

2014–2020 OPERATIONAL PROGRAMME FOR THE EUROPEAN UNION FUNDS' INVESTMENTS 2018 PROGRESS REPORT SUMMARY

Implementing European Union (hereinafter – EU) operational investment programs, EU countries must present to the European Commission (hereinafter – EC) annually annual implementation reports. The reports review the advancement of the operational investment program taking into account the main financial and physical indicator achievements, changes in the implementation circumstances, analyse the benefit for the societal demands and the countries' agricultural development of the achieved results.

The annual report of the 2014–2020 Operational Programme for the European Union Funds' Investments (hereinafter – the Operational Programme) submitted by Lithuania to the EC **covers the implementation of the Operational Programme over the course of 2018.**

Increasing investment intensity over the year 2018

Over the year 2018, the amount of calls increased by 1,090 million euros (16%), project contracts – 1,363 million euros (20%), payments – 736 million euros (11%). This demonstrates that the EU investments are gaining momentum.

Implementing the operational program up to the end of 2018 4,271 million euros EU funds (64% of the EU funds allocated for Lithuania) were allocated for 14,615 projects, paid out 2,022 million euros EU funds (30% of the EU funds allocated for Lithuania).

Comparing EU fund investment between EU countries, Lithuania is in the 9th place and exceeds the EU average.

During 2018 1,363 million euros were allocated to projects and 736 million euros were paid out to the projects.

The progress achieved in implementation of the Operational Programme by sectors

In 2018 business-science investments in the **R&D** accelerated, 15 different interventions were applied to achieve the full innovation cycle. While increasing the technology transfer rates promotional projects of innovation and technology transfer centres were implemented, a new tool made for excellence centre activity promotion in smart specialised lines was initiated.

Two important **information society development** projects were implemented: a project intended for new generation internet access infrastructure expansion and a project intended for the countries Informational Resources consolidation reform implementation. An investment project intended for the countries controlled electronic service cycle with complex cybernetic security measures was started.

To ensure residents' digital competence projects were started to encourage the residents to use the Internet in an updated public internet access infrastructure ensuring digitalisation of cultural content, developing publicly accessible and free Lithuanian language IT solutions.

Small and medium-sized enterprise competitiveness enhancement advancement was especially good; a lot of the implementation tool efficiency and results are high. To ensure investment in advanced and innovative production and not to be behind the current industrial revolution more than 40 million euros were implemented to activities, which promote enterprises to create new business models and to invest in digital technologies.

Implementing modernising and expansion of the **regional road** infrastructure until the end of 2018 94 km of roads were reconstructed. Also, significant achievements in investment in road safety are seen – 27 road safety improving and environmental measures were installed.

One of the most important strategic projects was opened – “Via Baltica” between Kaunas and Marijampolė, a safe four-lane motorway, extended from two to four lanes in the road section from 35,40 km until 45,14 km for the implementation of 26,8 million euros of EU investments were allocated.

Lithuania **reached** 2020 greenhouse gas emission reduction objectives (the Kyoto Protocol). At the moment the focus is on RE implementation in transport and GHGE reduction objectives in Emissions Trading System nonparticipating sectors.

To achieve “Europe 2020” strategy implied objectives in the environmental sector 48,8 million euros are planned to be allocated for updating (modernizing) of blocks of flats investment plan creation, technical work project creation, construction and operation.

A 17-million-euro measure is confirmed meant for electric energy from renewable resources production equipment instalment in households, the funds are planned to use for household cost compensation due to the instalment of solar panels for their electric energy needs. Funding will be provided for approximately 5,000 households and additionally at least 35 MW small up to 10 kW Power energy from renewable resources meant for electricity production for household needs will be installed reducing greenhouse gasses emission 21,000 t CO₂ equivalent.

Investing in **targeted regional areas**, 15.8 million euro project “Construction of Klaipėda multifunctional wellness centre” (Lith. “Klaipėdos daugiafunkcio sveikatingumo centro statyba”) was finished, during which a new 7,256,8 m² building was constructed. An infrastructure intended for communities’ needs was completed. Investing in transitional period targeted regional areas more than half of the projects worth 7 million euros was completed.

In the **cultural sector**, a series of projects were listed, all (6) were called. A financial intermediary – AB Šiaulių bankas, which will provide loans for the applicants according to the financial cultural heritage label.

A series of investments in the **health care sector** were planned. A breakthrough was reached in the area of disease *prevention*: all prevention and health literacy expansion orientated municipal projects were started.

After changing the Child protection framework law, uninterrupted, 24-hour working Child protection law system was ensured. ESF funds were implemented in a mobile team, which give professional recommendations to the case manager, which allow a specialist team to help a family solve their crisis so that the child can be returned to their biological family.

In **the Education system**, the reform helped to evaluate professional learning reconstruction, of which one of the main aspects is the creation of an effective professional learning cycle.

Investing in the infrastructure of higher education the current infrastructure cycle is made more efficient and the investments are coordinated with university reconstruction plans. In the cycle reconstruction university infrastructure of 6 projects 60 million euros were allocated.

In **Public Administration matters** during 2018 planned investments were reviewed and it was concentrated on solutions of the ground reforms of Lithuania’s public administration problems.

In information of the Operational Programme and assessment of its implementation, the funding is provided for the implementation of communication campaigns carried out by the institutions of the EU Structural Funds’ assistance administration system. In 2018 the institutions planned to carry out 57 communication campaigns. 6 assessments were performed.

In 2018 8 funds functioned, out of which 5 funds were implemented for energy efficiency rise in blocks of flats and public sector buildings; 2 funds were implemented for the rise of the country’s business level, reducing unemployment and the country’s economic growth; 1 fund was implemented in investments in cultural heritage label promotion, adapting heritage objects to the needs of society and preserving their valuable qualities.

Extensive use of financial instruments

Financial instruments give the opportunity for the government to implement significant projects with limited public finances. Financial instruments are characterised by continuity and renovation, as, after lending or investment of funds designated for financial instruments, they reflow and are further used in pursuit of the same goals. In 2018 new financial instruments were created in the water management and transport systems.

In implementation of the Operational Programme, total number of Funds established by the end of 2018 and currently operating in Lithuania is 8, of which – 5 funds are in the area of energy efficiency, 2 funds – in business financing and 1 fund – in cultural heritage.

Important achievements by the end of 2018

- All priorities reached the performance framework indicators and obtained the right to invest in the funds of the reserve.
- 358 million euros of private funds were attracted.
- Residents using the internet rose to 78%
- A high amount of mobility plans (17 out of 18) were created.
- Built/reconstructed 12,1km of cycle/footpaths
- 191,3 thousand heating users got upgraded heating supply quality.
- 31,2 thousand households were regarded as higher energy efficiency class.
- 170,8 thousand residents got better waterworks.
- Newly built/ bought 714 social homes.
- In 68 public healthcare institutions social infrastructure was upgraded.

EU investments help to achieve positive social and economic changes in the country.

In 2018 a survey was conducted in which, 72% of the residents say, that EU investments help achieve positive social and economic changes in the country and contribute to better in life, 76% of the residents express that they personally felt the benefits of the EU investments.
