensure the sustainability of results allows to state that the activities financed by the Programme or similar activities will be particularly important in the future. In the future, it is worthwhile continuing the modernization of the penal system for the satisfaction of unrealized needs of target groups.

Second group of the programmes funded by the Grants are of significant average relevance in the future. I.e. based on the results of the evaluation, it would be relevant to direct the funds of the future financial period to the areas such as cultural heritage, creation and promotion of the cultural products, enhancement of the education system and lifelong learning.

In particular, it is suggested to focus on specific areas of the cultural heritage, fund complex investments (i.e. related to full actualisation of objects of the cultural heritage). In order to enhance the level of culture of the country, it is important to invest in the creation of demand for cultural production by acquainting the residents with various forms of art. It is worthwhile to link the activities of such type with infrastructural investments in preservation of objects of cultural heritage (by linking the interventions of the current programmes LT06 and LT07).

Activities funded by the funds of the programme LT08 “EEA Scholarship Programme” or similar activities have the potential to be relevant and create significant impetus, in particular, in improving the qualitative attributes of preschool and general education systems. Correspondingly, the intervention logic of such programmes should be improved. Synergy with other programmes addressing the most relevant children and youth problems should be found. It is also important to strengthen the leadership of implementation of the programmes and to provide alternative forms of assistance (grants for single individuals or collectives).

Third group of the programmes funded by the Grants have a relatively lower future relevance associated. Based on the results of evaluation, environmental protection, promotion of biodiversity and promotion of green industry innovation initiatives are highly important, but they would be significantly financed by Cohesion Policy or other instruments. In order to enhance the relevance of interventions related to the improvement of public administration, it would be worthwhile to direct capacity building initiatives to areas of the highest thematic significance (e.g. youth and children, domestic violence, social and health issues, etc.).

In particular, given the nature and scope of the infrastructural investments required in the field of the programme LT02 “Integrated Marine and Inland Water Management” and high prioritisation of the field in the national and Cohesion Policy Lithuanian agendas, direction of the Grants funds to the same field would have a low relevance in the future. If investments to this field are allocated, it will be worthwhile to focus on systematic interventions, which create sustainable products, or on horizontal environmental protection initiatives.

Interventions financed by the programme LT03 “Biodiversity and Ecosystem Services” or other similar interventions are appropriate and necessary, however, investments related to the promotion of biodiversity or functions of ecosystems are already incorporated into the public policy agenda for the following period. It is recommended to concentrate the investments allocated for this field and focus on realisation of clear and specific objectives, which encompass the largest geographical area possible. Higher concentration of objectives, directing Programme interventions to a smaller number of key operational objectives, might help ensure greater sufficiency of interventions and the resources allocated to generate a real impact.

Activities of the programme LT09 “Green Industry Innovation”, based on the current intervention logic and requirements for the applicants, are of little relevance in the future. As an alternative to the existing Programme interventions, the Grant mechanisms (“financial engineering”), particularly focusing on the nature of venture capital fund activities, as well as establishment of new green businesses, or funding very young potentially innovative companies, should be considered in the future.

Activities funded by the programme LT10 “Capacity-Building and Institutional Cooperation with Norwegian Public Institutions, Local and Regional Authorities” are not relevant in the future, except for the initiatives of bilateral cooperation between the donor countries from the beneficiary country, also interventions addressing specific issues of national relevance (such as, for example, domestic violence). In order for the interventions of the Programme to create sustainable impact at the national or regional level, higher thematic concentration of interventions, directing the investments to solve exclusive problems, which are not being dealt with by any other financial sources, is recommended.

Activities supported by the funds of the programme LT12 “Schengen Cooperation and Combating Cross-Border and Organised Crime, Including Trafficking and Itinerant Criminal Groups” fragmentary coincide with the interventions funded by other funds and programmes, therefore, the relevance of the corresponding interventions from financial mechanisms in the future will be met with financial instruments other than grants.

5.2 MANAGEMENT SYSTEM OF THE GRANTS

It would not be beneficial to fundamentally change the institutional structure of management and control system for the following programming period. Valuable lessons-learned based on drawbacks indicated in the 2009-2014 period may contribute to the enhancement of the administrative system in the future.

In order to increase the efficiency of the **planning stage** of the Grant support in Lithuania in the next programming period, it is recommended to:

- Form the teams of specialists to work with the Grant support in institutions performing the PO functions in advance. Most of them should be the employees working full-time and having wide responsibilities in terms of the Grant program management. Temporary employment of professionals in institutions or involvement of specialists of narrow fields of other institutional departments or divisions (legal, financial, etc.) for preparation of programme proposals to work with the programme on part-time basis should be avoided;
- Programme preparation in PO institutions should be entrusted not to specialists of subject departments or divisions, but to specialists of departments or divisions related to the financial support program management, project activities or international cooperation, having experience relevant to the administration of Grant support or project management. Specialists of subject departments or units can be deployed additionally, to clarify the most important and most relevant areas of a specific management field, and to enhance the thematic parts of the programme proposals;
- Provide methodological assistance to PO (especially those with less experience of programme or project administration) on various aspects of the preparation of proposals for the programmes (definition of interventions, indicators etc.), providing the necessary technical information and transferring donor expectations.

In order to increase the efficiency of the **implementation stage** of the Grant support in Lithuania and to reduce administrative burden for applicants and project promoters in the next programming period, it is recommended:

- Assign adequate human resources corresponding to the administrative workload in PO institutions, ensuring the sustainability of human capital accumulated in the planning phase (i.e. to organize the training of employees involved in the administration of Grant programmes, and transfer of experience to them);
- To provide methodological support for PO on DFCP preparation and other aspects of implementation of the programmes, organising training and exchange of experience with institutions performing PO functions in other Grants;
- Simplify project administration and financing rules:
 - *Reduce the requirements for submission of project applications, conclusion and amendments of project contracts, payment requests:* simplify the application form, avoiding duplication of information presented in the application, reducing the number of budget details and the number of documents supporting the application, enable the CPMA to sign project contracts and their amendments on behalf of the PO, reduce the number of documents supporting the paying request;
 - *Simplify the selection process of pre-defined projects:* refusing the redundant provision of information regarding the project, which has already been indicated in the programme proposals, consider the application of preliminary procedures for large scope projects (selecting ideas of projects before the preparation of a detailed description of the project);
 - *Simplify the administration of violations:* narrow the definition of violations, apply a fixed rate of low value violation cost, enhance the flexibility of usage of the project budget (for example, provide the project promoter with a higher level of discretion for a fixed share of the project budget);
 - *Assure sufficiency and flexibility of terms in the implementation of projects:* if the start of a project implementation is later due to objective reasons, it is recommended to ensure that the project implementation term is extended accordingly, in the light of the programme implementation deadline provided in general documents of the Grants and, if necessary, provide the opportunity to extend the deadline in advance;

- *Assure flexibility in terms of redistribution of funds of the Grants:* in situations where the funds allocated for implementation of the programme or its interventions do not match the actual need for funds, although there is a clear and strategically justified need for redistribution of funds, it is recommended to provide the option of redistributing funds between programmes or within a programme without taking into consideration the redistribution of funds deadline set in the regulations of the programme;
- *Apply a fixed rate for general low value costs:* apply a fixed rate for the project administration costs, compensation of costs incurred by the partner from the donor country or compensation of other costs by providing a percentage value of a fixed rate from the total project budget or a fixed value;
- Enhance administrative resources and processes:
 - *Fully replace paper documents with electronic documents:* refuse the provision of paper versions of the documents, enable the signing of documents by electronic signature only;
 - *Ensure the maximum efficiency of electronic tools functioning:* adapt the data exchange system and electronic documents for coherent work with all operational systems, computer software and browsers;
- Provide the applicants with assistance in the search for project partners from the donor countries by establishing a single electronic database for all the Grants programmes, which would contain the information regarding the organisations from the donor countries, which operate in the areas supported by various programmes;
- Provide the project promoters with methodical assistance by organising training regarding various aspects of the project implementation (in particular, the public procurement process).

In order to increase the efficiency of the **monitoring stage** of the Grant support in Lithuania in the next programming period, it is recommended:

- To provide PO with methodological assistance (in the form of guidelines or training) regarding the adequate choice of monitoring indicators, the definition of measurement of their achievements and financial flow forecasting;
- To increase the technical capacity of the monitoring information systems (SFMS and DoRIS) by linking them with each other as much as possible;
- To encourage all PO to maintain regular feedback with the project promoters of their managed programmes;

5.3 BILATERAL RELATIONS IN THE FRAMEWORK OF THE GRANTS

In order to obtain more effective partnership at the programme and the project level, it is recommended to ensure the following conditions for effective partnership:

- **Partnership corresponding to the real needs at the programme and project level:** in order to avoid formal partnerships, which do not create real added value, it is recommended to initiate cooperation based on the need of PO and project promoters, without requirement to implement programmes or projects with a partner of a donor country;
- **Equivalent partnership at the programme level:** in pursuit of efficient and productive cooperation between Lithuanian and donor country institutions, it is recommended to encourage cooperation between similar institutions of both countries (by status, nature, size or other parameters);

- **Clear regulation of inclusion of programme partners from donor countries:** for more active and equal participation of partners from donor countries in the Grant programmes in the development and implementation of programmes, it is recommended to set the partner engagement rules providing specific partner rights and responsibilities and consolidating the requirement of regular contacts (not only during meetings, but also in electronic form) between PO and programme partners.

In order to minimise the administrative burden regarding bilateral funds for various institutions, it is recommended to:

- Establish a centralised mechanism for the administration of funds related to the development of bilateral relations, which would be divided into 2 parts – funds for the implementation of short-term cooperation projects in prioritised areas and funds for the establishment and maintenance of the partnership (business trips to experience sharing events);
- Select a single selection mechanism (for example, invitation-ideas contest) for the short-term cooperation initiatives in prioritised areas, which would be simple in terms of administration.