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Evaluation of the Implementation Progress of Specific Objective 8.6.1. “Improve Local Employability and Enhance Social Integration of Communities, by Making Use of Relationship among Local Communities, Businesses and Local Governments” under the Operational Programme for the European Union Funds’ Investments in 2014-2020

SUMMARY



THE MINISTRY OF THE
INTERIOR OF THE
REPUBLIC OF
LITHUANIA



2014-2020 Operational
Programme for the
European Union Funds
Investments in Lithuania

The contract is financed by the European Social Fund. The services were commissioned by the Ministry of the Interior of the Republic of Lithuania.

The evaluation of the implementation progress of Specific Objective 8.6.1. “Improve local employability and enhance social integration of communities, by making use of relationship among local communities, businesses and local governments” under the Operational Programme for the European Union Funds’ Investments in 2014-2020 (hereinafter - the OP) was commissioned by the Ministry of the Interior of the Republic of Lithuania and performed by BGI Consulting, Ltd. The main evaluation activities were carried out in the period of September 2018 - January 2019.

The overall objective of this evaluation - to assess the progress in implementing Specific Objective 8.6.1. under the OP and identify the areas to be improved.

In order to achieve this objective, the following evaluation tasks were set:

- To assess the relevance of investing under Specific Objective 8.6.1. of the OP, in order to enable effective solutions of the most relevant local problems by applying the Community-led Local Development (hereinafter - CLLD) approach;
- To identify the areas to be improved in the management of Specific Objective 8.6.1. of the OP and investment perspectives;
- To assess the performance of the tasks set for urban Local Action Groups (hereinafter - LAGs) and their institutional capacities;
- To provide conclusions and recommendations regarding the implementation of local development strategies, and identify possible improvements in and perspectives of the investment process.

The data required for the evaluation was gathered from various primary and secondary sources. First of all, the information on the project implementation, collected by the institutions responsible for managing the EU funds, was used. Secondly, project contracts and legislation regarding the implementation of the CLLD approach in the urban areas of Lithuania were analysed. Furthermore, surveys of local development projects’ promoters, representatives from urban LAGs and municipal administrations were carried out. Finally, interviews with representatives from national-level institutions, urban LAGs and project promoters were conducted.

Main facts

The local development strategies of urban areas or their parts, that are being implemented during local development projects financed under the measures of Specific Objective 8.6.1. of the OP, were approved by the several orders of the Minister of the Interior of the Republic of Lithuania¹. In total, 39 local development strategies were approved. At the time of the evaluation, the implementation of the local development projects had started under 23 local development strategies. A little over 14.5 mln. Eur (including funds from all financing sources) was earmarked for implementing these local development strategies. The total

¹ Order No. 1V-505 of the Minister of the Interior of the Republic of Lithuania as of 20 July 2016 “On drawing up of the list of local development strategies to be selected and financed under the measures No. 08.6.1-ESFA-T-910 “Management of local development strategies’ implementation” and No. 08.6.1-ESFA-V-911 “Implementation of local development strategies” of Priority Axis 8 “Promoting social inclusion and combating poverty” of the Operational Programme for the European Union Funds’ Investments in 2014-2020” and Order No. 1V-437 of the Minister of the Interior of the Republic of Lithuania as of 14 June 2016 “On drawing up of the list of local development strategies of major cities to be selected and financed under the measures No. 08.6.1-ESFA-T-910 “Management of local development strategies’ implementation” and No. 08.6.1-ESFA-V-911 “Implementation of local development strategies” of Priority Axis 8 “Promoting social inclusion and combating poverty” of the Operational Programme for the European Union Funds’ Investments in 2014-2020”.

planned expenditure for the local development projects, whose implementation had started by the end of 2018, envisaged in the project contracts, amounts to slightly more than 3 mln. Eur, i.e. around one-fifth of the total planned expenditure for respective local development strategies.

The first financing contracts of the local development projects under the measure No. 08.6.1-ESFA-V-911 were only signed in the end of July, 2018. In the end of 2018, the total of 123 local development projects were being financed. The average total expenditure per one local development project under implementation - 35,422 Eur (the allocated funding amounts to 28,308 Eur), the median total expenditure - 24,889 Eur (the allocated funding amounts to 20,276 Eur). The total expenditure of the largest local development project being financed is 183,430 Eur (the allocated funding amounts to 165,087 Eur). The total expenditure of the smallest local development project being financed is 3,799 Eur (the allocated funding amounts to 2,602 Eur).

Urban Local Action Groups (LAGs)

The main organization on the local level responsible for implementing local development strategy is an urban LAG. Each local development strategy to be implemented under Specific Objective 8.6.1. of the OP is being coordinated by the separate urban LAG. According to the national legislation, urban LAGs are assigned various functions in the development and implementation of local development strategies. Taking into account that urban LAGs have been established very recently and on the organizational level lack experience in carrying out similar tasks to those assigned to them at the moment, the current performance of the urban LAGs has been generally evaluated as positive. Even though it is necessary to improve the project selection process and quality of providing information to applicants, as well as solve transparency-related issues in the project selection, it is a rather normal situation, common in the process of developing any new structure.

Looking forward, it is crucial to fundamentally strengthen urban LAGs, in order to ensure the continuity of CLLD initiatives. One of the main problems visible at the moment - lack of financial resources necessary to ensure the quality operation of the organization and maintain qualified staff. The main financing source of the urban LAGs - funds for managing local development strategies provided under the measure No. 08.6.1-ESFA-T-910 of the OP. In the absence of other activities and other sources of income, these funds are insufficient to maintain fully operating organization with qualified staff for 5-6 years. Providing public funding for organizations that perform limited functions in implementing only one type of programme, and, in some cases, serve exceptionally small areas², would be difficult, much less ineffective, in the medium and long term. While planning the financial perspective for 2021-2027, it is recommended to additionally consider the possibilities of expanding the scope of LAGs' activities and setting up of larger territorial units for the implementation of CLLD method. That, in combination with other measures, is likely to eventually strengthen the role of LAGs or similar organizations in the communities.

Content of the local development projects

The local development projects under implementation have been initiated by local organizations and have been selected, since they contribute to achieving the objectives of the relevant local development strategies. Nevertheless, some local development projects are rather standard and virtually duplicate services commonly available in the urban areas, provided by other publically funded institutions or under other

² For example, Pagėgiai town has slightly more than 1.5 thousand inhabitants, Rietavas town - a little over 3 thousand inhabitants, Lazdijai town - a little over 3.5 thousand inhabitants, etc.

publically funded programmes - vocational training of the unemployed, consultations regarding starting a business, etc. Even though such projects are not in themselves bad, financing them with limited funds earmarked for CLLD initiatives results in losing opportunities to offer the communities thematically and qualitatively new services, and encourage initiatives strengthening people-to-people contacts.

In order to promote greater diversity of local development projects, and implementation of social and other innovations, it would be reasonable to provide the potential applicants of local development projects with more detailed descriptions of possible local initiatives in the selection documents and trainings - it has been noted that the exemplary project descriptions provided in the financing documents are often quite precisely mirrored in the descriptions of the local development projects. While selecting the projects, additional points could be awarded for suggesting some kind of innovative solutions to local problems.

Furthermore, in order to promote greater diversity of local development projects, it is recommended for the Ministry of the Interior of the Republic of Lithuania, in some cases also employing urban LAGs, to consider the possibility to foresee additional activity to be supported under the measure No. 08.6.1-ESFA-T-927 of the OP, dedicated to organizing and implementing initiatives mobilizing the community - involving socially excluded and other members of the community in joint activities. It is also suggested to motivate the project promoters to implement local development projects in which implementers of the project activities would act not only as beneficiaries but also as providers of benefits, starting from the period of the project implementation, providing services or participating in other ways in the activities beneficial for the community. In addition, it is recommended to consider the expediency of the requirement to pay the salary of the persons providing social and related services under local development projects only from the private funds of the project promoter or project partner.

While implementing local development projects, voluntary work is of fundamental importance. Involving the population in voluntary activities - greater innovation which should become a successful impetus for strengthening real people-to-people contacts and self-help. Volunteers is an important resource and precondition for implementing many projects. Moreover, involvement of volunteers provides an opportunity for the community to suggest alternative, usually unavailable social and related services to be provided under local development projects. Taking into account traditionally low levels of popular participation in the organized voluntary activities, involvement of volunteers in the project activities is considered to be a big achievement of local development projects. As examples of local development projects under implementation show, active and experienced elderly people who do not have work responsibilities, as well as stay-at-home parents, are most likely to engage in voluntary activities. Participation on a voluntary basis in the project activities by other groups of society so far is lower. Nevertheless, there are some examples where project promoters of local development projects attract professionals in specific fields relevant for the project activities, in exchange offering quality education services and spreading the word about particular volunteers and their activities.

Implementation of the local development projects

The application process of local development projects and administrative requirements for their implementation differ from those of typical projects co-financed by the EU funds under other measures of the OP. Beside the Implementing Body (European Social Fund Agency), urban LAGs also participate in both the selection and, in part, implementation of local development projects. During the selection of the local development projects to be financed under the measures No. 08.6.1-ESFA-V-911 or No. 08.6.1-ESFA-T-927, in addition to urban LAGs carrying out selection of the project proposals and drawing up of the list of the local development projects to be financed, applicants also submit project applications to the European Social Fund Agency which checks the compliance of the local development projects with the requirements of the abovementioned measures of the OP. During the implementation of local development projects, their

promoters not only submit requests for payment but also have to submit information to the relevant urban LAG on the achievement of monitoring indicators, etc.

The current situation, in which two organizations participate in the selection and implementation processes of local development projects, results in additional administrative burden on the applicants and project promoters of local development projects. Taking that into account and considering that project promoters of local development projects are local organizations with possibly smaller experience in implementing projects, possibilities to provide to the applicants and project promoters of local development projects services related to the application and management of the projects through “one stop shops” should be considered.

In the short run, urban LAGs, using methodological assistance from the Ministry of the Interior of the Republic of Lithuania, are recommended to improve the quality of the project selection criteria and selection procedures of project proposals. In order to reduce the administrative burden for applicants of local development projects, it is recommended to draw up more concise documents for calls for proposals. With the assistance from the Ministry of the Interior of the Republic of Lithuania and other competent authorities, urban LAGs should also give greater focus on ensuring the compatibility of public and private interests. Considering that certain urban LAGs serve exceptionally small areas, the abovementioned risk of the possible conflict of interests is particularly high.