

# **Republic of Lithuania**

## **OPERATIONAL PROGRAMME FOR THE EUROPEAN UNION FUNDS' INVESTMENTS IN 2014-2020**

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## **ABBREVIATIONS AND DEFINITIONS**

ALMP – active labour market policy

CF – Cohesion Fund

CLLD – community-led local development

EAFRD – European Agricultural Fund for Rural Development

EC – European Commission

EIB – European Investment Bank

EMFF – European Maritime and Fisheries Fund

ERDF – European Regional Development Fund

ESF – European Social Fund

EU – European Union

EU funds – ERDF, ESF and CF

EUSBSR – European Union's Strategy for the Baltic Sea Region

FDI – foreign direct investment

GDP – gross domestic product

GHG – greenhouse gas

ICT – information and communications technology

IT – information technology

ITI – integrated territorial investment

KETs – Key Enabling Technologies

LAG – local activity group

LLE – Lithuanian Labour Exchange

LNG – liquefied natural gas

MCS – management and control system

NEET – youth not in education, employment or training

NGA – next generation access

NGO – non-governmental organisation

NPP – National Progress Programme for the period 2014-2020 approved by Resolution No 148 of the Government of the Republic of Lithuania of 28 November 2012

NRA – National Reform Agenda

R&D – research and development

R&I – research and innovation

RDI – research, development and innovation

RES – renewable energy sources

SME – small and medium-sized enterprise

TEN-T – Trans-European Transport Network

## SECTION 1. CONTRIBUTION OF THE OPERATIONAL PROGRAMME TO THE EUROPE 2020 STRATEGY

The analysis of the present socio-economic situation, challenges and potential for development in Lithuania performed in the Partnership Agreement serves as a basis for the Strategy of European Union (EU) Funds' Investments in 2014-2020 made consistent with European Union and national strategic documents, their principles and fundamental strategic provisions. The analysis clearly demonstrates that the Lithuanian economy and society still feel the consequences of the recent financial and economic crisis. The main aim of this Strategy is to bring the country back to the path of rapid and sustainable growth and to reduce the gap between country's level of development and the EU average. This requires sustaining a stable macroeconomic environment, continuing structural reforms and ensuring adequate financing for growth measures. This Strategy is mainly focused on the latter.

Even though the main goal is a more rapid smart growth, sustainable economic development that is resource-efficient and provides a significantly better quality of life to all the population in the country is also among the objectives. This means increased employment rates and growing income along with a more integrated society with a significantly reduced risk of poverty and social exclusion. Objective criteria such as gross domestic product (GDP) per capita or employment level give a limited view; quality-of-life determinants such as access to high-quality public services, quality working conditions or being a part of an active local community are equally important. Thus, the Strategy will directly contribute to the implementation of the Europe 2020 strategic objectives and to better economic, social and territorial cohesion in the EU and Lithuania.

The Strategy responds to the key challenges for national development and relies on the concentration of investments on 11 thematic objectives set forth in the EU Common Strategic Framework and on their specific investment priorities that are closely interrelated and complement one another. The Strategy focuses on three main areas:

### Smart long-term economic growth

The competitiveness of Lithuania and its ability to restore and further enhance the welfare lost during the crisis is primarily built on the ability to innovate and launch new products, services, businesses, social processes and models. A very small share of enterprises implementing all types of innovations, limited business expenditure on research and technological development, low commercialisation of the existing Lithuanian scientific potential signal the need for substantial changes. **Thematic objective 1** provides for strengthening the synergy among business, studies and research and exploiting them for the development of the national economic competitiveness on the basis of the smart specialisation strategy. To this end, the Operational Programme will invest into the development of public and private RDI infrastructure, which is directly related to the strengthening of the economic competitiveness, and its closer linkage with the regional and European research infrastructure network. The aim of RDI financing is to achieve a more efficient exploitation of the existing RDI infrastructure for enhancing the economic competitiveness, also a more active involvement of the Lithuanian research potential into European and international networks of research institutions and researchers.

Investments into RDI are long-term and very risky, therefore the state plays a major role in promoting them: only a small share of business entities is capable of investing into this area independently. For this purpose, increasing support will be provided to RDI activities to promote the supply of higher value-added goods and services. Efforts will also be made to increase the accessibility and quality of innovation support services for business and higher education institutions, their researchers and students. To reinforce efficient RDI partnership networking between enterprises, research and higher education institutions and their joint initiatives along with establishing of new knowledge-intensive enterprises and the attraction of RDI development-related

foreign direct investments will be promoted, thereby creating a more active RDI supply and demand both in business and science. Finally, a major change is planned in the direct promotion of the demand for innovation by public institutions. It will be achieved through a broader application of innovative and pre-commercial procurement and other promotion measures focused on development and/or supply of innovative goods and services to the market to tackle socio-economic issues relevant for the public.

Innovation is the result of complex and interactive processes, including the ability of enterprises to connect to complementary knowledge from other market players, organisations and institutions. An important precondition for the said change in RDI is increasing the number of researchers (especially employed in business) and boosting their competencies (including entrepreneurship), which will be pursued through investments under thematic objective 10, as well as social innovations to be supported under thematic objectives 8 and 9.

The growing number of job vacancies signals that human resources have become an important limiting factor of the smart growth. Increasingly limited by demographical changes (emigration, ageing), they are also increasingly lacking competences required for economic and public development both due to the expanding gap between the education system and the economic and public needs and due to the level of lifelong learning, which is half as high as the EU average. Constant good-quality provision and refreshing of knowledge, capacities and skills is crucial. In this respect, major investments are planned under **thematic objective 10**. They will aim at ensuring that the involvement in the lifelong learning cycle starts as early as possible (higher access to and participation in pre-school education); an optimised school network would guarantee an adequate level of learning achievements for all students in all basic competencies (while increasing interest in natural and technological sciences, also the share of pupils who opt for vocational schools and the acquisition of profession); and the system of studies would ensure the provision of competencies and practical skills that match the labour market needs. Moreover, considering relative ageing of population lifelong learning of adults will be even more relevant. Investments under the Operational Programme will aim to affect both supply, e.g. will help ensure more active involvement of participants of the formal education system (vocational schools, colleges, universities) and a wide range of services offered, and demand side, primarily through direct support to the learning of the target groups which are most distant from lifelong learning (have low qualification attained a long time ago).

In the modern economy, the public administration sector, i.e. institutions and public policy, is gaining increasing significance because apart from eliminating weaknesses and creating favourable conditions for the effective functioning of markets (e.g. efficient use of resources in economic activities), it has to promote knowledge creation and transfer. At the same time, deep mistrust in public authorities among citizens interferes with social cohesion. Investments under **thematic objective 11** will focus on reinforcing efficient performance of state and municipal institutions and agencies and on improving the consistency of qualifications and competences of civil servants with the changing needs. Major changes are expected with regard to increasing transparency of decision-making processing and rendering it more informed, raising the quality of regulation of economic activities, cutting administrative burden on business, fighting corruption and increasing the orientation of public services towards citizen as customers, reinforcing the civil service system, building capacities to support and implement reforms in the public sector.

Information and communication technologies (ICT) are an important factor that stimulates economic growth, innovations and productivity; they affect all investment areas of this Operational Programme. A well-developed ICT infrastructure accessible to all helps receive, create, disseminate and exchange information in a rapid and cheap manner, use information in production and in provision of public or private services. Investments planned under **thematic objective 2** will aim at ensuring the accessibility of high-speed broadband connection to all Lithuanian households and contributing to the growing broadband penetration among households. Another aim is to significantly boost the demand for ICT among people by helping them acquire skills necessary for smart and full use of the internet in such important areas as e-commerce, e-services, safe and

responsible conduct on the internet, etc. Efforts will be focused on promoting efficient reusing of public sector information for business and public needs, development of technologically advanced and consumer-oriented public and administrative e-services, contributing to optimal management of the state information infrastructure and resources.

### **Resource-efficient growth**

The small and medium-sized enterprises is the core of Lithuanian economy; their status and ability to engage in structural economic changes will have a direct effect on economic growth and employment as well as on social cohesion. The level of entrepreneurship in Lithuania is by far below the EU average. The nature of a small and open economy determines the inevitable need for small and medium-sized enterprises (SMEs) to get more involved in local and international value chains, be more active in introducing organisational and marketing innovations which are still lacking in business in our country. To this end, **thematic objective 3** will be focused on improving conditions for business start-ups and their further development, reinforcing international competitiveness. In addition to different regulatory and fiscal measures which significantly affect business conditions, an important role is played by business support and innovation promotion system. The planned investments will be aimed at enhancement of the system for SME support and dissemination of innovations, promotion of business cooperation and improvement of the access to funding. The aim is: to improve the quality of services and ensure their availability across Lithuania by taking over the experience of other countries and providing both direct and indirect support to enterprises and individuals who intend to start a business; and to ensure a better access to sources of funding, especially for those who are starting a business and launching innovations. To secure further development of SMEs major changes in terms of more active participation in local and international value chains and wider application of the process, organisational and marketing innovations will be sought.

Natural resources that are essential for the functioning of Lithuanian, European and global economies are becoming increasingly scarce; therefore in the long run only resource-efficient growth will be possible. This limitation and need to move to a competitive low carbon economy also creates opportunities for the development and implementation of innovations. Lithuanian energy-intensive economy has to change in order to increase energy efficiency and the use of renewable energy resources (RES) as well as their share in the primary energy balance: this is the overriding objective of investments under **thematic objective 4**. Achievement of this objective will help to address both climate change and environmental challenges and challenges related to the safety of energy provision. Direct support to the implementation of cogeneration technologies is expected to raise the share of district heat generated from RES by several times or to increase amounts of energy generated by businesses for their own needs. Investments into energy efficiency of public and residential buildings are expected to save up to one third of heat energy. Reaching of as many objects as possible with limited funds will require an active role on the part of intermediaries that provide energy saving services.

**Thematic objective 5** will aim to stimulate Lithuania's adaptation to environmental changes induced by climate change, thus allowing to reduce the vulnerability of natural ecosystems and national economy, and to retain and increase their resilience to climate change-induced changes and secure favourable conditions for community life and economic operations. In particular, efforts will be focused on capacity building in the fields of monitoring, examining and assessing impacts of climate change in the territory of Lithuania and individual regions; supporting coordination and dissemination of information on climate change adaptation, thereby building strong knowledge base on impacts and outcomes of climate change. Alongside, investments will be targeted at minimising flood risks and reinforcing the readiness of rescue services to respond to emergencies. Once implemented, the coastal management and flood risk management measures will enhance the environmental resilience in parts of Lithuanian territories that are most sensitive to climate change

as well as will mitigate significant negative impacts of threats caused by climate change to the environment, human health and life, cultural heritage, the economic activities and infrastructure.

The growth of economic activity is putting inevitable pressure on natural resources. Investment into resource-efficiency under **thematic objective 6** will aim to considerably increase the scope of sorting and reusing of municipal waste, the share of properly treated surface wastewater and the share of the population which can benefit from wastewater treatment services and the provision of drinking by public utilities. Even though the status of Lithuanian landscape remains stable and the situation of the biodiversity of natural ecosystems has been slowly improving over the recent years, individual types of landscape and natural habitats undergo great changes caused by re-naturalisation processes and chaotic urbanisation. Investments are expected to: minimise the damage made by intensive economic activities to valuable and picturesque landscape complexes; restore affected territories; support more active monitoring and impact assessment. Raising of environmental awareness, regulated visitors' traffic and adequate infrastructure in protected territories will soften adverse impacts of recreational activities on protected territories and protected species, while properly exploiting their potential. Investments into preservation and adaptation of cultural heritage will promote its active utilisation for economic (tourism, entrepreneurship), social (education and educational base for learning purposes) and cultural activities.

The foundation for growth of competitiveness of the Lithuanian economy in the long run rests in effective, resource-efficient economic infrastructure which facilitates mobility, communication and cooperation between business and the public. Considering advantages brought by the geographical location of the country (location favourable for transit) and limitations (peripheral position in the EU single market, low population density), investments under **thematic objective 7** will be largely focused on the development of a balanced transport infrastructure network which meets mobility needs and creates favourable conditions for transit and export of transport services. The aim will be to increase the capacity of the TEN-T network (in particular, *Rail Baltica*) in Lithuania and to improve access to Lithuania (especially by air transport) which is currently poor and impedes smart economic growth. Peripherality will also be addressed by securing infrastructure for the creation of international energy links, thereby reducing Lithuania's energy dependence on one provider and ensuring a reliable and safe supply of energy to Lithuanian consumers.

Regional mobility within the country depends on investments into secondary and tertiary nodes of the national transport network with the TEN-T network, facilitating the mobility of labour force and the accessibility of remote workplaces in larger cities and towns. In the face of a high automobilisation level emphasis should be placed on traffic safety and minimisation of adverse environmental impacts of transport. A major positive shift in resource-efficiency is expected to be induced by the promotion and implementation of sustainable mobility planning in cities, designing environment-friendly and low carbon transport systems, including river and sea transport, ports and intermodal connections. A wider use of public transport and non-motorised transport will provide a chance to discourage usage of private cars, reduce congestions of streets, traffic-jams, air pollution and negative impacts on human health.

### **Growing social cohesion**

Cohesion is an important development priority at Lithuanian and EU level. All territories and all social groups of the country must participate in the welfare creation process and benefit from it. This makes territorial and socioeconomic cohesion equally important. Efforts must be made to ensure balanced and inclusive development; for this purpose, special measures should be taken to ensure the quality of life and cohesion. The strive for cohesion is also closely related to economic growth and business competitiveness since integration of society is becoming one of the most important factors for economic competitiveness, whereas the potential of more disadvantaged territories and the input of different social groups could be better employed for the purposes of long-term economic development.

This Operational Programme in different thematic objectives and priority axes foresees an integrated urban and rural development with active involvement of self-governance and assistance through community initiatives. In order to effectively exploit the potential of local development, investments will be earmarked for measures which will help to tackle typical urban and rural problems, restore identified problem areas and involve them in economic activities. By investing into the reduction of disparities in the living environment and the quality of life in major cities and smaller towns in the country (by improving the living environment of identified urban and rural areas, community and public infrastructure, by using their social, cultural and natural potential) and combining these investments with an number of business promotion and social integration measures, it is expected to maintain the attractiveness of these areas for living and working.

As the local supply of human resources is decreasing, it is important to create favourable conditions for all working age persons to get involved in the labour market. This aim will be pursued through investments under **thematic objective 8**. To boost employment among both women and men, the major focus will be placed on the integration of young people into the labour market and keeping of those who are preparing to leave the labour market (retire) stay in it for longest possible time as well as on the integration of all economically inactive population into the labour market. These changes require a more flexible labour market, including the ability of working persons to adapt to new conditions (knowledge economy) and the flexibility of employers. Active preventive labour market regulation measures will promote boosting of employability s (with special measures being oriented to persons who are in largest social exclusion risk); entrepreneurship and self-employment (especially in groups with increased social exclusion risk); professional and geographical mobility; career planning and guidance measures facilitating adaptation to the labour market.

Another important aspect related to promotion of social cohesion is the enhancement of access to affordable, sustainable and high-quality services, including health care and common purpose social services. Investments under **thematic objective 9** (also under thematic objectives 8 and 10 targeting labour market and education services, respectively) will be aimed at creating preconditions for improvements in the quality and effectiveness of services (in particular, social services, such as care) and for rendering those services (for example, public health protection and personal health care, social housing) more accessible to all Lithuanian population. A financially and economically sustainable system providing high-quality and affordable services, while in the long run putting no unreasonable pressure neither on national finances, nor on macroeconomic stability, will be developed by optimising the network of social services and healthcare institutions. For this purpose, investing will include the assessment of possible sources to cover costs of the developed infrastructure after expiry of support from the EU funds, and will be based on the common aim related to modernisation of sector and optimisation of the network of public services: to enhance efficiency and quality, reduce costs of the network, attract diverse sources of funding.

A particular risk of poverty and social exclusion is faced by most socially vulnerable groups. Persons that fall into these groups as a rule remain economically inactive for a long time and due to absent or poor working skills, qualifications or social skills, find it difficult to integrate into the labour market. Thematic objective 9 will focus on promoting inclusion of persons who are most excluded from the labour market, a more active participation of elder people in the labour market and social activities as well as on development of social economy and social enterprises.

**Table 1.** Justification for the selection of thematic objectives and investment priorities

Thematic objective	Investment priority	Justification for selection
1. Strengthening research, technological development and innovation	1. Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest.	<p>Europe 2020 (EU2020) flagship initiative 'Innovation Union' emphasises the importance of the reorganisation of the national R&amp;D and innovation system by promoting competence and smart specialisation, and strengthening cooperation among universities, research centres and enterprises.</p> <p>The investment level in Lithuania is below the average and the country is way behind the EU2020 objective of investing 3% of GDP into R&amp;D, it is planned therefore to investment 1.9% of GDP in these activities by 2020.</p> <p>The National Reform Agenda (NRA) provides for a priority area of Increasing Investment in R&amp;D. The NPP provides for the development of R&amp;I infrastructure, reinforcing international cooperation with respective partners.</p> <p>The EU Strategy for the Baltic Sea Region (EUSBSR) establishes priority area 'Innovation' with the aim to exploit the full RDI potential of the region.</p>
	2. Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies;	<p>The NRA indicates that Lithuania aims at creating a competitive knowledge economy based on the latest technologies and qualified human resources, implementing a systematic approach to innovation.</p> <p>Lithuanian indicators in the commercialisation of scientific results are among the lowest in the EU, the number of innovative enterprises is small, science and business relations are weak, enterprises sluggishly participate in the international market.</p> <p>The Position Paper of the Commission Services on the development of Partnership Agreement and programmes in Lithuania for the period 2014-2020 (the Commission's position paper) recommends, first of all, promoting business R&amp;D investment, innovation, entrepreneurial culture, links between business and science to build a long-term trust-based relationship for a better commercialisation of research results and better knowledge circulation/transfer.</p>
2. Enhancing access to, and use and quality of, informational and communication technologies	1. Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy.	<p>To achieve the objective of EU2020 flagship initiative 'Digital Agenda for Europe' of ensuring the accessibility of high-speed broadband connection to all, the NRA that by 2020 all Lithuanian residents will have access to a faster than 30 Mbps internet connection, at least 50% of households will be using a 100 Mbps or faster internet connection. The provision of these services is still limited in remote areas that are far from economic centres.</p> <p>Another aim, as provided for in the 'Digital Agenda', is to ensure the safety of ICT infrastructure so that all public institutions and citizens are able to successfully use the ICT potential.</p>

Thematic objective	Investment priority	Justification for selection
(ICT)	2. Developing ICT products and services, e-commerce, and enhancing demand for ICT.	<p>Part of the country's population does not use the internet or uses it to a limited extent. Activities to promote ICT demand should be developed in an integrated manner through a combination of actions aimed at upgrading of public internet access infrastructure and exploiting it for the development of digital skills of the people. The NRA provides for facilitating acquisition of knowledge and skills to use ICT for the Lithuanian population.</p> <p>As set forth in the 'Digital Agenda', Lithuania will also explore ways to reuse public data, thus contributing to the improvement of ICT goods and services and the expansion of the digital single market.</p>
	3. Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health.	<p>The aim is to seek for digitisation of e-government services and cultural heritage and dissemination thereof in the e-environment, the implementation of e-health solutions, the development of e-learning and smart transport systems as provided for in the "Digital Agenda".</p> <p>The NRA provides for encouraging residents to use online public and administrative services, ensuring the quality of data transfer, expanding the infrastructure of operating search systems.</p> <p>The Commission's position paper includes a recommendation to focus more on the results and customer needs, continue with the development of smart e-government services for business and citizens, improve the business-friendly environment. By 2020, all basic public and administrative services for residents and businesses will be provided online, and consumers will have access to all electronic services provided at the EU level.</p>
3. Enhancing the competitiveness of small and medium-sized enterprises (SMEs)	1. Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.	<p>EU2020 flagship initiative "An Integrated Industrial Policy for the Globalisation Era" emphasises the importance of a better business environment, for SMEs above all, better conditions for groups of entities to receive affordable funding to promote innovation.</p> <p>The NRA specifies that it is extremely important for Lithuania to improve business start-up conditions, cut administrative burdens for business, ensure the availability of financial resources, create equal grounds for competition by removing entrance barriers for new market players, promote productive investment. Along with support from the EU funds, it will enhance the competitiveness of Lithuanian enterprises, focusing on high value-added activities.</p> <p>The EUSBSR provides for priority area <i>SME</i> aimed at promoting entrepreneurship and strengthening the growth of SMEs, especially through the introduction of new SMEs in the market and access to sources of financing, human resources and knowledge.</p>
	2. Developing and implementing new business models for small and medium-sized enterprises (SMEs), in particular with regard to internationalisation	<p>EU2020 flagship initiative <i>An Integrated Industrial Policy for the Globalisation Era</i> emphasises the importance of promoting the internationalisation of SMEs, enhancing the competitiveness of the European tourism sector and the necessity of incentives for enterprises to innovate.</p> <p>NRA establishes the need for Lithuania to attract foreign direct investment (FDI), increase the share of services, including tourism and knowledge-intensive services, in exports and the share of high-tech production.</p> <p>To create and implement new models for SMEs, the Commission's position paper includes a recommendation to develop international activities of SMEs and help them attract FDI, create new products, technologies and organisational systems at all levels of the supply chain.</p> <p>EUSBSR priority area <i>SME</i> calls for creating opportunities through the promotion of the internationalisation of SMEs and cooperation with other actors of the Baltic Sea Region.</p>

Thematic objective	Investment priority	Justification for selection
	3. Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes.	<p>EU2020 flagship initiative ‘An Integrated Industrial Policy for the Globalisation Era’ emphasises the importance of resource-efficiency in services and manufacturing sectors, including more efficient waste processing, promotion of the commercialisation and intake of key smart technologies, enhancing the competitiveness of the European tourism sector and the necessity of incentives for enterprises to innovate.</p> <p>The NRA emphasises the need for Lithuania to promote the efficiency of production resources for achievement of long-term productivity and economic growth, develop innovations and cluster based traditional industries and develop new areas of the economy, such as clean technologies, future energy, creative and cultural industries, welfare and health.</p> <p>EUSBSR priority area ‘SME’ encourages focusing on those business sectors which have the greatest potential for the promotion of growth in the Baltic Sea Region, in particular, eco-industries, biotechnologies, medical equipment, creative and cultural industries, food production industry, etc.</p>
4. Supporting the shift towards a low-carbon economy in all sectors	1. Promoting the production and distribution of energy derived from renewable sources	<p>Lithuania seeks to achieve the EU2020 target: 23 percentage points of its energy consumption should be covered by renewable energy sources.</p> <p>According to the NRA, the development of RES will not only help to address climate change-related problems, but also increase the energetic independence of Lithuania.</p> <p>The Commission’s position paper pays special attention to the promotion of production and distribution of RES. It recommends investing in the supply of heat and electricity generated from renewable sources, including biomass, and the utilisation of waste heat, solar and wind energy.</p> <p>EUSBSR priority area ‘Energy’ also promotes use of RES in order to integrate energy markets and eliminate energy isolation of certain member states (including Lithuania).</p>
	2. Promoting energy efficiency and renewable energy use in enterprises	<p>With the view of the EU2020 objective in relation to the use of RES and the recommendations put forward in the Commission’s position paper to promote the use of RES in enterprises, it is planned to provide opportunities to enterprises to choose technological solutions that increase their competitiveness.</p> <p>At the EU level, increasing attention is paid to the aim of ensuring competitive energy prices for industries (e.g. the European Council conclusions adopted in May 2013). It is particularly important for Lithuanian industries which are among most energy intensive industries in the EU.</p>
	3. Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	<p>One of the Council recommendations 2014 for Lithuania encourages stepping up measures to improve the energy efficiency of buildings through removing disincentives and rapid implementation of the holding fund measure.</p> <p>At the EU level special attention is given to the energy efficiency objective. The Energy Efficiency Directive adopted for this purpose provides for mandatory measures to implement this objective.</p> <p>The Commission’s position paper notes that it is necessary to increase energy efficiency of residential buildings, puts an emphasis on the renovation of multi-apartment buildings.</p>
	4. Developing and implementing smart distribution systems that operate at low and medium voltage levels	<p>EU legislation (the Third Energy Package, the Guidelines for Trans-European Energy Infrastructure, the Commission’s communication on the Internal Energy Market) says that Member States must use smart grids to decentralise the production of electricity and the efficiency of energy consumption.</p> <p>The NPP provides for investments in advanced electricity distribution network management technologies to manage the network more effectively and efficiently (thus cutting network maintenance costs and improving electricity supply reliability indicators).</p> <p>The said activities will contribute to the implementation of EUSBSR priority area “Energy”.</p>

Thematic objective	Investment priority	Justification for selection
	5. Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	To achieve the EU2020 objective of a 20% reduction in greenhouse gas (GHG) emissions from 1990 levels, Lithuania will build a resource-efficient transport system, promote the application of eco-technologies and modernise transport networks. The NRA puts forward measures to achieve objectives of EU2020 flagship initiative "A Resource-Efficient Europe". The Commission's position paper draws attention to the creation of environment-friendly and low carbon transport systems and sustainable urban mobility. Activities related to the reduction of adverse environmental impacts of transport are also important for the implementation of EUBSR priority area "Transport" and EUSBSR objective "Increase Prosperity", insofar as it is related to climate change.
5. Promoting climate change adaptation and risk prevention and management	1. Supporting investment for adaptation to climate change, including ecosystem-based approaches	Considering the EU2020 objectives of achieving the resilience to climate change-induced threats and reinforcing capacities for the prevention of natural disasters, the NRA provides for climate change mitigation and adaptation measures. These measures are also important for achieving the sub-objective "Climate Change Adaptation and Risk Prevention and Management" of EUSBSR objective "Increase Prosperity" and EUSBSR priority area "Civil Safety". The Commission's position paper accentuates that promoting climate change adaptation, risk prevention and management firstly requires to target investments into development of monitoring, early warning and alert tools (giving priority to capacity building on emergency management issues and investing into respective response assets), also into the improvement of knowledge and data collection capacities, emphasising the need for ensuring the protection of coastal zones and flood risk prevention.
6. Preserving and protecting the environment and promoting resource efficiency	1. Investing in waste sector to meet the requirements of the Union's environmental <i>acquis</i> and to address needs, identified by the Member States, for investment that goes beyond those requirements	To promote growth and competitiveness, the NRA emphasises the need for creating an adequate and efficient environmental infrastructure through the implementation of waste management projects. A waste management model targeted at minimisation of waste generation and promotion of sorting, composting, recycling and use for energy production will be developed and implemented. The Commission's position paper stresses that given the current overuse of landfills, Lithuania will have to invest heavily in recycling in order to meet EU legal requirements. The investment priority chosen is in line with the provisions of the Thematic Strategy on the Prevention and Recycling of Waste, in relation to waste prevention, reuse of waste and improvement of the knowledge base.
	2. Investing in the water sector to meet the requirements of the Union's environmental <i>acquis</i> and to address needs, identified by the Member States, for investment that goes beyond those requirements	The NRA sets forth that in order to ensure structural conditions for economy, it is necessary to further develop the water supply and wastewater treatment capacities. The Commission's position paper notes that substantive investment is still needed in the water management sector (including sludge management), paying special attention to rural areas where the population does not have access to high-quality drinking water supply and wastewater management services, which results in the contamination of surface and ground water bodies (the ecological state of most of the water bodies is still not good). The implementation of these activities will contribute to EUSBSR priority area "Hazardous Substances".
	3. Conserving, protecting, promoting and developing natural and cultural heritage	The National Sustainable Development Strategy provides for developing the network of protected areas, increasing the accessibility of protected areas to the public, raising awareness on their importance and objectives, enabling the public to get familiar with protected natural and cultural values. The NPP aims to preserve and renew Lithuanian cultural and natural heritage. These activities are important under the EUSBSR priority area "Bio" and provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters on the promotion of environmental education and awareness of the public.

Thematic objective	Investment priority	Justification for selection
	4. Protecting and restoring biodiversity, soil protection and restoration and promoting ecosystem services, including Natura 2000 and green infrastructures	Target 1 of the EU Biodiversity Strategy to 2020 is “Full implementation of the Birds and Habitats Directives”, target 2 “Maintaining and enhancing ecosystems and their services” and target 5 “Combating invasive alien species”. The NPP provides for the promotion of sustainable use of resources, the stability of ecosystems, the quality of natural resources and the preservation of biodiversity. The said activities will contribute to the implementation of EUSBSR priority area “Bio”. The Commission’s position paper also puts an emphasis on the preservation and restoration of biodiversity and the promotion of ecosystem services.
	5. Taking actions to improve the urban environment, revitalisation of cities, regeneration and decontamination of brownfield sites (including conversion areas), reduction of air pollution and promotion of noise-reduction measures	The NPP provides for reinforcing management of natural resources and soil, improving the quality of geological environment, regenerating damaged and contaminated areas, in particular in urban areas. The Commission’s position paper points out the need for improvements in air, water and soil quality. Lithuania focuses on the regeneration of brownfield sites in urbanised areas.
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	1. Supporting a multimodal Single European Transport Area by investing in the Trans-European Transport (TEN-T) Network	The EU2020 provides for the need to reform the transport policy, integrate transport networks and modernise infrastructure. Compared to other European countries, accident rates in Lithuania are among the worst and therefore require more attention to traffic safety when developing and modernising transport links with trans-European transport networks. The NPP provides for the development and upgrading of multimodal transport infrastructure and the promotion of sustainable mobility in the European transport environment. These activities are important for the implementation of EUSBSR priority area “Transport”, also partially for the implementation of priority area “Secure” to the extent it is related to the modernisation and development of water transport infrastructure and the improvement of water transport safety. The Commission’s position paper indicates that substantial investments are needed in order to complete <i>Rail Baltica</i> which crosses the country. Moreover, the concept of logistic platforms where several transport modes meet needs to be better developed.
	2. Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes	EU2020 flagship initiative “A Resource-Efficient Europe” provides for the development of advanced, innovative and fully integrated transport infrastructure. The NPP provides for the improvement of mobility conditions and more efficient management of the demand for mobility, the development of infrastructure required for the interoperability of different transport modes. The Commission’s position paper notes that integrated passenger transport development strategies on regional and local levels are missing in Lithuania, and local and long-distance passenger transport is not sufficiently integrated. The said activities are important for the implementation of EUSBSR priority area “Transport” to the extent it is related to the development of internal transport connections.

Thematic objective	Investment priority	Justification for selection
	3. Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources	<p>n the Council recommendations 2014 for Lithuania, Lithuania is urged to develop cross-border connections to neighbouring Member States for electricity and gas through improved integration of the Baltic energy markets. According to the European Council conclusions of 4 February 2011, the internal energy market should be created by 2014 and the “energy isolation” of EU Member States should be eliminated by 2015.</p> <p>The National Energy Independence Strategy also establishes objectives of connecting with EU energy networks. The functioning of transnational connections also requires a stronger internal network.</p> <p>EUSBSR priority area “Energy” provides for the improvement of connections of electricity markets. The EUSBSR Action Plan mentions such projects as <i>LitPol</i> and <i>NordBalt</i> which will build new advanced electricity transmission lines between Lithuania-Poland and Lithuania-Sweden; also the construction of a NLG terminal.</p>
8. Promoting sustainable and quality employment and supporting labour mobility	1. Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, specific natural and cultural resources	<p>This investment priority will contribute to EU2020 priority “Inclusive Growth”. To achieve the main target of the EU2020 in relation to employment, Lithuania has set a national target to increase the employment up to 72.8% by 2020. However, urban development disparities emerging in the country signal the failure of certain urban areas or their individual territories to make full use of their potential. Achieving of the said target requires developing of small and medium-sized towns that have diverse economic activities and are attractive for investment and job creation, as well as using areas of large cities in an efficient and sustainable manner. For this reason, the aim will be to reduce economic development disparities in the country and to make full use of the economic potential of the cities for the purposes of job creation.</p>
	2. Investing in infrastructure for employment services	<p>EU2020 flagship initiative “An Agenda for New Skills and Jobs” establishes the need to facilitate modernisation of labour markets with a view to raising employment levels and ensuring the sustainability of our social models.</p> <p>The NRA provides for the improvement of efficiency of services offered by the labour exchange and the expanding the coverage of active labour market policy (ALMP) measures, including capacity building.</p>
	3. Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	<p>2014 for Lithuania propose to better target active labour market policy measures, to the low-skilled and long-term unemployed. EU2020 flagship initiative “An Agenda for New Skills and Jobs” establishes key priorities for increasing employment rates, in particular among women, young people and older people.</p> <p>The NRA claims that it is important for Lithuania to pursue prevention of structural unemployment and to develop an inclusive labour market, thereby eliminating bottlenecks for economic growth.</p> <p>The Commission’s position paper proposes improving ALMP in terms of its efficiency, coverage and targeting. Integrated measures should focus on increasing the number of self-employed and new enterprises.</p>

Thematic objective	Investment priority	Justification for selection
	4. Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee	<p>The Council recommendations of 2014 for Lithuania propose to increase employability of young people by prioritising offering quality apprenticeship schemes and strengthening partnership with the private sectors, especially amongst young people, by refocusing resources on ALMP measures.</p> <p>EU2020 flagship initiative “Youth on the Move” aims at improving the involvement of young people in the labour market through guidance and counselling services, promotion of internships, etc.</p> <p>This investment priority will make a direct contribution to the implementation of the Council recommendation on the Youth Guarantee (COM(2012) 729 final) and the Commission’s Communication on the Youth Employment Initiative (COM(2013) 144 final).</p> <p>The Commission’s position paper proposes implementing the Youth Guarantee Initiative.</p> <p>Activities focused on training and internships in order to integrate the youth into the labour market will be conducive to the implementation of EUBSBR priority area “Education”.</p>
9. Promoting social inclusion, combating poverty and any discrimination	1. Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	<p>the Council recommendations 2014 for Lithuania is to ensure adequate coverage of those most in need and continue to strengthen the links between cash social assistance and activation measures. To achieve the headline target of the EU2020 in relation to poverty reduction, Lithuania will cut the number of people suffering the risk of poverty or social exclusion down to 814,000 by 2020.</p> <p>The EU2020 underlines the need for efforts in reducing poverty, social exclusion and health disparities.</p> <p>The NRA indicates that one of the main areas in the reduction of poverty and social exclusion is development of a health care policy securing justice in healthcare relations.</p>
	2. Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	<p>In Lithuania, the highest poverty risk is faced by the rural population. In 2011, the poverty risk level in rural areas was 2.4 times higher than in major cities. Compared to other groups of residential areas, ageing in rural areas is fastest due to insufficient natural replacement of population.</p> <p>EU2020 flagship initiative “European Platform Against Poverty” provides for the need to minimise disparities, constantly fight poverty, in particular in small towns, and take economically and socially targeted actions.</p> <p>The Commission’s position paper proposes to focus on the reduction of disparities between urban centres and lagging rural areas, including investments in small-scale infrastructure to improve access to basic services and the quality of life for local communities.</p>
	3. Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	<p>Council recommendation 2014 for Lithuania proposes to better target active labour market policy measures, to the low-skilled and long-term unemployed. EU2020 flagship initiative “European Platform Against Poverty” indicates that the best way to lift out of poverty is achieving the EU2020 objective in relation to employment. The national target is to increase the employment rate to 72.8% by 2020.</p> <p>The aim provided for in NRA is to: increase opportunities for socially vulnerable groups to participate in the labour market; to improve educational, cultural, support and services system intended for the prevention of socially vulnerable groups by lifting it to the standards that meet the needs of an individual, the community and the market .</p> <p>The Commission’s position paper specifies that Lithuania should support the integration of unemployed or inactive people of working age at-risk-of-poverty into the labour market.</p>

Thematic objective	Investment priority	Justification for selection
	4. Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest	<p>The EU2020 lays down that reducing poverty, social exclusion and health disparities requires improving the access of care service for children and other dependent persons.</p> <p>EU2020 flagship initiative “European Platform Against Poverty” encourages EU Member States to implement measures helping groups that are at high risk of exclusion due to specific circumstances, including the disabled, minorities, including the Roma, homeless, etc.</p> <p>The European Disability Strategy 2010-2020 and the Strategy for Equality between Women and Men 2010-2015 address the need to facilitate the reconciliation of family and professional life, ensuring access to high-quality and affordable care services, promoting sound working conditions for professional careers and supporting families and informal carers.</p> <p>The NRA provides for the improvement of access to social services of adequate quality through a wider involvement of communities and nongovernmental organisations (NGOs).</p>
	5. Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment	<p>EU2020 flagship initiative “An Integrated Industrial Policy for the Globalisation Era” points out the need for promoting corporate social responsibility in order to ensure a long-term trust of employees and consumers.</p> <p>Commission’s Communication on Social Investment (COM(2013) 83final) urges Member States to allocate resources from the ESI funds to the development of social business.</p> <p>The NRA provides for the promotion of employers’ interest in creating new jobs of proper quality through the development of corporate social responsibility. Another aim is to maintain social dialogue to facilitate the modernisation of labour relations: ensuring flexible terms and conditions of employment agreements, possibility to regulate working time and arrangements.</p>
	6. Community-led local development strategies	<p>EU2020 flagship initiative “European Platform Against Poverty” provides for opportunities for local groups to use the EU funds to promote community-based approaches.</p> <p>Rapidly developing major cities attract large migration flows, and new residents bring additional social problems. Meanwhile depopulation in smaller towns leads to lower economic activity and availability of services in those towns.</p> <p>The Commission’s position paper proposes using the CLLD approach to promote social inclusion, building on the experience gained with LEADER. This approach is in particular important for disadvantaged and socially isolated areas, small and medium-sized cities and their surroundings.</p>
10. Investing in education, training and vocational training for skills and lifelong learning	1. Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure	<p>EU2020 flagship initiative “An Agenda for New Skills and Jobs” asserts that developing of skills and better matching between skills and labour market needs requires development of educational infrastructure.</p> <p>The NRA provides for the implementation of projects aimed at training and career development of students of general education schools, vocational training and education institutions as well as higher education institutions. Projects are also planned for career monitoring and infrastructure development.</p>
	2. Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education, including formal, non-formal and informal learning pathways for reintegrating into education and training	<p>Contributing to the EU2020 target of reducing school drop-out rates below 10%, Lithuania plans to reduce this share down to 9%, giving a priority to rural areas where school drop-out rates exceed the EU target.</p> <p>An irrational school network, underdeveloped educational support infrastructure and insufficient qualifications and competence of teachers have lead to the increasing disparities between regions.</p> <p>The Commission’s position paper proposes developing and putting in place comprehensive and evidence-based strategies to reduce early school leaving, integrating pupils with special needs and from marginalised community groups.</p> <p>Some activities of this investment priority can also contribute to EUSBSR priority area “Education” in the areas related to internships and the gaining of international experience.</p>

Thematic objective	Investment priority	Justification for selection
	<p>3. Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups</p>	<p>Contributing to the EU2020 target of increasing the number of 30-34-year-olds completing third level education, Lithuania plans that by 2020 at least 47.9% of 30-34-year-olds will have higher or equivalent education. Since many young people are pursuing higher education, there is a need to focus more on the quality of studies. This would help maintain a high level of educational attainment.</p> <p>This investment priority will also include activities focused on internships for researchers in foreign education institutions and enterprises. The activities will contribute to the implementation of EUSBSR priority area "Education" as well as make an indirect input to the implementation of priority area "Innovation".</p>
	<p>4. Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences</p>	<p>EU2020 flagship initiative "An Agenda for New Skills and Jobs" provides for the improvement of lifelong learning opportunities, emphasises better adaptation of workforce to new conditions, the importance of the attractiveness of vocational training, ensuring friendlier conditions for changing of professional activities and the development of national qualifications frameworks.</p> <p>The NRA provides for the development of a lifelong learning supply and demand system which would create conditions for social and professional inclusion of adults, active citizenship and personal development.</p>
<p>11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration</p>	<p>1. Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance</p>	<p>The NRA establishes that efficient public administration is an important determinant of the country's progress and competitiveness. The need to improve public administration is emphasised in Lithuanian Progress Strategy "Lithuania 2030", the NPP, the Public Management Improvement Programme 2012-2020. It should be noted that one of the Council recommendations 2014 for Lithuania was related to the reform of state-owned enterprises.</p> <p>The Commission's position paper proposes that public administration should be rendered more client-focused, while public administration institutions should place more focus on results.</p>

## 1.2. Justification of the financial allocation

The distribution of resources from the EU funds 2014-2020 has been mainly based on thematic concentration requirements for thematic objectives and investment priorities as set forth in 2014-2020 EU cohesion policy regulations as well as on requirements for the minimum contribution from the ESF and the Cohesion Fund.

Specific financial proportions have been established in view of challenges and development potential. Challenges have been assessed by taking into consideration both Lithuanian and global trends defined by the Lithuanian progress strategy *Lithuania 2030*, *Europe 2020* strategy, the European Council's conclusions, country-specific recommendations, national strategic documents, a number of thematic evaluations, the World Bank, the Organisation for Economic Cooperation and Development and other recognised international organisations, also by the Commission's position paper on prospects for development of the Lithuanian economy and its sectors, etc. Other aspects taken into consideration include changes required for national strategic commitments (e.g. to eliminate a large gap between certain indicators and the EU average or to achieve the national target of Europe 2020).

Funds to specific thematic objectives set by 2014-2020 EU cohesion policy regulations have been allocated with regard to the challenges and growth potential identified by Partnership Agreement Section 1.1 *Situation Analysis, Challenges and Growth Potentials*, and to the target results of the investments as established by Partnership Agreement Section 1.3 *Summary of the Results of Each Thematic Objective in Respect of Each Fund*.

Thematic objective 1 will be allocated 10.1% of resources from the EU funds (or almost 19.4% from the ERDF) which mostly contribute to the promotion of investment into R&D and innovation so that by 2020 investments in this field accounts for 1.9% of GDP.

Thematic objective 2 will be allocated 3.6% of resources from the EU funds (or almost 7% from the ERDF) which, considering goals of EU2020 flagship initiative "Digital Agenda", will aim at ensuring the availability of broadband for all, improving digital literacy of the population and developing e-services and e-solutions.

Thematic objective 3 will be allocated 7.9% of resources from the EU funds (or almost 15.2% from the ERDF) which will largely boost the competitiveness, efficiency and internationalisation of SMEs, facilitate the access to financing and ensure resource efficiency.

Thematic objective 4 will be allocated around 14.5% of resources from the EU funds (or around 14.8% from the ERDF and 22.2% from the CF) which will be most conducive to the NRA objective of increasing the share of RES in total final energy consumption to 23% by 2020. Moreover, energy efficiency should be increased by 17% and greenhouse gas emissions reduced by up to no more than +15%.

Thematic objective 5 will be allocated around 1.6% of resources from the EU funds (or 0.1% from the ERDF and around 5.1% from the CF) which will reinforce capabilities of climate change resilience and disaster prevention as well as strengthen climate change resilience of the most vulnerable areas in Lithuania.

Thematic objective 6 will be allocated almost 10.9% of resources from the EU funds (or 5.4% from the ERDF and around 26.3% from the CF) which will help meet requirements of EU environment *acquis* in the field of waste and water, contribute to the improvement of air quality and the preservation of biodiversity, facilitate the development and promotion of natural and cultural heritage protection, the conversion of brownfields.

Thematic objective 7 will be allocated 17.2% of resources from the EU funds (or almost 11.2% from the ERDF and around 37.2% from the CF) which, with regard to Europe 2020 strategy and flagship initiative "Resource Efficient Europe", will remove barriers to the core network infrastructure through modernisation of vital economic infrastructures. The interoperability of different modes of transport will be increased, the availability of the network improved and connections for electricity and gas networks developed as recommended by the Council in its recommendations for 2014.

Thematic objective 8 will be allocated 10.9% of resources from the EU funds (or 12% from the ERDF and around 24.4% from the ESF) which will contribute to one of the Lithuanian national objectives set by the NRA, namely to increase employment up to 72.8% by 2020, and help remove urban development disparities to efficiently exploit the potential of cities and their individual areas. Following Council recommendations 2014 for Lithuania, active labour market policy measures will be targeted better. Special allocations provided for by the youth employment initiative will also be invested under this thematic objective.

Thematic objective 9 will be allocated 8% of resources from the EU funds (9% from the ERDF and 19.5% from the ESF) which will contribute to one of the Lithuanian national objectives set by the NRA, namely to reduce the number of people at poverty and social exclusion risk down to at least 814,000. Special measures focused on the reduction of poverty and social exclusion will be implemented following Council recommendations for 2014.

Thematic objective 10 will be allocated around 9.9% of resources from the EU funds (or around 6% from the ERDF and around 40.4% from the ESF) which will be most conducive to the Lithuanian national objective of at least 47.9% of 30-34-year-olds completing higher or equivalent education and reducing school drop-out rates below 9%.

Thematic objective 11 will be allocated above 2.2% of resources from the EU funds (13.3% from the ESF) which will be aimed at increasing the efficiency of public administration institutions, developing and executing national public administration reforms and implementing one of the Council recommendations related to the reform of state-owned enterprises.

To ensure the efficient administration of the use of EU funds' investments, publicity and information as well as adequate evaluations, technical assistance will be allocated 3.2% of resources from the EU funds (around 2.3% from the ESF and almost 9.2% from the CF).

Compared to the 2007-2013 financial period, the 2014-2020 programming period will focus more on research and development (R&D). According to macroeconomic simulations made by ex ante evaluation experts, in Lithuania's case the largest impact on GDP and other fundamental macroeconomic variables would be generated by a more active diversion of resources of the EU funds to R&D compared to the period of 2007-2013. Also taking Council recommendations 2014 for Lithuania into account, more funds will be channelled to energy efficiency investments which are aimed at improving energy efficiency and competition of energy networks through connections to EU countries for electricity and gas. Moreover, the 2014-2020 programming period provides for larger ESF investments as the Council recommendations for 2014 proposes targeting issues of low-skilled workers and long-term unemployment, increase the conformity of the education system to the labour market needs and promote lifelong learning.

**Table 2.** Overview of the investment strategy of the programme

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
Strengthening research and development and innovation	Strengthening research, technological development and innovation	Enhancing R&I infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	Promoting more active use of the existing and new RDI infrastructure	External users from economic entities, who used the upgraded open-access RDI infrastructure	ERDF	678,878,835	10.1%
		Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Increasing the intensiveness of RDI activities in the private sector	R&D expenditure per capita in the business sector Share of innovative enterprises cooperating with partners in the total number of innovation-related enterprises			
			Increasing the extent of knowledge commercialisation and technology transfer	Share of higher education R&D expenditure funded by economic entities in the total expenditure			

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
Promoting information society	Enhancing access to, and use and quality of, ICT	Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy.	Increasing the availability and use of broadband electronic communication networks in areas where the market is not able to ensure the development of next generation access (NGA) infrastructure and the provision of services	Share of households covered by broadband access of at least 30Mbps	ERDF	244,037,284	3.6%
			Increasing the efficiency of the protection of state information infrastructure and resources	Share of state information resources and objects of critical information infrastructure, complying with the security requirements			
		Developing ICT products and services, e-commerce, and enhancing demand for ICT.	Increasing the reuse of public sector information for business and public needs	Share of enterprises using public sector information for their commercial activities			
			Increasing the demand for ICT among the population	Share of population using the internet regularly			
		Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health.	Increasing the accessibility and quality of public and administrative services	Share of population using electronic public and administrative services Share of state and municipal authorities and bodies using services of the state information resources interoperability platform			
Promoting the competitiveness of small and medium-sized business	Enhancing the competitiveness of SMEs, the agricultural sector (for the EAFRD) and	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.	Increasing the level of entrepreneurship	Level of entrepreneurship: number of enterprises and natural persons per 1,000 residents	ERDF	531,603,253	7.9%

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
	the fisheries and aquaculture sector (for the EMFF)	Developing and implementing new business models for SMEs, in particular with regard to internationalisation	Increasing the internationalisation of SMEs	Share of exports of SME goods originating in Lithuania in GDP			
		Supporting the capacity of SMEs to engage in economic growth and innovation processes	Increasing the productivity of SMEs	Value-added in production costs, created by SMEs, per employee			
			Increasing investments of SMEs in eco-innovation and other resource-efficient technologies	Share of investments where over 50% of the amount is invested into eco-innovation in the total amount of investments			
Promoting energy efficiency and production and use of renewable energy	Supporting the shift towards a low-carbon economy in all sectors	Promoting the production and distribution of renewable energy derived from renewable sources	Increase the use of renewable energy	The share of renewable energy in the final energy balance	ERDF, CF	ERDF: 517,201,697  CF: 454,118,432	14.5%
		Promoting energy efficiency and renewable energy use in enterprises	Reduce intensity of energy consumption in industrial enterprises	Energy intensity in industrial enterprises			
		Supporting energy efficiency, smart energy management and RES use in public infrastructures, including in public buildings, and in the housing sector	Reduce energy consumption in public infrastructure and multi-apartment houses	Final energy consumption in the service and household sectors			
			Enhance energy efficiency in the heat supply sector and households	Transportation and distribution losses in heating networks Energy consumption by households (not connected to district heating networks)			
		Developing and implementing smart distribution systems at low and medium voltage levels	Test the prospects of introducing smart grid technologies	Higher quality of electricity supply (SAIDI)			

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

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
		Promoting low-carbon strategies for all types of territories, in particular urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	Promote sustainable mobility and develop environment-friendly transport to reduce carbon dioxide emissions	Carbon dioxide emissions (except for from biomass) from household transport activities Number of passengers in public urban transport			
Environment, sustainable use of natural resources and adaptation to climate change	Promoting climate change adaptation, risk prevention and management	Supporting investment for adaptation to climate change, including ecosystem-based approaches	Minimise climate change-induced damage	Potential damage of negative effects of floods on economic activity	ERDF, CF	ERDF: 193,677,709 CF: 644,099,887  (of which under thematic objective 5 ERDF: 4,064,010 CF: 104,842,447 )	12.5%
	Protecting the environment and promoting resource efficiency	Investing in the waste sector to meet the requirements of the Union's environmental <i>acquis</i> and to address needs, identified by the Member States, for investment that goes beyond those requirements	Reduce municipal waste disposal in landfills and ensure proper storage of radioactive waste	Share of municipal waste disposed in landfills			
				Share of paper, plastic, metal and glass waste in municipal waste stream, prepared for re-use or recycling			
	Investing in the water sector to meet the requirements of the Union's environmental <i>acquis</i> and to address needs, identified by the Member States, for investment that goes beyond those requirements	Improve the status of the Baltic Sea and other surface waters	Average total nitrogen concentration in Lithuania's territorial waters of the Baltic Sea				
			Share of surface waters of good status				
			Enhance accessibility of water supply and wastewater treatment services and improve efficiency of the system	Accessibility of water supply services Accessibility of wastewater treatment services			
	Enhance relevance, number of visits and visibility of cultural	Share of population well-informed on environmental issues					

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
		Conserving, protecting, promoting and developing natural and cultural heritage	and natural heritage, including public awareness on the surrounding environment	Share of the Lithuanian population that has visited a site of cultural heritage within the last 12 months Number of trips of tourists (foreign and local) to prioritised tourism development regions			
		Protecting and restoring biodiversity, soil protection and restoration and promoting ecosystem services, including Natura 2000 and green infrastructures	Improve the status of native plant and animal species, habitats and landscape	Share of habitat types of Community importance with a favourable conservation status, occurring in Lithuania			
		Taking actions to improve the urban environment, revitalisation of cities, regeneration and decontamination of brownfield sites (including conversion areas), reduction of air pollution and promotion of noise-reduction measures	Reduce the level of threat to health and environment, caused by urban air pollution by particulate matter and soil pollution by chemical substances	Number of days when a daily limit value of particulate matter (PM <sub>10</sub> ) concentration is exceeded in 5 major cities Potential pollution hotbeds of extremely high risk			
Developing sustainable transport and key network infrastructures	Promoting sustainable transport and removing bottlenecks on key network infrastructures	Supporting a multimodal Single European Transport Area by investing in the Trans-European Transport (TEN-T) Network	Improve interoperability between national multimodal transport system and trans-European transport networks	Number of intermodal transport units transported Average speed of a passenger train in reconstructed and upgraded railway sections in the TEN-T network Number of road traffic deaths in the TEN-T network Average duration of aircraft manoeuvring	ERDF CF	ERDF: 390,625,213 CF: 763,156,109	17.2%

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
		Enhancing regional mobility through connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal transport nodes	Enhancing regional mobility through developing regional connections to the main transport network of the country and implementing traffic safety measures	Average speed of a passenger train in reconstructed and upgraded non TEN-T network railway sections Number of road traffic deaths in non TEN-T network Duration of road trips (except TEN-T roads) Freight transported by inland waterway transport			
		Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable energy	Strengthen integration into the European Union's internal energy market	Herfindahl-Hirschman index for energy imports in Lithuanian electricity market Herfindahl-Hirschman index for energy imports in Lithuanian natural gas market Performance level of the N-1 criterion in the natural gas sector			
Promoting quality employment and participation in the labour market	Promoting employment and supporting labour mobility	Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to and development of specific natural and cultural resources	Diversify economic activities and improve conditions for attracting investment in support of job creation in target territories (urban areas)	Material investments attracted to target territories Share of workers in enterprises of the total number of working-age population in municipalities with target territories identified	ERDF ESF	ERDF: 421,299,136  ESF: 243,721,797  Special allocation under Youth Employment Initiative 63,565,266	10.9%
		Investing in infrastructure for public employment services	Improve the quality and accessibility of services provided by labour market institutions	Satisfaction in the quality of services and facilities in the Vilnius Territorial Labour Exchange			

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
		Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	Increase employment, especially among the long-term and unskilled unemployed and people with disabilities	<p>Participants engaged in employment after leaving ESF intervention, including self-employment (unemployed including long-term unemployed)</p> <p>Participants gaining a qualification after leaving ESF intervention (unemployed including long-term unemployed)</p> <p>Participants engaged in employment after leaving ESF intervention, including self-employment (unemployed over 54 years of age including long-term unemployed and inactive people not in education or training, participating in ESF interventions)</p> <p>Participants gaining a qualification after leaving ESF intervention (unemployed over 54 years of age including long-term unemployed and inactive people not in education or training, participating in ESF interventions)</p> <p>Disabled who successfully finished ESF supported professional rehabilitation programmes</p>			
			Improving the effectiveness of a public employment service	Average length of time to fill a vacancy			

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
			and making it more results-oriented	Number of staff of the Lithuanian Labour Exchange gaining a qualification after leaving ESF intervention			
				ALMP and sustainable employment monitoring and evaluation system designed and operational			
			Increase labour demand by promoting entrepreneurship of the population, in particular those who face difficulties on the labour market	Share of new enterprises/businesses supported by a financial instrument for starting-up, successfully functioning 12 months after receipt of lending			
			Raise understanding of the society, business and public sector on the application of principles of equality between men and women and non-discrimination based on age, disability or other grounds, and strengthen capacity to recognise and stop occurrences of discrimination	Share of persons who apply in practice the knowledge and skills acquired through participation in events promoting gender equality and non-discrimination in the labour market			
		Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised	Reduce the number of young people between 15 and 29 years of age not in employment, education or training	Unemployed participants who completed participation in YEI-supported intervention			
				Unemployed participants who received an offer of employment, continued education, apprenticeship or traineeship after leaving			

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
		communities, including through the implementation Youth Guarantee		<p>Unemployed participants who are in education/training, gained a qualification, or are in employment, including self-employment, after leaving</p> <p>Long-term unemployed participants who completed participation in YEI-supported intervention</p> <p>Long-term unemployed participants who received an offer of employment, continued education, apprenticeship or traineeship after leaving</p> <p>Long-term unemployed participants who are in education/training, gained a qualification, or are in employment, including self-employment, after leaving</p> <p>Inactive participants not in education or training who completed participation in YEI-supported intervention</p> <p>Inactive participants not in education or training who receive an offer of employment, continued education, apprenticeship or traineeship after leaving</p> <p>Inactive participants not in education or training who are in education/training, gained a qualification, or are in employment, including self-employment, after leaving</p>			

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
				Participants in continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving			
				Participants in employment six months after leaving			
				Participants in self-employment six months after leaving			
Promoting social inclusion and combating poverty	Promoting social inclusion and combating poverty	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services, and the transition from institutional to community-based services	Increase the share of community-based social services through transition from institutional to community-based services	Share of disabled people receiving community-based social services, of the total number of disabled people receiving social services	ERDF ESF	ERDF: 315,540,145  ESF: 220,294,386	8.0%
			Facilitate access to social housing for the most disadvantaged social groups	Share of persons (families) renting municipal social housing, of the total number of persons (families) on the waiting list			
			Improve health-care quality and accessibility for target groups and reduce health inequalities	Decline of age-standardised (0-64 years) rate of mortality from system diseases in target territories			
				Decline of age-standardised (0-64 years) rate of mortality from cerebrovascular diseases in target territories			
				Decline of age-standardised (0-64 years) rate of mortality from malignant tumours in target territories			

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
				Decline of age-standardised (0-64 years) rate of mortality from external causes in target territories			
				Difference in the number of visits to physicians per person between population of urban and regional municipalities			
		Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	Reduce disparities in the quality of life caused by geographical conditions and demographic processes	Share of employed in target territories			
				Additional material investments attracted to target territories			
		Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	Enhance integration of persons most distant from the labour market into the labour market	Socially disadvantaged persons engaged in job searching, in education/training, in employment, including self-employment, after leaving ESF interventions for social integration			
			Increase participation by older working-age persons in the labour market and volunteering	Persons over 54 years of age gaining a qualification after leaving ESF interventions			
				Persons over 54 years of age engaged in volunteering after leaving ESF interventions			
		Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest	Improve access to and quality of community-based services, develop services for families	Implemented individual plans of transition from institutional care to family and community-based services as a share of the total number of plans			
				Beneficiaries of family services satisfied with the quality of the services			

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
				Staff of the social services system gaining a qualification after leaving ESF interventions			
			Reduce health inequalities by improving health-care quality and accessibility for target population groups <sup>1</sup> and promoting healthy ageing	Share of population from regions with largest disparities in terms of health status and healthcare accessibility engaged in preventive programmes			
				Share of persons from target groups with changed lifestyles for health purposes as a result of ESF-supported public awareness-raising, education and training activities (themes: healthy lifestyles, health preservation and promotion, disease prevention)			
		Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment	Promote the emergence of initiatives enhancing social entrepreneurship and social responsibility	Share of social businesses successfully operating 12 months upon project completion, of the total number of social business that received ESF investments			
					ESF supported employees of social enterprises who retained their jobs		

<sup>1</sup> The target groups are:

- population in regions (territories) with the highest rates of premature mortality from the main non-communicable diseases;
- certain social risk groups with high rates of morbidity with certain diseases (such as tuberculosis, alcohol addiction) due to their social and economic status (unemployment, poverty, etc.) and addictions (alcohol and other) with limited access to health-care (people with disabilities, etc.);
- children (below 18 years) are also classified as a target group as they are more than others threatened by social exclusion due to economic and social factors such as social and economic status of the family and employability and by adverse effects of these factors for their health;
- elderly people (over 55 years) are also classified as a target group in light of the aspiration to maintain, as long as possible, good health of elderly people, to improve their quality of life and to create the conditions for them to stay active in employment and in the community and live independently.

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
				Persons gaining a qualification upon completing ESF financed training			
		Community-led local development strategies	Improve local employability and enhance social integration of communities, by making use of relationship among local communities, businesses and local governments	Participants in CLLD projects with improved status the labour market 6 months after leaving Participants (members of local communities) volunteering in social partner organisation or NGOs 6 months after leaving			
Educating the society and strengthening the potential of human resources	Investing in education, training and vocational training for skills and lifelong learning	Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure	Improve and consolidate the studies infrastructure for better quality of the studies	Share of students studying at higher education institutions which has used at least EUR 289,000 of the ERDF resources under the Operational Programme for the renewal of concentrated studies infrastructure	ERDF, ESF	ERDF: 208,548,495  ESF: 455,313,921	9.9%
			Improve access to quality vocational and adult training by investing into infrastructure	Share of vocational training students in vocational training institutions improved using at least EUR 289,000 of the ERDF resources under the Operational Programme			
			Improve operational efficiency of general and non-formal education institutions	Share of pupils in institutions improved using at least EUR 289,000 of the ERDF resources under the Operational Programme Share of 1-6 year-old children in pre-school and pre-primary institutions improved using ERDF resources under the Operational Programme			

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
		Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education, including formal, non-formal and informal learning pathways for reintegrating into education and training	Improve students' training achievements by promoting operational changes at the education institutions	Share of schools with increased pupils' achievements among all schools that received ESF financing under the Operational Programme for educational quality improvement			
			Reduce the number of drop-outs of education system and those who do not complete general education programme	Reduction in share of pupils not attending school in schools that implemented early school leaving reduction and compensation measures using ESF resources under the Operational Programme			
		Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups	Improve the quality and access to the studies with a view to ensuring better consistency between the studies and the needs of the labour market and the society	Share of higher education students who studied at least a part of their term-time abroad using ESF resources under the Operational Programme			
				Share of students who participated in internship schemes in companies and organisations using ESF resources under the Operational Programme			
			Reinforce monitoring, external evaluation and efficient management of higher education with a view to constant quality improvement	Share of higher education schools that underwent external evaluation using Operational Programme funds			
			Strengthen the skills and capacities of public sector researchers for engaging in high level R&D activities	Share of persons who completed doctoral studies as a result of participation in ESF activities			

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
		Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competencies of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	Improve consistency of vocational and adult training with the labour market needs and make it more attractive	Share of students who studied under modular vocational training programmes developed or updated using ESF resources under the Operational Programme			
				Share of students who obtained a qualification as a result of completing a part of their vocational training programme on-the-job using ESF resources under the Operational Programme			
				Share of students who study under vocational training programmes which have been subject to external evaluation using ESF resources under the Operational Programme			
			Provide opportunities and incentives for life-long learning by ensuring efficient support for the enhancement of competence	Share of persons who gained nationally recognised qualification as a result of participating in ESF activities			
			Increase workforce competitiveness, ensuring opportunities to adapt to economic needs	Share of persons who successfully completed training and apply the obtained knowledge at work from 6 to 12 months after taking part in the ESF activities			

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
Society-oriented smart public administration	Building institutional capacity of public authorities and stakeholders and efficient public administration	Investing in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance	Strengthen result-orientation of governance	Share of state and municipal institutions or agencies that use measures for the improvement of their management implemented using ESF resources under the Operational Programme	ESF	150,359,184	2.2%
			Increase transparency and openness of the public administration processes	Share of public procurements performed within the calendar year on the basis of the upgraded central public procurement information system that was upgraded using ESF resources under the Operational Programme			
				Share of persons who apply the obtained knowledge and competences 6 months after participating in ESF activities for strengthening competences in prevention of corruption and professional ethics			
			Improve the quality of services and make them more customer-oriented	Share of public and municipal administration institutions and agencies that implemented measures to improve the quality of services and/or customer service by using ESF resources under the Operational Programme			
			Improve business regulation environment	Reduced administrative/other regulatory burden due to better regulation initiatives implemented by using ESF resources under the Operational Programme			

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
				Share of the institutions supervising entities and applying smart business supervision measures implemented by using ESF resources under the Operational Programme			
				Share of courts that implemented measures to improve the efficiency of justice by using ESF resources under the Operational Programme			
			Improve management of human resources in the public service	Share of senior managers participating in the senior management cooperation networks financed by ESF resources under the Operational Programme			
				Share of staff at state and municipal authorities or agencies which apply competence-based civil service human resources management implemented by using ESF resources under the Operational Programme			
				Share of persons who apply obtained knowledge and competences at work 6 months after participating in ESF activities for strengthening strategic competencies			
Technical assistance for the administration of the Operational	-	-	Ensure efficient administration of the Operational Programme	Proportion of costs funded on the basis of simplified approaches in ESF projects to the total funded ESF project costs	CF	187,543,198	2.8%

Priority axis	Thematic objective	Investment priority	Specific objectives	Result indicators	Fund	Support (EUR)	Share of the total support to the operational programme
Programme				Proportion of costs funded on the basis of simplified approaches in ERDF projects to the total funded ERDF project costs			
				Proportion of costs funded on the basis of simplified approaches in CF projects the total funded CF project costs			
				Turnover of staff in charge of EU funds administration			
Technical assistance for communication and evaluation of the Operational Programme	-	-	Ensure provision of information about EU funds' investments	Share of the potential applicants who are satisfied with the available information	ESF	25,812,183	0.4%
				Share of project promoters who find the information on how projects have to be properly implemented sufficient			
				Share of people who appreciate that EU investments help stimulate important social and economic changes in the country and contribute to the better quality of life			
			Ensure evaluation of EU funds' investments	Recommendations implemented			

**SECTION 2. DESCRIPTION OF PRIORITY AXES****PRIORITY AXIS 1. STRENGTHENING RESEARCH AND DEVELOPMENT AND INNOVATION**

<b>INVESTMENT PRIORITY 1.1</b>	<b>Enhancing research and innovation (R&amp;I) infrastructure and capacities to develop R&amp;I excellence, and promoting centres of competence, in particular those of European interest (1a)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 1.1.1</b>	<b>Promoting more active use of the existing and new research, development and innovation infrastructure</b>
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In the 2007-2013 period, funds allocated to RDI infrastructure were mostly used for implementing projects focused on the infrastructure of integrated higher education, research and business centres (valleys): establishing research centres, science and technology parks (STP), technology transfer centres, acquiring laboratory facilities needed for their operation. In parallel, investments were made into the strengthening of human resources, mobilising their potential in valleys which have a high concentration of higher education and research institutions and most of the RDI infrastructure is open access, meaning that RDI facilities and services are available to research and educational institutions, economic operators, also to foreign scientists, researchers and other professionals.

A successful development of the Lithuanian RDI system requires further strengthening of the potential of the public and private sector to carry out RDI activities; developing and upgrading of technologies; building up of capacities for knowledge and technology transfer; applicability of RDI results. This should strengthen capacities of higher education institutions to meet the needs of the economy, increase the knowledge intensity of the private sector and reinforce economic and social impacts of RDI. The Lithuanian RDI system lacks infrastructure enabling effective experimental developments to boost the volume of commercialised research results. For this reason, in the 2014-2020 programming period investments will target infrastructure used for the commercialisation of RDI activities.

All planned investments will be closely coordinated with business needs. Investments into RDI infrastructure will be focused on facilities required for the development of new projects and their introduction into the market (centres of excellence, knowledge and technology transfer centres, centres for the commercialisation of RDI results, etc.). Investments are also planned for the development of infrastructure enabling effective experimental development and increasing volumes of commercialised research results, also for infrastructure facilitating Lithuania's involvement in European infrastructures (especially ESFRI) and participation in international/regional initiatives, giving Lithuanian researchers access to the best European and global R&D infrastructures for research and other R&D activities. As recommended by the European Commission, resources of ESI funds will be consolidated and other initiatives, such as Horizon 2020, ERC grants and national funds will be used for achieving these objectives.

<b>Programme-specific result indicators for ERDF</b>								
No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	External users from economic entities, who used the upgraded open-access RDI infrastructure	Number	Less developed	273	2013	3,000	Agency for Science, Innovation and Technology	Annual

<b>Actions to be supported under investment priority 1.1</b>
<ul style="list-style-type: none"> <li>• Creation, updating and development of the RDI infrastructure of units (centres of excellence, technological centres), in particular infrastructure focused on the commercialisation of experimental development activities and their results, promoting public-private cooperation in the field of RDI.</li> <li>• Creation of European RDI infrastructures and integration of Lithuanian RDI infrastructures into the European research (ESFRI) infrastructure in line with the Lithuanian Roadmap for Research Infrastructures and the ESFRI Roadmap, development of joint and complementary RDI infrastructure development projects with other EU Member States in order to avoid the duplication of investments into the same research infrastructure. Updating and development of infrastructure for participation in international RDI initiatives, such as Horizon 2020, EU Strategy for the Baltic Sea Region, etc.</li> <li>• Upgrading and development of RDI infrastructure for the implementation of the Smart Specialisation Strategy, including the development and implementation of non-technological solutions focused on more efficient RDI activities: <ul style="list-style-type: none"> <li>- improving infrastructure of flagship centres of science (excellence) and parallel laboratories conducting research in areas that are in line with priorities of the Smart Specialisation Strategy;</li> <li>- investing into facilities used by open-access centres for the development of technology and processes set out in the Smart Specialisation Strategy;</li> <li>- upgrading infrastructure of higher education and research institutions in the area of smart specialisation.</li> </ul> </li> <li>• Investing into the availability of e-resources relevant for RDI activities (databases of publications, repositories, etc.), development of information, communication and science promotion infrastructure (including technological rooms in schools of general education, information networks, ICT and licences, etc.).</li> </ul>

<b>Common and programme-specific output indicators for ERDF</b>								
No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting	
1.	Number of researchers working in improved research infrastructure facilities	Full-time equivalent	ERDF	Less developed	370	Project data	Annual	
2.	International RDI infrastructures Lithuania is a member of	Number	ERDF	Less developed	4	Project data	Annual	
3.	Number of researchers from the private sector who use improved RDI infrastructure facilities	Persons	ERDF	Less developed	100	Project data	Annual	

<b>INVESTMENT</b>	<b>Promoting business investment in R&amp;I, developing links and</b>
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<b>PRIORITY 1.2</b>	<b>synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies (1b)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 1.2.1</b>	<b>Increasing the intensiveness of research, development and innovation activities in the private sector</b>
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Insufficient investments of Lithuanian business into riskier stages of new product and service development – R&D – lead to a lower value-added-based structure of the Lithuanian economy. Export of Lithuanian knowledge-intensive products and services, employment in knowledge-intensive enterprises, economic impact of investments and other knowledge-intensity indicators are significantly behind the EU average.

The transformation of the economy towards new activities creating higher value-added requires a substantial increase in the number of enterprises engaged in innovative activities and incentives for the creation of innovation with greater economic impacts. For the purpose of this objective, it is planned to create comprehensive incentives for private investments in RDI, while focusing not only on the current innovators and encouraging them to create significant innovation, but also on enterprises operating in the lower value-added chain, encouraging them to shift to the development of new products and search for new business niches. Investments will also be directed towards the establishment of new innovative enterprises and towards the attraction of foreign direct investments (FDI) in the fields of smart specialisation.

Incentives will be created by providing support to corporate RDI projects at all RDI stages (from the concept of a new product idea to the prototype demonstration and early validation of the product) with particular emphasis on the key enabling technologies (KETs). Support measures aimed at creating, protecting and licensing corporate intellectual property (supporting patenting of inventions, registration and support of designs, acquisition of licences) will also be put in place. Efforts will be made to promote the establishment and development of new innovative enterprises (start-ups, spin-offs) by providing support to starting-up of their business. Support will be provided to corporate R&D infrastructure projects which will help enterprises create new jobs for researchers and similar highly qualified staff members.

To create comprehensive incentives for the commercialisation of RDI results and to ensure effective knowledge transfer with a view to creating new projects in business-science partnership and other (including international) partnerships (value networks), the “bottom-up” establishment of new value networks and open innovation partnerships (clusters, etc.) and the development of the existing ones as well as their integration in international RDI networks. Investments are planned into R&D infrastructure of clusters (laboratories, test rooms, etc.) to promote clusterisation and to accelerate establishment of partnerships in different sectors, the potential and activities of which are based on mutual cooperation and strengthening of competition, and to ensure overall economic growth and synergy effect.

To increase business sector's expenditure on R&D, special attention will be given to the attraction of FDI which would create preconditions for and support the implementation of the smart specialisation strategy in the field of RDI (and the transformation of the Lithuanian economy it provides for). To this end, investments will be channelled to the infrastructure relevant for the attraction of FDI and targeted measures will be focused on the promotion of specific FDI projects.

In order to help enterprises to reduce risks of starting a business, speed up successful growth and promote business-science cooperation, the protection of intellectual property and the commercialisation of R&D results, the aim of support will be to ensure the availability and quality of innovation support services. Corporate investments into R&D and respective innovations of enterprises will be encouraged by measures targeting the promotion of demand for innovation (for instance, innovative, pre-commercial procurement, etc.); these measures currently demonstrate poor progress due to a lack of competence and practice.

**Programme-specific result indicators for ERDF**

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	R&D expenditure per capita in the business sector	EUR	Less developed	24.10	2011	60.70	Eurostat	Annual
2.	Share of innovative enterprises cooperating with partners in the total number of innovation-related enterprises	%	Less developed	9.79	2010	12.79	Eurostat	Annual

**SPECIFIC OBJECTIVE 1.2.2**

**Increasing the extent of knowledge commercialisation and technology transfer**

Despite the recent progress, RDI is still not making a significant impact on the economic progress of the country. The main reason lying behind low economic impact of innovations is underdeveloped relations between business and science. Lacking experience in active inter-sectoral cooperation, enterprises often limit themselves to cooperation with other enterprises and are not motivated to invest into RDI. Meanwhile higher education institutions are not in a position to disseminate knowledge and technologies the application of which could make a breakthrough in individual sectors/areas and make a considerable effect on the overall development of the national economy.

With this in mind, interventions to be made in the 2014-2020 period will encourage representatives of science and business sectors to bring together their resources for a joint development of technologies, implementation of processes and development of products that will help tackling long-term challenges faced by Lithuania. This objective aims at promoting, in a comprehensive manner, effective transfer of knowledge important for the development of new products and the commercialisation of RDI results in business-science and other (including international) partnerships. Moreover, given a relatively small share of Lithuanian innovation-intensive business, more active use of the potential of the higher education sector will be supported by encouraging higher education institutions to be more active in commercialising RDI results.

The implementation of this objective will ensure more active cooperation between science and business, increase the share of enterprises carrying out innovative activities and cooperating with partners, operationalise RDI infrastructure, expand the share of higher education R&D expenditure funded by economic entities, which directly reflects the capability of science to turn knowledge into money.

**Programme-specific result indicators for ERDF**

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of higher	%	Less	3.5	2010	7	Statistics	Annual

education R&D expenditure funded by economic entities in the total expenditure		developed					Lithuania	
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### ***Actions to be supported under investment priority 1.2***

#### *Actions of specific objective 1.2.1:*

- Financing of corporate RDI activities to promote the supply of higher value-added, including environment-friendly (green), goods and services:
  - development, protection and licensing of corporate intellectual property, including patenting, registration and maintenance of designs, acquisition of licences;
  - development of new products in enterprises at all R&D stages, including support provided to technical feasibility studies and early stages of R&D projects under the 'voucher' principle from the concept of a new product idea to the creation of a product prototype and its initial demonstration;
  - early experimental production of new products and preparation for their commercialisation: support to the pre-certification of new products, laboratory testing before mass production;
  - promotion of the applicability of innovative ideas for economic purposes and the establishment of young innovative enterprises (spin-offs, start-ups) to ensure the availability of sources of financing (initial capital, business acceleration, etc.);
  - promotion of the involvement of economic entities into international RDI initiatives/projects;
  - development of corporate RDI infrastructure, especially intended for the development, testing, experimental production and commercialisation of prototypes;
  - implementation (including demonstration), early experimental production and commercialisation of NGA pilot lines and smart industrial capacities important for the innovativeness of the industry and economic growth;
  - setting up and marketing of infrastructure in free economic zones and industrial parks, where foreign enterprises will carry out RDI activities;
- To increase business sector's expenditure on R&D, special attention will be given to the attraction of FDIs which would create preconditions for and support the implementation of the smart specialisation strategy in the field of RDI and related fields (and the transformation of the Lithuanian economy it provides for). For this purpose, support will be provided for the searches of FDI; investments will be made into the infrastructure important for the attraction of FDI (setting up of RDI centres; acquisition and further development of innovative technologies/equipment for production; their adaptation and integration with other technologies and services; installation of pilot lines, including for demonstration); cooperation between foreign and Lithuanian enterprises or higher education institutions (with regard to joint RDI projects) will be supported as well.
- Building and development of networks, supporting activities of RDI partnerships:
  - building and expanding networks for the introduction of innovations (clusters and other partnerships), while providing support to activities in relation to strategies, research (insights, market research, etc.), training, facilitation of networking, marketing measures and other activities aimed at the popularisation of networks and attracting of new members, joining international clusters (networks), etc., as well as support to the network facilitator or coordinator;
  - creating cluster-based RDI infrastructure, in particular, intended for the creation, testing, experimental production and commercialisation of prototypes.
- Strengthening of the availability and quality of innovation support services:
  - popularisation of technology advancement and innovation; development of creativity; promotion of innovation partnership; searching for, assessment and transfer of technologies;

advice on the protection of intellectual property rights, preparation and releasing of new products; establishment of new innovative enterprises, and other innovation support services;

- Promotion of the demand for innovation: it is planned to introduce pre-commercial (by encouraging state institutions to purchase RDI services) and innovative public procurement as well as other demand-boosting measures intended to encourage the development and/or offering to the market and purchasing of innovative products and services for the solution of the relevant socio-economic problems;

- Promoting RDI-based social and cultural innovation in the fields of smart specialisation.

*Actions of specific objective 1.2.2:*

- Promotion of scientific knowledge transfer and commercialisation of R&D results:
  - implementation of joint science-business projects contributing to the implementation of priorities of the smart specialisation strategy;
  - targeted research in the area of smart specialisation (research carried out by groups of high-level researchers, attraction of foreign researchers and R&D activities, activities of parallel laboratories);
  - promotion of activities of centres of excellence and technology transfer centres;
  - commercialisation of R&D results and promotion of internationalisation (support to the commercialisation of ideas of scientists and other researchers and students working/studying at higher education institutions; support to young innovative enterprises (spin-offs, start-ups); internships for the founders of spin-offs in foreign higher education institutions; support to higher education institutions that carry out R&D orders of economic entities; assistance to higher education institutions in registering intellectual property rights, etc., implementation of market-oriented scientific-business projects through a transnational network).

<b><i>Common and programme-specific output indicators for ERDF</i></b>							
No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
<i>Output indicators reflecting actions of specific objective 1.2.1:</i>							
1.	Number of enterprises receiving grants	Enterprises	ERDF	Less developed	400	Project data	Annual
2.	Private investment matching public support to innovation or R&D projects	EUR	ERDF	Less developed	104,000,000	Project data	Annual
3.	Number of enterprises supported to introduce new to the market products	Enterprises	ERDF	Less developed	120	Project data	Annual
4.	Number of enterprises supported to introduce new to the firm products	Enterprises	ERDF	Less developed	140	Project data	Annual
5.	Number of enterprises cooperating with research institutions	Enterprises	ERDF	Less developed	280	Project data	Annual
6.	Total surface area of supported areas	Hectares	ERDF	Less developed	45	Project data	Annual
7.	Number of enterprises receiving non-financial support	Enterprises	ERDF	Less developed	620	Project data	Annual
8.	Number of enterprises receiving financial support other than grants	Enterprises	ERDF	Less developed	36	Project data	Annual
9.	Private investment matching public support to enterprises (non-grants)	EUR	ERDF	Less developed	1,780,000	Project data	Annual
10.	Number of implemented solutions to boost the demand for innovation	Number	ERDF	Less developed	150	Project data	Annual
<i>Output indicators reflecting actions of specific objective 1.2.2:</i>							
11.	Number of new enterprises	Enterprises	ERDF	Less	70	Project data	Annual

<b>Common and programme-specific output indicators for ERDF</b>							
No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
	supported			developed			
12.	Patent applications submitted by higher education institutions supported	Number	ERDF	Less developed	50	Project data	Annual
13.	Number of enterprises cooperating with research institutions	Enterprises	ERDF	Less developed	100	Project data	Annual

### **Guiding principles for the selection of projects/actions**

Investments under priority axis 1 of the Operational Programme will be used for developing six RDI development (smart specialisation) areas (energy and sustainable development; inclusive and creative society; agro-innovation and food technology; new manufacturing processes, materials and technology; health technologies and biotechnologies; transport, logistics and ICT) identified by experts and approved by the Lithuanian Government, and for implementing 20 priorities of these development areas ([Resolution No 411 of the Government of the Republic of Lithuania of 30 April 2014](#) approved the Programme for Key Development Areas of Research, (Social, Cultural) Development and Innovation (Smart Specialisation) and for the Implementation of their Priorities).

The following guiding principles will be followed for the selection of projects:

- The Managing Authority will provide financing from the EU funds to large enterprises, ensuring that this financing will not have any material effect on job losses in other residential areas across the EU.
- Projects under investment priority 1.1 of the Operational Programme will be selected by way of:
  - project tendering. Applications submitted under the call for expression of interest will be selected by the scores they received.
  - state project planning procedure (direct grant). It is a procedure where projects intended for the performance of functions falling within the competence of public authority(ies) and planned in accordance with strategic planning documents and other legislation of the Republic of Lithuania are selected. If grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation. The grant procedure will be non-discriminatory and transparent.
- Investments into RDI infrastructure will be combined with actions under specific objective 9.3.3, focused on strengthening researchers' skills and competences to engage in high-level R&D activities. This will allow for full exploitation of the synergy between these interventions.
- Projects under investment priority 1.2 of the Operational Programme will be selected by way of tendering and state project planning procedures (direct grant). If grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation. The grant procedure will be non-discriminatory and transparent.
- Support for innovative and pre-commercial procurement will be combined with strengthening institutional capacities to plan and carry out such procurement under priority axis 10.
- Investment measures will be combined with the improvement of regulation (in respect of public procurement, protection of intellectual property rights, etc.) and reduction of administrative burden.

***Financial instruments and description thereof***

Part of the financing under investment priority 1.2 will be allocated by using financial instruments that will be identified on the basis of the results of the *ex ante* evaluation.

Considering the actions to be implemented under this investment priority, the most likely form of financial instruments would be investing of venture capital into early stage enterprises, i.e. investing of initial capital. Moreover, it will be necessary to ensure synergy between this investment priority and other investment priorities (e.g. 3.1 and 3.3): enterprises supported under this priority axis will be able to apply for additional or further financing for their projects under other investment priority axes.

No financial instruments are envisaged with regard to other investment priorities of this priority axis of the Operational Programme.

***Major projects***

No major projects are planned under this priority axis of the Operational Programme.

<b><i>Performance framework of the priority axis</i></b>								
<b>Type of indicator (implementation steps, financial, output or result indicator)</b>	<b>Definition of the indicator or the implementation step</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region</b>	<b>Milestone (2018)</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Substantiation of the relevance of the indicator</b>
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	ERDF	Less developed	132,864,048	798,680,983	Project data	Binding indicator to monitor financial progress towards implementing the priority axis.
Output indicator	Number of researchers working in improved research infrastructure facilities	Full-time equivalent	ERDF	Less developed	0	370	Project data	The indicator reflects the progress of implementation of the priority axis as 20% of the ERDF allocation for this priority axis is dedicated to the achievement of this indicator.
Implementation step	Value of the output indicator 'Number of researchers working in improved research infrastructure facilities' planned in project financing and administration agreements	Full-time equivalent	ERDF	Less developed	222	-	Project data	The implementation step has been chosen since no projects will be completed by the end of 2018. This is due a longer duration and later start of project implementation necessitated by the need for preparatory works for the development and renovation of RDI infrastructure. The value of the output indicator set in project financing and administration agreements will be a benchmark for assessing whether the projects will be implemented to the planned extent.
Output indicator	Number of enterprises receiving grants	Enterprises	ERDF	Less developed	56	400	Project data	The indicator reflects the progress of implementation of the priority axis as 33% of the ERDF allocation for this priority axis is dedicated to the achievement of this indicator.

The milestones and final targets for the indicators shown in the Performance Framework have been set by reference to the historical data of the usage of funds and the achievement of indicators in the previous programming period, i.e. by reference to indicator values achieved by implementing similar interventions in the equivalent period, and by considering, at the same time, the envisaged volumes of investment and interventions in the current programming period.

Another reference used for the setting of milestones was the readiness of the sector to absorb resources of the EU funds – the need for preparatory works for the development and upgrading of RDI infrastructure, i.e. preparation of roadmaps for the implementation of smart specialisation, etc.

<b><i>Planned expenditure distribution by category</i></b>									
<b>Expenditure distribution by priority theme</b>		<b>Expenditure distribution by method of financing</b>		<b>Expenditure distribution by type of territory</b>		<b>Expenditure distribution by territorial development mechanism</b>		<b>Expenditure distribution by ESF secondary theme</b>	
Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)
056	50,683,503	01	661,501,634	07	678,878,835	07	678,878,835		
057	47,787,303	03	17,377,201						
058	154,693,026								
059	41,994,903								
060	91,230,306								
061	98,615,616								
064	116,726,143								
063	26,065,802								
064	39,497,432								
067	11,584,801								

**PRIORITY AXIS 2. PROMOTING INFORMATION SOCIETY**

<b>INVESTMENT PRIORITY 2.1</b>	<b>Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 2.1.1</b>	<b>Increasing the availability and use of broadband electronic communication networks in areas where the market is not able to ensure the development of next generation access infrastructure and the provision of services (2a)</b>
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The Lithuanian broadband infrastructure is fairly well developed. However, the detailed analysis shows that achieving an ambitious objective established in the Digital Agenda – ensuring that by 2020 all households are covered by 30Mbps or faster broadband internet access – requires government's contribution. The remaining areas not covered by high-speed broadband that include around 27% of the households are the ones that require the highest investments and are not attractive for private operators. Therefore, for the purpose of this objective high-speed broadband infrastructure will be developed to make sure that population, business enterprises and public sector institutions across Lithuania have access to and use the broadband internet connection.

In implementation of this objective the following comprehensive actions will be combined: (1) public investment into infrastructure development (to the minimum extent necessary for the elimination of market distortions to ensure consistency of the NGA infrastructure development across the country); (2) support measures promoting investments of the private sector into the “last mile” solutions of broadband infrastructure; (3) demand side solutions promoting potential users to use broadband (thereby contributing to the Digital Agenda objective of 50% of households take-up of broadband 100Mbps and faster).

In order to plan optimal actions with relatively limited funds planned for this field, a comprehensive analysis of the Lithuanian broadband infrastructure and its usage has been conducted. Investments will be made under a model for sustainable investment into broadband infrastructure, selected after assessing potential actions for the promotion of broadband development. Infrastructure development and usage will ensure the compatibility of plans and actions of different market players.

***Programme-specific result indicators for ERDF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of households covered by broadband access of at least 30Mbps	%	Less developed	73	2012	100	Communications Regulatory Authority of the Republic of Lithuania	Annual

<b>SPECIFIC OBJECTIVE 2.1.2</b>	<b>Increasing the efficiency of the protection of state information infrastructure and resources</b>
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The security of information infrastructure and resources is becoming a major problem in a present-day society where a substantial portion of activities of the state and its individual members is transferred to the digital environment. The Lithuanian National Computer Emergency Response Team CERT-LT examined 25,337 internet security incidents in 2013. The annual number of the incidents examined has grown 270 times since 2006. The type of incidents has also changed: in 2006 the prevailing type of incidents was spam (56%), while in 2013 the majority of reports was related to serious and potentially very harmful incidents, namely malicious software (44% of the incidents examined) and defacement of information systems (43% of the incidents examined). These incidents are also potentially harmful to main information systems and websites of public authorities.

As a result, this objective will be implemented through technological solutions for the protection of ICT infrastructure and resources which are particularly important for the functioning of the state, ensuring that the state, its citizens and business can successfully use the possibilities provided by ICT. Efforts under this objective will be focused at ensuring that the ICT infrastructure being deployed and used in Lithuania meets the highest safety requirements, and at guaranteeing the safety of information infrastructure of particular importance and proper protection of the state's information resources.

To achieve a better cyber security in the society the activities of this objective will be complemented by actions of objective 2.2.2, which deal with raising of awareness on safe and responsible conduct in the cyber space.

***Programme-specific result indicators for ERDF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of state information resources and objects of critical information infrastructure, complying with the security requirements	%	Less developed	15	2012	98	Ministry of the Interior	Annual

***Actions to be supported under investment priority 2.1***

- Rolling out of broadband infrastructure. The aim is to ensure the development of NGA electronic communications networks in areas where market players are not able to ensure the development of this infrastructure and the provision of services, by implementing the model for sustainable investment into broadband infrastructure in Lithuania.
- Promotion of the supply and demand of broadband electronic communications by developing technological solutions for more effective market regulation and development. Competition as well as supply and demand in the broadband electronic communications market will be facilitated by developing a number of tools for service providers and users, e.g. tools informing on the condition of the broadband electronic communications networks and the availability of services.
- Launching of measures for the protection of the state's ICT infrastructure of particular importance. The actions include identification of objects of the information infrastructure of particular importance; developing and implementing methodology and measures for the monitoring of these objects; ensuring support for the protection of ICT infrastructure and information of particular importance by developing and launching the necessary technological tools and solutions.

***Common and programme-specific output indicators for ERDF***

No	Indicator	Measurement unit	Fund	Category of region	Target value	Source of data	Frequency of reporting
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					(2023)		
1.	Households whose territories are covered with broadband access (of at least 30Mbps) during the projects	Households	ERDF	Less developed	254,000	Project data	Annual
2.	Solutions implemented for the roll-out of broadband electronic communications	Number	ERDF	Less developed	3	Project data	Annual
3.	Solutions implemented for the strengthening of cyber security	Number	ERDF	Less developed	5	Project data	Annual

<b>INVESTMENT PRIORITY 2.2</b>	<b>Developing ICT products and services, e-commerce, and enhancing demand for ICT (2b)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 2.2.1</b>	<b>Increasing the reuse of public sector information for business and public needs</b>
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The reusing of public sector data opens considerable opportunities for setting up of new businesses and jobs, developing new performance models and products. According to the data reported for 2013, 56% of enterprises have used the information received from public sector institutions for their commercial activities; however only a small share of them is likely to use this public sector information for the development of new commercial digital products and services. This objective is aimed at developing tools to ensure a transparent, efficient and convenient way to make public sector information available for reuse, and encouraging businesses and other stakeholders to actively use this information for the development and delivery of new digital services and products. In this way the objective will contribute to the development of new business opportunities, including electronic commerce.

<i>Programme-specific result indicators for ERDF</i>								
No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of enterprises using public sector information for their commercial activities	%	Less developed	56.1	2012	85	Statistics Lithuania	Annual

<b>SPECIFIC OBJECTIVE 2.2.2</b>	<b>Increasing the demand for ICT among the population</b>
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Sufficient demand is a prerequisite for the expansion of the supply of ICT products and services. A significant share of the Lithuanian population – 35% – is still not using internet and e-services or e-products that can be accessed on-line, or uses it to a very limited extent.

To encourage this part of the population to use internet, it is important to secure an opportunity for them to try and start using internet without investing first into relevant equipment and services. In the framework of this objective, actions will be developed for boosting the demand for ICT among population by upgrading public internet access infrastructure and by encouraging smart use of internet by people.

The purpose of the objective is to: (1) ensure free-of-charge public access for individuals in public libraries (which serve both as public internet access points and spaces for improving digital competences of individuals), and (2) encourage people to use internet more safely, effectively and responsibly by engaging local communities into these activities, i.e. by creating a self-help and cooperation-based network of communities and developing tools for provision of e-content promoting use of e-commerce and public e-services, etc. by Lithuanian population.

#### ***Programme-specific result indicators for ERDF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of population using the internet regularly	%	Less developed	65	2012	87	Statistics Lithuania	Annual

#### ***Actions to be supported under investment priority 2.2***

- Support to solutions for reuse of public sector information for the purposes of developing digital products and services by businesses. By securing legal and organisational preconditions for reusing of public information, measures will be created and initiatives supported focusing on the effective opening of public sector information for reuse in creating commercial and non-commercial digital products and services.
- Upgrading of the infrastructure of public internet access points in public libraries. These activities will be implemented to ensure the financial sustainability of investments into this infrastructure after the completion of projects.
- Increase in the demand for ICT products and services among the Lithuanian population. Initiatives aimed at encouraging the Lithuanian population to use safe, effective and responsible conduct on the internet and help them become full-fledged members of the digital society will be implemented. Moreover, target groups of the Lithuanian population, who so far were not using internet for different reasons and who had no previous need for it, will be enabled to become active users of e-content and e-services; while those already using the internet will be encouraged to actively follow new developments, responsibly manage their personal data and use the internet safely. It is planned to proactively include local communities in these actions by promoting self-help and cooperation.

#### ***Common and programme-specific output indicators for ERDF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Solutions implemented for the reuse of public sector information	Number	ERDF	Less developed	3	Project data	Annual
2.	Local communities involved in the network of activities promoting more effective, safer and	Number	ERDF	Less developed	120	Project data	Annual

responsible use of the Internet						
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<b>INVESTMENT PRIORITY 2.3</b>	<b>Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health (2c)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 2.3.1</b>	<b>Increasing the accessibility and quality of public and administrative services</b>
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The deployment of ICT solutions in various fields, such as handling of administrative procedures, digitisation and dissemination of cultural content, health protection, learning and education, intellectual transport, spatial data, etc., is very important for a better management of the appropriate activities as well as for the provision of next generation advanced e-services intended for individuals and businesses. By implementing this objective, it is planned to create customer-orientated administrative e-services that are convenient, interactive and comprehensive; to develop e-health services and solutions, ensuring accumulation and safe and reliable exchange of accurate, reliable, comprehensive and interactive patient e-health data; to develop e-services on the basis of digitised objects of the Lithuanian linguistic and cultural heritage, research, education and art resources in order to open the valuable digital content for as wide and versatile public use as possible, etc. Transferring e-services that are most needed for the public and business into the electronic environment will ensure the accessibility and convenience of public sector services provided in different fields (administration, health and social protection, environmental protection, culture, language, transport, etc.) and their benefits for service users.

The effectiveness of this objective will be ensured through investments under the Administrative and Public e-Service Design, Typing and Evaluation Model developed for carrying out comprehensive assessments of e-services to be created, defining priority areas for the development of e-services and setting the requirements for projects that include developing of e-services. The increasing volumes of state's information resources and infrastructure make a more effective and optimal management of this field an important task for the public sector. Individual public institutions have created a number of information resources and tools which are not sufficiently interoperable; the state information infrastructure is not used optimally and efficiently. Therefore, in the framework of this objective, ICT measures enabling an efficient use of the existing state's ICT base, IT tools and accumulated information resources will be implemented.

The mobility of residents travelling in the EU leads to the need to ensure the provision of important services both on national and international level. To this end actions of this objective will be coordinated with initiatives for the development of cross-border e-services, to be funded under the Connecting Europe Facility.

<b>Programme-specific result indicators for ERDF</b>								
No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of population using electronic public and administrative services	%	Less developed	37	2012	63	Statistics Lithuania	Annual
2.	Share of state and municipal authorities and bodies using services of the state information resources interoperability platform	%	Less developed	17	2012	50	Information Society Development Committee <sup>2</sup>	Annual

<sup>2</sup> The study will be included in the work programme of official statistics.

***Actions to be supported under investment priority 2.3***

- Expansion and improvement of electronic public and administrative services by ensuring comprehensive reorganisation of service provision and their orientation towards the user. Electronic services for individuals and business will be developed in such areas as: management of different administrative procedures; electronic public procurement; expansion of the electronic health system and electronic health services; dissemination of the Lithuanian cultural digital content (development of innovative e-services and e-products on the basis of digitised heritage as well as modern cultural content); expansion of electronic democracy (development of measures for openness, transparency and involvement of citizens); ensuring of the compatibility and availability of spatial data; advanced ICT solutions for intelligent transport systems and universal post service, etc. User-friendliness and attractiveness of e-services will be secured through a comprehensive development and application of IT solutions in Lithuanian language as required for this purpose. Supporting the development of e-services will include assessment of maintenance and operational costs of the systems being created to enable optimal choices in terms of costs and procedures, which will contribute to the efficiency of the public sector and reduce the operational costs.
- Development and launching of measures and solutions needed for the development and provision of advanced e-services. It is planned to develop tools for the optimisation, interoperability and security of the common use ICT infrastructure of the public sector; ICT solutions will be launched to allow using of the existing state's base of information and communication technologies, IT tools already developed and information resources accumulated at the maximum efficiency. Moreover, new solutions will be developed, while the existing solutions for the identification and preservation of privacy in the electronic space will be improved.

***Common and programme-specific output indicators for ERDF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Electronic services created	Number	ERDF	Less developed	200	Project data	Annual
2.	Solutions implemented for the optimisation, interoperability and safety of the public sector's information and communications technology infrastructure of common use	Number	ERDF	Less developed	7	Project data	Annual

***Guiding principles for the selection of projects/actions***

The following guiding principles will be followed for the selection of projects:

- The Managing Authority will provide financing from the EU funds to large enterprises, ensuring that this financing will not have any material effect on job losses in other residential areas across the EU.
- The promotion of ICT-related research, experimental development and innovation in cooperation with representatives of science and business will be funded under priority axis 1. It should be noted that ICT is one of the key RDI development areas set by the Smart Specialisation Strategy.
- Projects under investment priority 2.1 of the Operational Programme will be selected by way of tendering and state project planning procedures (direct grant). If grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation. The grant procedure will be non-discriminatory and transparent.
- For the purposes of this investment priority, direct support for project developers will ensure that public investments are allocated in a scope necessary for the elimination of market distortions

(i.e. investments will be made only to “white” areas of next-generation access, and entities that received state support will operate in line with EU competition rules).

- Investments under this priority axis will be combined with similar actions provided for by the Lithuanian Rural Development Operational Programme 2014-2020.
- Projects under investment priority 2.2 of the Operational Programme will be selected by way of tendering and state project planning procedures (direct grant). If grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation. The grant procedure will be non-discriminatory and transparent.
- Investments under this priority axis will be combined with similar actions provided for by the Lithuanian Rural Development Operational Programme 2014-2020.
- Projects under investment priority 2.3 of the Operational Programme will be selected by way of tendering and state project planning procedures (direct grant). If grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation. The grant procedure will be non-discriminatory and transparent.
- Actions under specific objective 2.3.1 will be combined with initiatives to be implemented within the framework of priority axis 10, focused on the better quality of public sector services.
- All corporate initiatives in introducing and improving electronic business solutions intended for the optimisation of processes related to the production and/or provision of services and performance organisation will be funded under priority axis 3.

***Financial instruments and description thereof***

Currently, it is not planned to apply financial instruments to the implementation of investment priorities of this priority axis of the Operational Programme. However, financial instruments may be applied during the implementation stage, taking results of the ex ante evaluation into consideration.

***Major projects***

No major projects are planned under this priority axis of the Operational Programme.

<b><i>Performance framework for the priority axis</i></b>								
<b>Type of indicator (implementation steps, financial, output or result indicator)</b>	<b>Definition of the indicator or the implementation step</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region</b>	<b>Milestone (2018)</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Substantiation of the relevance of the indicator</b>
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	ERDF	Less developed	68,215,599	287,102,688	Project data	Binding indicator to monitor financial progress towards implementing the priority axis.
Output indicator	Electronic services created	Number	ERDF	Less developed	0	200	Project data	The indicator reflects the progress in implementation of the priority axis as 67% of the ERDF allocation for this priority axis is dedicated to the achievement of this indicator.
Implementation step	Value of the output indicator 'Electronic services created' planned in project financing and administration agreements.	Number	ERDF	Less developed	100	-	Project data	This implementation step has been chosen since by the end of 2018 no projects creating e-services will be finished. This is due to a later start of implementation (2017-2018) necessitated by the need for preparatory works required for activities focused on the development of e-services. The value of the output indicator set in project financing and administration agreements will be a benchmark for assessing whether the projects will be implemented to the planned extent.

The milestones and final targets for the indicators shown in the Performance Framework have been set by reference to the historical data of the usage of funds and the achievement of indicators in the previous programming period, i.e. by reference to indicator values achieved by implementing similar interventions in the equivalent period, and by considering, at the same time, the envisaged volumes of investment and interventions in the current programming period.

Another reference used for the setting of milestones was the readiness of the sector to absorb the EU funds, i.e. the need to assess the results of the previous programming period and to develop e-Service Design, Typing and Evaluation Model enabling a comprehensive assessment of the e-services being created, definition of priority areas for the expansion of e-services and estimation of requirements for projects that include the development of e-services.

<b><i>Planned expenditure distribution by category</i></b>									
<b>Expenditure distribution by priority theme</b>		<b>Expenditure distribution by method of financing</b>		<b>Expenditure distribution by type of territory</b>		<b>Expenditure distribution by territorial development mechanism</b>		<b>Expenditure distribution by ESF secondary theme</b>	
Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)
046	21,525,075	01	244,037,284	07	244,037,284	07	244,037,284		
047	21,525,075								
048	20,641,120								
078	101,064,768								
079	35,207,913								
080	20,060,471								
081	24,012,860								

<b>PRIORITY AXIS 3. PROMOTING COMPETITIVENESS OF SMALL AND MEDIUM-SIZED BUSINESS</b>
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<b>INVESTMENT PRIORITY 3.1</b>	<b>Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators (3a)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 3.1.1</b>	<b>Increasing the level of entrepreneurship</b>
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According to statistics, Lithuania falls behind the EU-27 average in terms of entrepreneurship level. More rapid establishment of new SMEs is impeded by a lack of initiatives promoting entrepreneurship and a lack of financing.

Insufficient access of SMEs, particularly start-ups, to the necessary sources of financing remains one of the main disadvantages in the Lithuanian business environment; because of this, in 2014-2020 Lithuania intends to implement and introduce various business financing models, paying particular attention to start-ups.

On the other hand, due to limited financial capacity, natural persons intending to start their own business and SMEs operating for less than 5 years often cannot obtain the required information, advisory, methodological and other support on the issues of starting a business, sources of financing, searching for potential markets, introduction of new technologies and other issues of business organisation. To increase the accessibility and supply of services for business, in the 2014-2020 programming period Lithuania will create a National Register of Consultants, which will give entrepreneurs from any Lithuanian municipality the possibility to receive, if needed, high quality information/advisory services on different business issues in a form of a voucher. Considering the fact that new SMEs need different business services, the services will be grouped by each of the target groups (entities operating for less than 1 year; entities operation for 1-3 years; entities operating for 3-5 years).

Moreover, some groups of SME entities during the first 5 years of operation need constant comprehensive support rather than one-off services (e.g. representatives of creative industries have a large potential to create high and unique value-added, but their efforts are limited by very poor skills of entrepreneurship, management, etc.), therefore it is important that a business service provider, using the available infrastructure (premises, equipment, etc.), brings together people who want to start business in one place (incubator) facilitating starting-up and development of their businesses.

The implementation of this objective is expected to increase the level of entrepreneurship, encourage young people to do business, promote the setting up of new business enterprises, which, in turn, will reduce unemployment rates and contribute to the economic growth in the country.

<i>Programme-specific result indicators for ERDF</i>								
<i>No</i>	<i>Indicator</i>	<i>Measurement unit</i>	<i>Category of region</i>	<i>Baseline value</i>	<i>Baseline year</i>	<i>Target value (2023)</i>	<i>Source of data</i>	<i>Frequency of reporting</i>
1.	Level of entrepreneurship: number of enterprises and natural persons per 1,000 residents*	Number	Less developed	39	2010	48	Eurostat	Annual

\* Eurostat counts only enterprises engaged in economic activities B-N (NACE2), i.e. agricultural activities, other activities and holdings are not taken into account.

**Actions to be supported under investment priority 3.1**

- Providing high quality advisory services to SMEs, taking into consideration the needs of each target group (entities operating for less than 1 year, 1-3 years and 3-5 years) for business services, paying special attention to regional SMEs. Specialised advisory services will be provided in the form of a voucher, using services of the National Register of Consultants.
- Supporting financing models corresponding to business needs. It is planned to implement financing measures for SMEs, ensuring the accessibility of sources of financing (preferential loans, guarantees, venture capital funds, partial compensation of interest, etc.) to business with particular focus on new businesses.
- Supporting the setting up and/or development of incubators. The development of infrastructure of new or expanding business incubators will be financed to facilitate the provision of high quality incubation services for new SMEs operating for less than 3 years.

**Common and programme-specific output indicators for ERDF**

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Number of enterprises receiving non-financial support	Enterprises	ERDF	Less developed	500	Project data	Annual
2.	Number of enterprises receiving financial support other than grants	Enterprises	ERDF	Less developed	326	Project data	Annual
3.	Private investment matching public support to enterprises (non-grants)	EUR	ERDF	Less developed	33,180,000	Project data	Annual
4.	Number of new enterprises supported	Enterprises	ERDF	Less developed	228	Project data	Annual
5.	Total surface area of incubators supported	sq. m	ERDF	Less developed	7,500	Project data	Annual
6.	Number of enterprises receiving grants	Enterprises	ERDF	Less developed	60	Project data	Annual
7.	Private investment matching public support to enterprises (grants)	EUR	ERDF	Less developed	17,000,000	Project data	Annual

<b>INVESTMENT PRIORITY 3.2</b>	<b>Developing and implementing new business models for SMEs, in particular with regard to internationalisation (3b)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 3.2.1</b>	<b>Increasing the internationalisation of SMEs</b>
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Lithuania has a very small domestic market. The economic growth and increase in welfare, therefore, directly depend on the ability of SMEs to create and export goods and services that are competitive at the international level and to be part of international networks. Unfortunately, compared to other countries of similar size and development level, export volumes of domestic goods of Lithuania are small, and the upwards trends, even though positive at the moment, are not strong enough to bring considerable changes. Lithuanian enterprises usually act alone, which prevents them from a better performance on the international market. Moreover, the current economic and industrial structure is very sensitive to inevitable growth of costs of raw materials, labour and fuel, while exports of knowledge-intensive goods are still very limited. This shows that despite the currently observed growth of sales a very limited domestic market makes Lithuanian SMEs vulnerable in the medium or long-term perspective. Therefore measures encouraging enterprises to develop or improve their products and to increase productivity must be complemented by measures stimulating enterprises to give more focus on entering and

consolidating their presence in foreign markets, and involvement in international networks. To implement this objective more effectively, where applicable, the EUSBSR will be implemented in cooperation with other countries in the region. The EUSBSR is also aimed at promoting the internationalism of SMEs and boosting competitiveness in the region.

The implementation of this objective in the 2014-2020 programming period is expected to provide SMEs with more opportunities to better exploit international niches and join international networks looking for partners and presenting their goods and services abroad, thus be better prepared to export their production to foreign markets.

**Programme-specific result indicators for ERDF**

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of exports of SME goods originating in Lithuania in GDP	%	Less developed	16.3	2013	18.1	Statistics Lithuania	Annual

**Actions to be supported under investment priority 3.2**

- Provision of high quality guidance on exports and on the promotion of international cooperation to the following target groups: SMEs operating for less than 3 years and SMEs operating for more than 3 years. Specialised advisory services will be provided in a form of a voucher, using services of the National Register of Consultants.
- Introduction of enterprises and their production in foreign markets. Support will be focused on activities related to the introduction of SMEs and their production in international exhibitions, fairs and business missions in Lithuania and abroad. Support will also be provided to the preparation of the strategy for exports of SME production, including market research and marketing material, which will improve the international competitiveness of Lithuanian enterprises.
- Certification of goods and services. Funding will be made available for the acquisition of certification services for products to be exported.
- Promotion of the setting up of an SME network to enable involvement in international networks. Support will be provided for activities based on the synergy of enterprise groups (clusters), targeted at new export markets; advisory, including expertise, services; membership fees in international networks (platforms); development of marketing tools for international networking, etc.
- Provision of support to financing models facilitating settlements with export partners.

**Common and programme-specific output indicators for ERDF**

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Private investment matching public support to enterprises (grants)	EUR	ERDF	Less developed	51,000,000	Project data	Annual
2.	Number of enterprises receiving grants	Enterprises	ERDF	Less developed	180	Project data	Annual
3.	Private investment matching public support to enterprises (non-grants)	EUR	ERDF	Less developed	21,720,000	Project data	Annual
4.	Number of enterprises receiving financial support other than grants	Enterprises	ERDF	Less developed	13	Project data	Annual
	Number of enterprises receiving non-financial support	Enterprises	ERDF	Less developed	500	Project data	Annual

<b>INVESTMENT PRIORITY 3.3</b>	<b>Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes (3d)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 3.3.1</b>	<b>Increasing the productivity of SMEs</b>
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According to statistics the value-added generated by production costs per one employee of SMEs in Lithuania is nearly three times as high as the EU-27 average. The productivity of the manufacturing industry, which is the most important economic sector in Lithuania, is also far below the EU-27 average. The labour productivity of SMEs is often limited by a low level of innovation, which, in turn, reduces competitive advantages of SMEs. The main factors limiting innovations by SMEs are: expensive implementation of technological innovations in business and improvement of technological capacities; lack of funds; and insufficient level of organisational and non-technological innovations launched in business by companies.

In the 2014-2020 programming period Lithuania will seek to increase the competitiveness of SMEs by promoting business innovations and supporting investments into the improvement of technological capacities. It will also encourage SMEs to implement the latest management methods, standards, ICT solutions for the optimisation of business processes (customer service, supply chain management, corporate resource management, etc.) and other organisational processes which would help optimise production or service provision. These investments will lead to improvements in productivity and allow enterprises to use time and financial savings for the development or improvement of high value-added goods and services.

To achieve traditional transformation of the industry support will be provided for the deployment of technologies (KETs) important for the innovation of the industry and the economic growth in SME production processes. KETs have a multiple effect on many industrial value chains and sectors. They help create value in the entire chain: from materials, equipment and machinery to goods and services. SMEs will be promoted to use research results and develop mass industrial production and supply of NGA-based goods.

The implementation of this objective is expected to boost the productivity of Lithuanian SMEs.

***Programme-specific result indicators for ERDF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Value-added in production costs, created by SMEs, per employee*	EUR per year	Less developed	12,432	2011	17,726	Eurostat	Annual

\* All SMEs, except for financial and insurance companies.

<b>SPECIFIC OBJECTIVE 3.3.2</b>	<b>Increasing investments of SMEs in eco-innovation and other resource-efficient technologies</b>
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According to the statistical data, Lithuania is still behind the EU-27 average in terms of the level of investment into eco-innovation and underestimates the technological, in particular resource-efficiency-based, breakthrough of SMEs, which determines the economic growth in the country.

Due to increased prices for materials, energy and other resources, it is important to encourage SMEs to implement eco-innovative products, processes and organisational eco-innovation. New or technologically upgraded production methods and service provision processes, also new business models and new management systems will give a competitive edge to SMEs, cut

production costs, increase volumes and thereby contribute to the economic growth.

To minimise adverse outcomes of climate change and greenhouse effect, Lithuanian enterprises will be promoted to increase the efficiency of material and energy through the introduction of green technologies. These technologies will increase the reuse of environment-friendly materials and secondary raw materials, ensure constant lifecycle of SME production and supply process and reduce negative environmental impacts of economic activities.

The implementation of this objective is expected to accelerate eco-innovative processes in Lithuanian SMEs. The actions provided for will promote enterprises to implement resource-efficient technologies more often. Training on how to operate such technologies is expected to be conducive to green job creation in Lithuania.

#### ***Programme-specific result indicators for ERDF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of investments where over 50% of the amount is invested into eco-innovation in the total amount of investments	%	Less developed	4.9	2011	7.5	Eco-Innovation Scoreboard	Annual

\* All SMEs from five different NACE sectors.

#### ***Actions to be supported under investment priority 3.3***

##### *Actions of specific objective 3.3.1:*

- Exploitation of modern technologies by adapting the existing or new production and service provision capacities to the development of new or existing products and the provision of services. Financing will be provided to promote business investment into the acquisition and installation of new technological production lines, the upgrading of the existing technological production lines and internal engineering networks which are necessary for the installation or modernisation of technological production lines and the implementation of modern and efficient technologies in service sectors. Funding will also be provided to ensure the functioning of these production and service provision capacities.
- Implementation of electronic business (e-business) solutions. Support under this action will be provided to SME projects focused on the implementation of e-business solutions, which are aimed at optimising business processes related to production and/or service provision and performance optimisation (e.g. customer service, logistics, e-marketing, resource management, ordering, etc.) through the use of information technologies in the environment of data transmission networks (e.g. IRC implementation and development, acquisition of necessary software licences and outsourced maintenance services, etc.).
- Promotion of the development and/or implementation of non-technological innovation in production processes and/or services by adapting original product/service design solutions, foreseeing the introduction of product, process or service standards in SMEs, etc. Support will also be provided to the implementation of innovative management approaches and management systems in enterprises.
- Investing into the implementation of KETs in Lithuanian traditional industries in order to reinforce and modernise the industrial base of SMEs, facilitating the development of mass production of innovative products through the use of KETs. Support to KETs under priority axis 1 is provided only until the installation of the pilot line.

##### *Actions of specific objective 3.3.2:*

- Implementation and promotion of technological eco-innovation. Negative outcomes of climate change and greenhouse effect will be minimised by investments into tangible assets

(equipment, technology) which, when installed, reduce adverse environmental impacts of economic activities, promote industrial symbiosis and ensure continuing environmental effects, i.e. investments will be focused on cleaner production innovation (implementation thereof) which covers approaches of rational use of resources and pollution prevention (e.g. process modernisation (optimisation) to reduce negative environmental impacts and/or save natural resources, zero-waste production, reuse and/or recycling of waste, use of residual heat (recuperation, regeneration), flow separation, etc.).

- Implementation and promotion of non-technological eco-innovation. Support is planned for the implementation of environmental management/control systems under requirements of international standards and/or technological production and/or environmental audits which would provide an analysis of the rational use of resources and pollution prevention. Support will also be provided to projects which promote ecological design, i.e. the environmental performance of products throughout their life cycle (raw material selection and use; manufacturing; packaging, transport; use) will be improved by systematically integrating environmental aspects at the earliest stage of product design.

- Supporting the provision of consulting (expertise) services to SMEs on resource efficiency, conservation of natural resources, etc.

#### ***Common and programme-specific output indicators for ERDF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data
1.	Private investment matching public support to enterprises (grants)	EUR	ERDF	Less developed	307,000,000	Project data
2.	Number of enterprises receiving grants	Enterprises	ERDF	Less developed	760	Project data
3.	Private investment matching public support to enterprises (non-grants)	EUR	ERDF	Less developed	81,480,000	Project data
4.	Number of enterprises receiving financial support other than grants	Enterprises	ERDF	Less developed	656	Project data
5.	Number of enterprises receiving non-financial support	Enterprises	ERDF	Less developed	50	Project data

#### ***Guiding principles for the selection of projects/actions***

The following guiding principles will be followed for the selection of projects:

- Projects under investment priority 3.1 of the Operational Programme will be selected by way of tendering.
- Projects will be selected for financing based on priorities provided for by the Smart Specialisation Strategy.
- Entrepreneurship promotion interventions will be complemented by actions under priority axes 2 and 10, focused on the improvement of the business environment and the reduction of regulatory and administrative burden; entrepreneurship promotion interventions will be coordinated with interventions of priority axis 7, focused on the increase in the level of entrepreneurship and self-employment of disadvantaged groups (including the youth), and investments under priority axis 9, aimed at the improvement of lifelong learning framework.
- The implementation of this objective will contribute to actions of other investment priorities implemented through ITIs under integrated territorial development programmes and with regard to objectives of the Sustainable Urban Development Strategy.
- Projects under investment priority 3.2 of the Operational Programme will be selected by way of tendering and continuous project selection procedure.
- Projects will be selected for financing based on priorities provided for by the Smart

**Specialisation Strategy.**

- Projects under investment priority 3.3 of the Operational Programme will be selected by way of project tendering and continuous project selection procedure.
- Projects will be selected for financing based on priorities provided for by the Smart Specialisation Strategy.
- Interventions focused on increasing business competitiveness will be complemented by actions of priority axes 2 and 10, aimed at improving the business environment and reducing regulatory and administrative burden; business competitiveness improvement actions will be coordinated with interventions under priority axes 7 and 9, aimed at promoting worker mobility and matching competences provided by education and training to the labour market needs.
  - The implementation of this objective will contribute to actions of other investment priorities implemented through ITIs under integrated territorial development programmes and with regard to objectives of the Sustainable Urban Development Strategy.

***Financial instruments and description thereof***

Currently, possibilities for using financial instruments are being analysed. New financial instruments will be implemented or the implementation of the existing instruments will be continued with regard to the results of the ex ante evaluation.

The implementation of the action of specific objective 3.3.1 (support for financing models corresponding to business needs) and actions of specific objective 3.2.1 and specific objective 3.3.1 of the investment priority will be conducive to the implementation of various financial instruments adapted to different business needs (i.e. preferential loans, guarantees, risk venture capital or other necessary financial instruments).

Bearing in mind that possibilities to use financial measures implemented using the EU funds 2007-2013 will end in 2014-2015, meaning that periods for the signing of SME loan agreements, inclusion into guarantee portfolios or investment (in case of venture capital funds) will come to an end, new financial instruments or the continuation of the existing financial instruments will offer further opportunities for SMEs to use the necessary sources of financing for the implementation of their projects, while increasing the level of entrepreneurship and continuing the SME development policy.

***Major projects***

No major projects are planned under this priority axis of the Operational Programme.

<b>Performance framework for the priority axis</b>								
<b>Indicator (implementation steps, financial, output or result indicator)</b>	<b>Definition of the indicator or the implementation step</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region</b>	<b>Milestone (2018)</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Substantiation of the relevance of the indicator</b>
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	ERDF	Less developed	134,502,468	625,415,592	Project data	Mandatory indicator which reflects the financial progress in the implementation of the priority
Output indicator	Number of enterprises receiving grants	Enterprises	ERDF	Less developed	210	1,000	Project data	The indicator reflects the progress of implementation of the priority axis as 60% of the ERDF allocation for this priority axis is dedicated to the achievement of this indicator.

The milestones and final targets for the indicators shown in the Performance Framework have been set by reference to the historical data of the usage of funds and the achievement of indicators in the previous programming period, i.e. by reference to indicator values achieved by implementing similar interventions in the equivalent period, and by considering, at the same time, the envisaged volumes of investments and interventions in the current programming period.

Another reference used for the setting of milestones was the period necessary for the preparation for the implementation of actions of the priority axis with regard to the term set for the approval of the Operational Programme.

<b>Planned expenditure distribution by category</b>									
<b>Expenditure distribution by priority theme</b>		<b>Expenditure distribution by method of financing</b>		<b>Expenditure distribution by type of territory</b>		<b>Expenditure distribution by territorial development mechanism</b>		<b>Expenditure distribution by ESF secondary theme</b>	
Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)
066	52,131,603	01	347,833,642	07	531,603,253	07	531,603,253		
067	262,256,636	03	83,989,805						
068	5,792,400	04	57,924,004						
069	167,979,611	05	24,478,601						
072	14,481,001	06	17,377,201						
075	14,481,001								
082	14,481,001								

**PRIORITY AXIS 4. PROMOTING ENERGY EFFICIENCY AND PRODUCTION AND USE OF RENEWABLE ENERGY**

The implementation of this priority axis includes investing into interventions covering consistent development of RES and promotion of energy efficiency in different sectors (stimulating the use of RES in heating and electricity sectors and industrial enterprises; modernising heating and electricity networks in order to integrate renewable energy into the market; promoting energy efficiency throughout the energy chain (production, supply and consumption). To address challenges related to energy efficiency and the production and use of renewable energy effectively, it is important to combine actions of the ERDF and the Cohesion Fund. It will facilitate the implementation of integrated approach-based projects as well as ensure comprehensive monitoring and high-quality reporting for this priority axis of the Operational Programme.

Resources from the ERDF will also be used for stimulating sustainable mobility through efficient interoperability of public and private transport, increased attractiveness and accessibility of public transport and special ITS. Supplemented by resources from the Cohesion Fund, interventions will be focused on upgrading outdated and polluting public transport fleet and improving the attractiveness of public transport.

<b>INVESTMENT PRIORITY 4.1</b>	<b>Promoting the production and distribution of energy derived from renewable sources</b>
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<b>FUND</b>	<b>Cohesion Fund</b>
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<b>SPECIFIC OBJECTIVE 4.1.1</b>	<b>Increase the use of renewable energy (4i)</b>
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Lithuania has set a goal of achieving a minimum 23% share of RES in the total energy consumption balance (currently it is 21.72%), increasing the share of RES in the total balance of district heating up to at least 60% (currently standing at about 26%) and the share of electricity produced from RES up to at least 20% (currently, 10.9%) by 2020.

In Lithuania, district heating supply covers about 65% of the total urban residential floor area. Lithuania's district heating sector still relies on expensive natural gas as the main fuel (it accounts for about 68% in the total heat fuel balance). To ensure reliable and quality supply of district heating to consumers at the lowest cost, expensive imported gas must be replaced with cheaper local biofuel which now has the greatest potential in Lithuania. Thus, investing into transition to biofuel in energy production facilities is the most effective means for Lithuania to achieve its targets.

Lithuania will seek to ensure the optimal use of biofuel through more extensive exploitation of advantages offered by combined heating and electricity generation (cogeneration) plants that meet Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency.

In the 2014–2020 programming period, a more intensive use of biofuel for energy production will result in a significantly higher energy independence of the country, lower energy poverty, more equal regional development and improved import-export balance.

***Programme-specific result indicators for the CF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of renewable energy in the final energy balance	%	Less developed	21.72	2012	23	Statistics Lithuania	Annual

***Actions to be supported under investment priority 4.1***

- Use of RES for the production of thermal and electrical energy. Support will be provided for the development of RES (mainly local biofuel, in particular, waste wood) in cogeneration power plants, especially in the major cities which generate and consume more than half of district heating in the country and where natural gas is the key fuel, also in electricity sectors.
- Use of RES for generation of heating by replacing outdated and worn-out fossil fuel-powered boilers with new and efficient biofuel-powered boilers.
- The relevance of investment into the renovation of power plants will be evaluated in accordance with provisions of the directive on emissions trading scheme (EST) and Article 2.2(b) of the CF Regulation. Replacement of outdated worn-out biofuel-powered boilers with new efficient ones in the district heating sector.
- Improvement of biofuel mobilisation and logistics systems. Support will be provided for the acquisition of equipment for the production and transportation of biofuel feedstock (particularly waste wood), also for the construction of biofuel interim storage facilities.

### ***Major projects***

1. Modernisation of the district heating sector of Vilnius by constructing and/or modernising cogeneration power plants that use local and renewable energy sources.

2. Modernisation of the district heating sector of Kaunas by constructing and/or modernising cogeneration power plants that use local and renewable energy sources.

Vilnius and Kaunas alone consume almost 50% of the total district heating supplied to consumers. However, the share of RES in the heating fuel balance is very small in these cities (14% in Vilnius and only 4% in Kaunas). Imported natural gas which is more than 2.5 times more expensive than local biofuel constitutes the largest share in the balance. Therefore, heating prices in Vilnius and Kaunas are among the highest ones in Lithuania.

Conversion to biofuel in these major cities is the prerequisite for achieving national RES targets. Successful implementation of these major projects would contribute to the sustainable development of the district heating supply sector and would also help to reduce heating prices and social exclusion.

Concrete projects will be identified in the National Heating Sector Programme.

### ***Common and programme-specific output indicators for the CF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Additional renewable energy production capacity	MW	CF	Less developed	700	Project data	Annual
2.	Total annual reduction of greenhouse gas emissions	t CO <sub>2</sub> equivalent	CF	Less developed	600,000	Project data	Annual
3.	Acquisition of new equipment for biofuel feedstock mobilisation and for biofuel generation and transportation	Number	CF	Less developed	60	Project data	Annual

**INVESTMENT  
PRIORITY 4.2**

**Promoting energy efficiency and renewable energy use in enterprises**

**FUND**

**European Regional Development Fund**

**SPECIFIC  
OBJECTIVE 4.2.1**

**Reduce intensity of energy consumption in industrial enterprises (4b)**

According to statistics, intensity of energy consumption in Lithuania's industrial enterprises is two times higher than the EU-27 average. Here industrial enterprises consume much more energy for production purposes than similar enterprises of other EU Member States. This directly affects

market competitiveness of our industrial enterprises and adds to the cost of their products. The share of energy consumed by industrial enterprises accounts for about 20% in the total energy balance.

These negative consequences could be avoided by ensuring that industrial enterprises use, in their production processes, the advantages provided by cogeneration power plants (which simultaneously generate heating and electricity, thus reducing their costs by up to 30%) that meet Directive 2012/27/EC of the European Parliament and of the Council on energy efficiency more intensively, in particular those that are achieved by using RES that enable to reduce the intensity of energy consumption in production processes. The use of RES helps to reduce the price of energy used by enterprises for production purposes, thus enhancing the competitiveness of their products in the market.

Therefore, actions will be taken to promote installation of RES-based power generation capacities (renewable energy sources are understood as the following renewable non-fossil energy sources: wind, sun, aerothermal, geothermal and hydrothermal and ocean sources of energy, hydropower resources, biomass, landfill gas, gas and biogas from wastewater treatment facilities) and introduction of new technologies for a more efficient use of RES in industrial enterprises, with a view to using energy for the internal needs of the enterprises with the possibility to supply excess energy to the other industrial enterprises or transfer to the centralised energy grids. Also, application of adequate technological solutions in the production process and performance of energy audits are envisaged as these can help enhance energy efficiency of industrial enterprises and reduce their energy intensity.

#### ***Programme-specific result indicators for the ERDF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Energy intensity in industrial enterprises	kgoe/EUR 1000	Less developed	222.9	2012	152.9	Eurostat	Annual

#### ***Actions to be supported under investment priority 4.2***

- Use of RES in industrial enterprises. As part of this action funding will be provided for the installation of RES-based power generation capacities and for the development and introduction of new technologies for a more efficient use of RES in industrial enterprises, with a view to using energy for the internal needs of the enterprises with the possibility to supply excess energy to the other industrial enterprises or transfer to the centralised energy grids.
  - Installation of cogeneration power plants in industrial enterprises. As part of this action funding will be provided for the installation of cogeneration power plants in industrial enterprises, with a view to using the simultaneously generated thermal and electrical energy for the internal needs of the enterprises with the possibility to supply excess energy to the other industrial enterprises or transfer to the centralised energy grids.
  - Installation and implementation of equipment and technologies (technological solutions) enabling to increase energy efficiency in industrial enterprises.
- Energy audits in industrial enterprises. Support will be provided, for example, under a “voucher” principle, to finance energy audits in industrial enterprises. Referring to the State aid rules the priority will be set to SMEs. The support to large enterprises for energy audits will be given only if the energy audit is carried out in addition to the mandatory energy audit under the Directive 2012/27/EU. The audits will be performed to identify the possibilities of enhancing energy efficiency and reducing carbon emissions and to define appropriate measures for achieving the expected result.

#### ***Major projects***

No major projects are envisaged under this investment priority.

**Common and programme-specific output indicators for the ERDF**

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Additional renewable energy production capacity	MW	ERDF	Less developed	59	Project data	Annual
2.	Industrial enterprises which have performed energy audits	Enterprises	ERDF	Less developed	500	Project data	Annual
3.	Reduction of total annual energy consumption in supported industrial enterprises	kWh/year	ERDF	Less developed	328,067	Project data	Annual

<b>INVESTMENT PRIORITY 4.3</b>	<b>Supporting energy efficiency, smart energy management and RES use in public infrastructures, including in public buildings, and in the housing sector</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 4.3.1</b>	<b>Reduce energy consumption in public infrastructures and multi-apartment houses (4c)</b>
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Energy efficiency grew rapidly in the past decade (2000-2010) in Lithuania. In 2010, final energy consumption intensity was 21.5% lower than in 2000.

However, despite the positive developments in terms of energy intensity, energy consumption in Lithuania is still much higher than the average in the EU or old Member States. Renovation of multi-apartment buildings and public buildings may achieve from 30 to 50% of the energy efficiency potential. To achieve the targets set by Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency, i.e. reducing energy consumption by 20% by 2020, meeting minimum energy performance requirements for buildings and renovating 3% of the total floor area of heated and/or cooled buildings owned and used by central government entities a year, investment will continue into energy efficiency improvements in old multi-apartment, residential and public buildings.

Successful renovation of residential buildings requires a wider use of management and social innovation in this area, namely district-wide renovation, renovation under the Energy Service Company (ESCO) model, more inventive promotion and management of complex renovation.

The targeted economic energy saving potential is 5.2TWh in residential buildings and their engineering systems and 2.5TWh in public buildings and their engineering systems.

Modernisation of street lighting also presents a large energy efficiency potential. Successful implementation of the envisaged projects would allow saving up to 50% of energy and reduce maintenance costs by 60%. The greatest saving potential and investment effectiveness will be ensured by giving priority to street lighting projects in major cities.

**Programme-specific result indicators for the ERDF**

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Final energy consumption in the service and household sectors	thou. toe	Less developed	2,109.6	2011	1,680	Statistics Lithuania	Annual

<b>FUND</b>	<b>Cohesion Fund</b>
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<b>SPECIFIC OBJECTIVE 4.3.2</b>	<b>Enhance energy efficiency in the heat supply sector and households (4iii)</b>
<p>To address energy intensity/efficiency issues mentioned in the description of objective 4.3.1, investments will be made in the fields described below.</p> <p>Modernisation of district heating transmission networks would help to reduce heating transmission losses in the networks, the need for primary energy, and heating prices, and to increase heating transmission reliability for the benefit of consumers. It has been assessed that it is technically possible to reduce heating losses in heating lines from the current 16.6% down to 12%; in the 2014-2020 programming period, with the help of the EU funds, the losses are expected to be reduced to 14%.</p> <p>Another pressing problem in Lithuania is inefficient use of biomass for generating heating for households that are not connected to the district heating system. These households consume almost three times more fuel than the district heating sector (to generate 1 MWh of heating, the district heating sector uses around 100 kg of oil equivalent of biofuel and households with individual heating around 170-200 kg of oil equivalent of biofuel). Replacing old boilers with personal new ones would reduce the current biofuel consumption by households with individual heating by 40%. Lower consumption of biofuel would reduce particulate matter emissions which would lead to lower air pollution.</p>	

<b><i>Programme-specific result indicators for the CF</i></b>								
No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Transportation and distribution losses in heating networks	thou. toe	Less developed	127	2013	113	Statistics Lithuania, Lithuanian District Heating Association	Annual
2.	Energy consumption by households (not connected to district heating networks)	thou. toe	Less developed	540	2013	324	State enterprise Energy Agency	Annual

<b><i>Actions to be supported under investment priority 4.3</i></b>
<ul style="list-style-type: none"> <li>• Renovation and modernisation of multi-apartment buildings through energy efficiency enhancement measures (including residential buildings of social groups). Funding will be provided for the enhancement of energy performance of buildings and for other building renovation (modernisation) (including major renovation) measures (restructuring, replacement or installation of heating and hot water supply, ventilation and recuperation systems; thermal insulation of façade walls, including the removal of any defects in wall structures and exterior foundation walls; glazing of balconies and loggias and strengthening of their existing structures or installation of new ones; replacement of lobby doors and windows in all apartments with more thermally resistant ones; insulation of basement ceilings; renewal of lifts; renovation of other engineering systems of common use; other measures directly related to works being performed), including for the introduction and installation of RES technologies in the buildings so that they can be classified at least as Class C buildings in terms of energy performance (i.e. major renovation as defined by Directive 2010/31/EU of the European Parliament and of the Council on the energy performance of buildings).</li> <li>• Renovation and modernisation of buildings used by state, municipal authorities and institutions. Support will be provided for the renovation (repair and/or reconstruction of exterior walls and roofs, modernisation and/or reconstruction of engineering systems in buildings, other related measures) of buildings used by state, municipal authorities and institutions owned and/or</li> </ul>

managed on other legal grounds by state or municipal authorities and institutions, with the aim to improve energy characteristics of buildings to be classified at least as Class C in terms of energy performance (i.e. major renovation as defined by Directive 2010/31/EU of the European Parliament and of the Council on the energy performance of buildings) following the principle of energy performance agreements, as well as for the promotion of the use of RES for the production of energy in the buildings.

- Promotion and supervision of renovation of public buildings and multi-apartment buildings. It is envisaged to finance promotion activities (publicity of renovation of public buildings and multi-apartment buildings, information and consultation of managers of public buildings and owners of multi-apartment buildings), to prepare standard and investment projects, supervise and control project implementation.
- Modernisation of urban street lighting (support will be provided for the renovation of lights and light posts for street lighting, introduction of intelligent control systems, renewal of distribution and supply units).
- Improvement of energy production efficiency and use of RES in households. Support will be provided for the replacement of inefficient biomass-powered boilers in households not connected to district heating systems with more efficient technologies using RES for thermal generation.
- Modernisation and development of district heating networks. Support will be provided for modernisation of heating networks for the purpose of reducing transmission losses and improving performance.

### ***Major projects***

No major projects are envisaged under this investment priority.

### ***Common and programme-specific output indicators for the ERDF and the CF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Number of households with improved energy consumption classification	Households	ERDF	Less developed	30,000	Project data	Annual
2.	Annual decrease of primary energy consumption in public buildings	kWh/year	ERDF	Less developed	60,000,000	Project data	Annual
3.	Towns with reduced street lighting maintenance and energy costs	Number	ERDF	Less developed	3	Project data	Annual
4.	Total annual reduction of greenhouse gas emissions	t CO <sub>2</sub> equivalent	ERDF	Less developed	80,000	Project data	Annual
5.	Households with enhanced renewable energy efficiency	Households	CF	Less developed	3,000	Project data	Annual
6.	Thermal energy consumers covered by a more reliable and improved heating supply	Persons	CF	Less developed	660,000	Project data	Annual
7.	Modernisation of district heating networks	Km	CF	Less developed	600	Project data	Annual

### **INVESTMENT PRIORITY 4.4**

**Developing and implementing smart distribution systems at low and medium voltage levels**

<b>FUND</b>	<b>Cohesion Fund</b>
<b>SPECIFIC OBJECTIVE 4.4.1</b>	<b>Test the prospects of introducing smart grid technologies (4iv)</b>
<p>Introduction of smart grids and particularly smart metering systems is provided for in the EU political and legal documents, including Directive 2009/72/EC. Smart metering systems and smart grids are seen as a measure that will facilitate full integration of, and active participation by, electricity consumers in a liberalised internal electricity market.</p> <p>The use of smart technologies for the management of the electricity distribution network and the provision of services to final consumers is currently underdeveloped in Lithuania, compared to other EU Member States. Remote meter reading technology is used only by some large business customers; grid management automation is fragmented, used only in isolated grid zones. To ensure technological renovation of the grid, facilitate a more efficient management of the grid and create technological preconditions for the final consumers to participate in the single electricity market, the development of smart technologies in the distribution network must be promoted.</p> <p>In the 2014-2020 programming period, Lithuania will seek to invest in smart electricity distribution network management technologies that allow offering new services to consumers and facilitate their active participation in the electricity market (distributed generation, demand-side management, energy storage, etc.), and enable a more efficient and smooth grid management (which implies lower grid maintenance costs and better electricity supply reliability indicators).</p> <p>Several pilot projects will be implemented to help define a long-term framework for developing the electricity distribution network. To address the issue of distributed power generation, particularly the challenge of integrating large quantities of renewables into distribution networks at low and medium voltage levels, Lithuania will seek to introduce smart grid technologies that will provide new opportunities to enhance energy efficiency, provide more information to consumers about electricity prices and offer them pricing better adapted to their needs, and facilitate the provision of new services.</p>	

***Programme-specific result indicators for the CF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Higher quality of electricity supply(SAIDI <sup>3</sup> )	Minutes	Less developed	76.67	2012	70	National Commission for Energy Control and Prices	Annual

***Actions to be supported under investment priority 4.4***

<p>Modernisation and development of electricity distribution networks and introduction of smart grid technologies. Funding will be provided for the renovation of substations, distribution stations and lines at medium and low voltage levels of the distribution network, by installing new equipment and/or network elements with additional technical-functional characteristics for the management of smart grids. Support will also be provided for smart electrical grid management systems, including, but not limited to, installation of data transmission and remote control equipment in distribution stations and transformer substations, introduction of their control systems, and introduction of smart metering devices and their control systems.</p> <p>Once the said projects are implemented, electricity transmission networks will meet standards for smart grids as laid down by Regulation No 347/2013 of the European Parliament and of the Council on guidelines for trans-European energy infrastructure (electricity network that can integrate in a cost efficient manner the behaviour and actions of all users connected to it, including generators, consumers and those that both generate and consume, in order to ensure an</p>
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<sup>3</sup> System Average Interruption Duration Index.

economically efficient and sustainable power system with low losses and high levels of quality, security of supply and safety).

### **Major projects**

No major projects are envisaged under this investment priority.

### **Common and programme-specific output indicators for the CF**

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Number of additional energy users connected to smart grids	Consumers	CF	Less developed	10,000	Project data	Annual
2.	Number of new and/or renewed transformer substations and/or distribution stations with at least 3 new technical-functional characteristics of a smart electricity grid	Number	CF	Less developed	15	Project data	Annual

<b>INVESTMENT PRIORITY 4.5</b>	<b>Promoting low-carbon strategies for all types of territories, in particular urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures</b>
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<b>FUND</b>	<b>European Regional Development Fund, Cohesion Fund</b>
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<b>SPECIFIC OBJECTIVE 4.5.1</b>	<b>Promote sustainable mobility and develop environment-friendly transport to reduce carbon dioxide emissions (4e)(4v)</b>
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CO<sub>2</sub> emissions from transport in Lithuania are largely caused by the increasing number of private cars and their use. Between 2007 and 2012, the number of cars for 1,000 inhabitants was growing on an annual basis, increasing from 450 to 541 (20%). Within the same period, the annual number of urban bus passengers fell down from 259.4 to 234.8 million (9.2%), and suburban bus passengers from 38.2 to 26.1 million (31.6%). The growing number of cars and the absence of effective traffic control systems, in particular in larger cities, cause congestions leading to increasing air pollution and CO<sub>2</sub> emissions.

Due to poor quality and unattractive public transport, Lithuania has one of the highest levels of automobilisation. Physically and morally outdated buses discourage middle-income residents to use public transport. Moreover, bus engines of outworn fleets pollute the environment by CO<sub>2</sub> and other pollutants, which further turns the public against public transport. Public local (urban and suburban) transport is also unattractive due to its operational characteristics, including speed, limited number of effective urban traffic control measures, bus lanes and intelligent transport (traffic control) systems, which are essential for boosting the competitiveness of public transport and could contribute to congestion mitigation.

Another sustainable transport-related challenge is the absence of interoperability between public and private transport, namely underdeveloped combined trip systems *Park&Ride* and *Bike&Ride* and insufficient interoperability of different modes of public transport for passenger transportation.

Bicycles could be an excellent alternative to cars, but bicycle lanes are not sufficient, and the existing ones are very unsafe in terms of traffic. Cyclists often have to choose the carriageway as bicycle lanes are only fragmented and continuous tracks are limited in number. Lithuania has one of the highest numbers of cyclists killed, which deter people from choosing a bicycle over a car to go to work. The construction of bicycle lanes/tracks is a necessary means to promote cycling, while reducing the use of cars.

Together with new buses, infrastructure measures and intelligent transport systems

implemented in the 2014-2020 programming period to ensure more effective use of cars and mitigate congestion will encourage people to choose public urban and suburban transport as well as other solutions of sustainable transport, such as bicycles, electric vehicles and walking. To ensure sustainable mobility of people and business, sustainable mobility plans will be drawn up. These plans will provide a framework for coordinating transport infrastructure development, improving its efficiency, introducing new transport services in a coordinated manner, combining modes of transport, fostering changes in passenger attitudes and behaviours, installing charging stations for electric vehicles, which will allow for a wider use of electric vehicles in the country. It is also planned to use more alternative and less polluting fuels, thus minimising environmental pollution (the target is to achieve a 10% share of renewable energy in the transport sector by 2020). All these complex sustainable mobility solutions are expected to cut CO<sub>2</sub> emissions from household transport activities, halt the decrease in the number of local public transport passengers and boost the use of public urban transport by 3.9%.

***Programme-specific result indicators for the ERDF and the CF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Carbon dioxide emissions (except for from biomass) from household transport activities	Million passengers	Less developed	564.5	2013	507	Statistics Lithuania	Annual
2.	Number of passengers in public urban transport	Number	Less developed	234,900,000	2013	244,000,000	Statistics Lithuania	Annual

***Actions to be supported under investment priority 4.5***

- Adoption of sustainable urban mobility plans (SUMP) and implementation of sustainable mobility measures envisaged therein in city and district municipalities;
- Acquisition of environment-friendly means of transport. Installation of public transport facilities, services and equipment to respond to the needs of people with limited mobility and physical disabilities, by applying universal design solutions;
- Adaptation of town streets for public transport needs (implementation of the bus rapid transition system, etc.); implementation of modern engineering traffic safety (e.g. crossings, rails, roundabouts, etc.) and security (e.g. surveillance systems) measures; reconstruction and expansion of cycling and/or walking paths and/or tracks;
- Introduction of intelligent transport systems for higher efficiency of public transport (public transport prioritisation system, intermodal connectivity, electronic ticketing, seamless travel solutions and improvement of the quality by introducing multimodal route planning and search systems, improving public transport information search and dissemination systems, enhancing accessibility of public transport to people with special needs, etc.);
- Development of interoperability between private and public transport and sustainable mobility systems (Park&Ride and Bike&Ride, bike sharing).

***Major projects***

No major projects are envisaged under this investment priority.

***Common and programme-specific output indicators for the ERDF and the CF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Total length of reconstructed or	Km	ERDF	Less	3	Project	Annual

<b><i>Common and programme-specific output indicators for the ERDF and the CF</i></b>							
<b>No</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
	upgraded roads			developed		data	
2.	Length of new cycling and/or walking paths and/or tracks	Km	ERDF	Less developed	5	Project data	Annual
3.	Length of reconstructed cycling and/or walking paths and/or tracks	Km	ERDF	Less developed	10	Project data	Annual
4.	Sustainable mobility measures implemented	Number	ERDF	Less developed	10	Project data	Annual
5.	Intelligent transport systems introduced	Number	ERDF	Less developed	5	Project data	Annual
6.	Newly acquired environment-friendly public transport means	Number	CF	Less developed	120	Project data	Annual

### ***Guiding principles for selection of projects/actions***

The following guiding principles will be followed for the selection of projects:

The Managing Authority will provide financing from the EU funds to large enterprises, ensuring that this financing will not have any material effect on job losses in other residential areas across the EU. Projects will also be selected with regard to their contribution to mitigation of climate change and potential use of innovative financial mechanisms.

Projects under investment priority 4.1 of the Operational Programme will be selected by way of tendering and state project planning procedures (direct grant). If grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation. The grant procedure will be non-discriminatory and transparent.

Projects under investment priority 4.2 of the Operational Programme will be selected by way of tendering.

Projects under investment priority 4.3 of the Operational Programme will be selected by way of tendering and state project planning procedures (direct grant). If grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation. The grant procedure will be non-discriminatory and transparent.

The renovation of buildings will also be subject to the energy performance contracting (EPC) model which allows achieving positive energy saving results.

An implementation mechanism developed during the implementation of energy efficiency measures in households, where final energy users are natural persons, will ensure the compliance with the definition of a beneficiary as established by Article 2.10 of the Common Provisions Regulation (a beneficiary is a public or private body, not a natural person).

Projects under investment priority 4.4 of the Operational Programme will be selected by way of tendering.

Projects under investment priority 4.5 of the Operational Programme will be selected by way of state project planning procedure (direct grant) and regional project planning procedure (direct grant). Regional project planning is a procedure where projects intended for the performance of functions falling within the municipal competence and planned in accordance with legislation of the Republic of Lithuania and the regional development plan are selected.

If grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation. The grant procedure will be non-discriminatory and transparent.

### ***Financial instruments and their description***

The potential use of financial instruments is being analysed.

Projects for improving energy efficiency in multi-apartment buildings will be financed through preferential loans, and loans provided by financial intermediaries – through guarantees in combination with interest compensation and grants.

New financial instruments will be implemented in the light of results of the ex ante evaluation.

<b>Performance Framework</b>								
<b>Indicator type (implementation steps, financial, output and result indicators)</b>	<b>Indicator or implementation step</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region</b>	<b>Milestone for 2018</b>	<b>Final target (2023)</b>	<b>Source of data</b>	<b>Explanation of relevance of indicator</b>
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	ERDF	Less developed	157,977,851	608,472,585	Project data	Binding indicator to monitor financial progress towards implementing the priority axis
Output indicator	Number of households with improved energy consumption classification	Households	ERDF	Less developed	0	30,000	Project data	Indicator reflects the progress of implementation of the priority axis as 54% of the ERDF allocation for this priority axis is attributed to the achievement of this indicator
Implementation step	Number of loans or guarantees provided for renovation of multi-apartment houses	Number	ERDF	Less developed	450	-	Project data	The implementation step has been chosen, taking into account that no households with a better energy performance class will be identified by the end of 2018. The number of loans or guarantees provided for the renovation of multi-apartment buildings will show if the interventions are being implemented to the required extent.
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	CF	Less developed	113,483,597	534,256,979	Project data	Binding indicator to monitor financial progress towards implementing the priority axis
Output indicator	Additional renewable energy production capacity	MW	CF	Less developed	0	700	Project data	Indicator reflects the progress of implementation of the priority axis as 70% of the CF allocation for this priority axis is attributed to the achievement of this indicator.
Implementation step	Value of the output indicator "Additional renewable energy production capacity" set by the project financing and administration agreements	Number	CF	Less developed	200	-	Project data	The implementation step has been chosen, taking into account that no projects will be completed by the end of 2018. The target will be achieved mainly by two large-scale projects which will be implemented in succession, but will not be finished by 2018. The value of the output indicator set in project financing and administration agreements will be a benchmark for assessing whether the projects are being implemented to the required extent.

The milestones and final targets for the ERDF indicators shown in the Performance Framework have been set by reference to the historical data of the absorption of funds and the achievement of indicators in the previous programming period, i.e. by reference to indicator values achieved by implementing similar interventions in the equivalent period, and by considering, at the same time, the envisaged volumes of investments and interventions in the current programming period. Another reference used for the setting of milestones was the readiness of the sector to absorb EU funds, i.e. the need to continue lending for multi-apartment house renovation projects.

The milestones and final targets for the CF indicators shown in the Performance Framework have been set by reference to the historical data of the absorption of funds and the achievement of indicators in the previous programming period, i.e. by reference to indicator values achieved by implementing similar interventions in the equivalent period, and by considering, at the same time, the envisaged volumes of investment and

interventions in the current programming period: the likely intensity of support and the average unit price per 1MW of installed capacity, determined by implementing similar interventions. Another reference used for the setting of milestones was the readiness of the sector to absorb EU funds, i.e. the need to coordinate with the European Commission state aid schemes and major projects, as well as institutional experience in administering EU funds.

<b>Indicative breakdown of expenditure by category</b>							
<b>Breakdown of expenditure by priority axis</b>		<b>Breakdown of expenditure by type of funding</b>		<b>Breakdown of expenditure by type of territory</b>		<b>Breakdown of expenditure by territorial delivery</b>	
Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)
09 (ERDF)	1,158,480	01 (ERDF)	72,981,198	01 (ERDF)	228,453,585	01 (CF)	28,962,002
010 (ERDF)	1,158,480	01 (CF)	425,156,430	01 (CF)	454,118,432	02 (ERDF)	331,268,691
011 (ERDF)	7,240,501	04 (ERDF)	215,420,684	02 (ERDF)	146,258,109	07 (ERDF)	185,933,006
012 (ERDF)	579,240	06 (ERDF)	112,951,807			07 (CF)	425,156,430
011 (CF)	319,731,410						
013 (ERDF)	160,392,880						
014 (ERDF)	288,171,919						
015 (CF)	20,766,632						
016 (ERDF)	3,472,394						
016 (CF)	70,177,387						
043 (ERDF)	27,513,902						
043 (CF)	43,443,003						
044 (ERDF)	7,240,500						
068 (ERDF)	7,240,500						
070 (ERDF)	4,344,300						
090 (ERDF)	8,688,601						

<b>PRIORITY AXIS 5. ENVIRONMENT, SUSTAINABLE USE OF NATURAL RESOURCES AND ADAPTATION TO CLIMATE CHANGE</b>
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Priority axis 5 “Environment, sustainable use of natural resources and adaptation to climate change” of the Operational Programme combines investment priorities under two thematic objectives: Thematic Objective 5 “Promoting climate change adaptation, risk prevention and management” and Thematic Objective 6 “Protecting the environment and promoting resource efficiency”. Merging was necessitated by the close interconnection between climate change adaptation capacity-building actions to be funded and certain environmental protection and resource efficiency promotion actions.

Climate change adaptation investments in the strengthening of technical capacity for environmental monitoring, assessment and control and in expanding the knowledge base on climate change as envisaged under Thematic Objective 5 have a direct link with interventions envisaged under Thematic Objective 6 concerning the strengthening of capacities to perform assessments of surface water and groundwater (including the Baltic Sea) and habitats and species. Actions aimed at developing flood risk management, coastline protection, hazard warning and rescue systems to be supported under Thematic Objective 5 will not only facilitate adaptation to climate change, but will also allow advancing towards a good status of water bodies, preservation of landscape and an efficient Baltic Sea pollution risk management system.

To address the challenges effectively, there is a need to combine ERDF- and CF-supported interventions, as combining these two thematic objectives into one priority under the Operational Programme will allow implementing projects based on integrated approach (in many of the above specified cases, interventions will be implemented by the same project promoter) and ensuring a thorough monitoring of implementation of, good reporting for, this priority axis of the Operational Programme.

<b>INVESTMENT PRIORITY 5.1</b>	<b>Supporting investment for adaptation to climate change, including ecosystem-based approaches (5a, 5i)</b>
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<b>FUND</b>	<b>European Regional Development Fund, Cohesion Fund</b>
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<b>SPECIFIC OBJECTIVE 5.1.1</b>	<b>Minimise climate change-induced damage</b>
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Climate change, which has been increasingly manifest in the recent decades, poses a threat to the environment and economic activity. There is a growing occurrence, duration and severity of dangerous natural phenomena related to climate change such as floods, natural and catastrophic meteorological phenomena (hurricanes, snowfalls, storms, droughts, hot summers, etc.), and of extreme natural phenomena. Increasingly recurrent hurricane storms deplete sand resources on the Baltic coastline, erode the coast, threaten the landscape and integrity of eco-systems. Moreover, there are more and more heavy rains (in 2012, the relative precipitation rate was exceeded by 19% in Lithuania), and the existing surface water (rainwater) collection systems are incapable of accepting large quantities of water, which results in over-flooding of certain parts of urban territories during rainfalls. Moreover, floods last longer and longer (in 2000-2009, the springtime flooding in Nemunas lowlands would last about 1.5-2 months, but in the past few years they lasted about 3 months). These phenomena bring increasingly high damage and inconveniences to population, business, and the government. The readiness of Lithuanian rescue services to respond to extreme natural phenomena is insufficient; hazard warning by sound sirens covers only 50% of residents and economic entities.

To minimise the negative impacts of climate change and to reduce vulnerability of ecosystems and the national economy, there is a need to set up a climate change database built on research and environmental monitoring, and a system of hydrological, meteorological and early warning stations,

to strengthen natural disaster management capacities and response resources, and to take various measures aimed at mitigating negative impacts of floods, heavy rainfalls and other natural disasters on the environment, infrastructure, economy, and human health and life.

The envisaged investments will facilitate climate change adaptation, i.e. minimisation of negative impacts on the environment and the economy. Continued cooperation with the neighbouring states under various Community and intergovernmental agreements will contribute to the achievement of successful results in the field of climate change adaptation.

***Programme-specific result indicators for the ERDF and the CF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Potential damage of negative effects of floods on economic activity	Million EUR	Less developed	86.5	2013	69.5	Environmental Protection Agency	Every three years

***Actions to be supported under investment priority 5.1***

- Optimisation of technical capacities necessary for environmental monitoring, assessment and control, and broadening of the knowledge base on climate change. Support will be provided for the renewal of laboratory and technical equipment of state institutions in charge of environmental monitoring and control, modernisation of the environmental information system, setting up of a pollution risk assessment system, development of a national GHG and air pollutant (nitrogen dioxide (NO<sub>2</sub>) and particulate matter) emissions accounting system and strengthening of its management capacities, and the setting up of a national integrated climate services and information system and a Lithuanian climate digital data archive. Also, investments will be made in the renovation and improvement of technical capacities for hydrologic and meteorological observations as well as enhancement of control capacities over the status of forests, and their exploitation, restoration, afforestation and protection.
- Implementation of coastline protection and flood risk management and prevention measures. Funding will be provided for coastal management measures on Lithuania's coastline (beach nourishment with sand, beach dune ridge growth and protection measures) under the Coastal Zone Management Programme for 2014-2020. Support will also be provided for renewal of flood hazard and risk plans and management plans and for the implementation of measures provided for in flood risk management maps, i.e. riverbank erosion reduction (stabilisation) measures (reinforcement of riverbanks), installation and reconstruction of protective barriers and hydro-technical structures, removal of flood effects (watercourse cleaning and deepening works), with priority placed on investments in green infrastructure development and ecosystems-based adaptation, etc.
- Development and renovation of the surface (storm) water treatment infrastructure. In towns with population of over 20,000, an inventory of surface wastewater infrastructure will be taken, flooding risk prevention and management plans will be drafted, followed by installation and/or reconstruction of storm water collection networks and other related infrastructure, including storm water treatment facilities, sludge and oil product separators, filters, sedimentation basins, etc.
- Improvement and development of hazard warning and rescue systems. Investment will be made to improve hazard (natural, organic and technical, as well as other events that may cause or result in an emergency) warning and notification measures by modernising the system of sound siren warning to residents in potentially endangered areas. Support will also be provided to strengthen rescue systems by equipping rescue services with modern equipment for the use during floods and other climate change-induced disasters (rescue transport, other rescue equipment and means (e.g. boats, pumps, etc.), work organisation measures (e.g. computers, communication equipment for the organisation of work of the coordination headquarters), logistic tools, personal protection gear, etc.). Actions aimed at enhancing efficiency of state and municipal institutions in

extreme situations will be supported under Priority Axis 10 "Society-oriented smart public administration" of the Operational Programme.

**Common and programme-specific output indicators for the ERDF and the CF**

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	New or renewed environmental air monitoring and early warning, hydrological and meteorological observation stations	Number	CF	Less developed	140	Project data	Annual
2.	New resident warning and rescue equipment	Number	ERDF	Less developed	22	Project data	Annual
3.	Population covered by flood protection measures	Persons	CF	Less developed	3,200	Project data	Annual
4.	Surface area covered by new and/or reconstructed infrastructure for the treatment of collected surface (rain) water	Hectares	CF	Less developed	5,000	Project data	Annual

<b>INVESTMENT PRIORITY 5.2</b>	<b>Investing in the waste sector to meet the requirements of the Union's environmental <i>acquis</i> and to address needs, identified by the Member States, for investment that goes beyond those requirements (6i)</b>
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<b>FUND</b>	<b>Cohesion Fund</b>
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<b>SPECIFIC OBJECTIVE 5.2.1</b>	<b>Reduce municipal waste disposal in landfills and ensure proper storage of radioactive waste</b>
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Municipal waste accounts for around 25% of the total waste stream generated in Lithuania. Mixed municipal waste constitutes a major share of collected municipal waste. In 2011, 123 thousand tonnes of municipal packaging waste and 274 thousand tonnes of other municipal waste were separately collected in Lithuania, whereas mixed municipal waste collection was about 0.97 million tonnes. The larger share of collected municipal waste still goes to landfills. In 2009, over 90% of municipal waste was disposed in this way, and in 2011, about 75%. According to public waste accounting data, around 23% of municipal waste was recycled or otherwise re-used in 2011, including recycling and processing in foreign countries.

There is a shortage of reliable data on waste collection and the supply of products and packaging in the market and of regular and systemic analyses of the existing data, for the assessment of waste generation, management status and the implementation of waste management tasks, particularly for the assessment of municipal waste generation and management. There is also a lack of an integrated product, packaging and waste accounting system.

In order to reduce waste disposal in landfills and to observe waste hierarchy, efficient functioning of the existing municipal waste management schemes must be secured by developing collection of sorted waste (green waste, food/kitchen waste, recyclates, including packaging), preparation of waste for recycling, processing capacities, with special focus on waste re-use and waste prevention. Also, organisational and/or technical conditions must be put in place in order to reach the target to collect and re-use at least 55-80% (of the volume of packaging placed on the internal market) of packaging waste a year and to set up a uniform accounting system for products, packaging and waste. The following new economic instruments of waste management will contribute to the achievement of the above objectives: introduction of a landfill tax; assessment of the need to introduce a tax on waste processing in mechanical biological treatment facilities and a tax on energy recovery from waste; it is planned to introduce a differentiated taxation of municipal waste management; and to introduce a deposit system on single-use beverage packaging. Raising public awareness on waste management is of no less importance.

Projects will be aimed at achieving the goals, objectives and implementing measures

envisaged in the National Waste Prevention Programme, National Waste Management Plan and regional plans.

Lithuania also has a problem concerning radioactive waste management, i.e. all radioactive waste from industry, medical institutions and research centres were stored in Maišiagala storage facility at the time of its operation (1963-1988). An in-depth safety assessment has revealed that there is a potential risk of damaging the ecosystem of Bartkuškis Forest Reserve. The territory must be cleaned by transporting the radioactive waste into the new Ignalina Nuclear Power plant storage facilities under construction. This would constitute the implementation of environmental *acquis* requirements, i.e. elimination of potential pollution with hazardous substances in Bartkuškis Forest Reserve.

#### ***Programme-specific result indicators for the CF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of municipal waste disposed in landfills	%	Less developed	78	2011	35	Eurostat	Annual
2.	Share of paper, plastic, metal and glass waste in municipal waste stream, prepared for re-use or recycling	%	Less developed	17	2010	50	Environmental Protection Agency	Annual

#### ***Actions to be supported under investment priority 5.2***

- Further development of the municipal waste collection and treatment system. Investments will be made in waste collection infrastructure, i.e. containers and container sites for separation collection (recyclates and textile), biodegradable (green and food) and mixed waste, waste sorting and/or treatment facilities. Alongside, public awareness-raising and information campaigns will be conducted at the local level, on municipal waste management schemes, on the importance, benefits and possibilities for sorting and separated waste collection, etc.
- Scaling-up and modernisation of capacities to prepare waste for recycling, re-use or other recovery. Financial support will be provided to enterprises for acquisition or modernisation of facilities (sorting lines, presses and other processing equipment) for the preparation of recyclables (including product and packaging waste) for recycling, including equipment for the implementation of waste re-use and/or deposit system, and for targeted public awareness-raising campaigns on waste prevention and other aspects of waste management.
- Operation of waste management system, monitoring. Support will also be provided for modernisation of waste management information system, for acquisition of laboratory equipment to determine the composition of waste flow, and for studies and practical works in relation to identification of types of waste and their management methods.
- Liquidation of the radioactive waste storage facility in Maišiagala. Radioactive waste stored at the Maišiagala storage facility will be removed, sorted, prepared for transportation and transported to new Ignalina NPP radioactive waste repositories.

#### ***Common and programme-specific output indicators for the CF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Additional/improved municipal waste	Tonnes/year	CF	Less	150,000	Project	Annual

	separate collection capacity			developed		data	
2.	Additional/improved capacity of preparation of municipal waste for recycling and/or other recovery	Tonnes/year	CF	Less developed	100,000	Project data	Annual
3.	Volume of radioactive waste treated	m <sup>3</sup>	CF	Less developed	300	Project data	Annual

<b>INVESTMENT PRIORITY 5.3</b>	<b>Investing in the water sector to meet the requirements of the Union's environmental <i>acquis</i> and to address needs, identified by the Member States, for investment going beyond those requirements (6ii)</b>
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<b>FUND</b>	<b>Cohesion Fund</b>
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<b>SPECIFIC OBJECTIVE 5.3.1</b>	<b>Improve the status of the Baltic Sea and other surface waters</b>
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The quality of water in Lithuania's rivers has improved significantly over the past decade thanks to large investments in wastewater management system; however, the Curonian Lagoon, the Baltic Sea shore, about two-thirds of Lithuania's rivers and about one-third of lakes do not meet the requirements for a good status of water yet (in 2012, the share of water bodies of good water status accounted for 54%). The main factors of human economic activities having an impact on the status of surface water bodies are the diffuse pollution and point source pollution (municipal and industrial wastewater discharged from a specific source of pollution), and on the biodiversity of the Baltic Sea – human activities at sea and pollution accidents.

In line with the Marine Strategy Framework Directive, the Water Framework Directive and the Helsinki Convention 1992 on the Protection of the Marine Environment of the Baltic Sea, Lithuania's strategic goal in the field of water protection is to achieve, by 2020, a good status of the Baltic Sea area in its jurisdiction, in the Curonian Lagoon, and in about ¾ of its inland surface water bodies.

These goals will be pursued by continued monitoring of the quality of Baltic Sea water and other waters, research activities and implementing measures aimed at improving the ecological and chemical status of waters, as envisaged in river basin management plans. These measures will contribute to the goals, provisions and key actions set by the Commission Communication "A Blueprint to Safeguard Europe's Water Resources", the Directive for Maritime Spatial Planning and the EU Strategy for the Baltic Sea Region, addressing the challenges faced by the aquatic environment and ensuring sustainable growth and use of resources.

The envisaged investment will create the conditions to improve the status of surface water bodies and the Baltic Sea. Continued cooperation with the neighbouring states within the Helsinki Commission and under various EU and intergovernmental agreements will contribute to the achievement of successful results.

The achievement of good environmental status of surface waters and the Baltic Sea will depend greatly on the management of diffuse pollution and the application of good farming practices in agriculture.

<b>Programme-specific result indicators for the CF</b>								
No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Average total nitrogen concentration in Lithuania's territorial waters of the Baltic Sea	mg/l	Less developed	0.50	2011	0.25	Environmental Protection Agency	Annual
2.	Share of surface waters of good status	%	Less developed	54	2010	72	Environmental Protection	Annual

							Agency	
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<b>SPECIFIC OBJECTIVE 5.3.2</b>	<b>Enhance accessibility of water supply and wastewater treatment services and improve efficiency of the system</b>
<p>In urban areas, the share of households with access to drinking water supply and wastewater management services is quite large (97.8% and 96.5%, respectively, in 2011). Agglomerations with over 2,000 population equivalent have urban wastewater collection systems where 98% of the wastewater collected is subject to secondary treatment, 85% to treatment under stricter requirements (tertiary). However, better availability of good quality water supply and wastewater management services is still relevant in smaller agglomerations (in rural areas, households with access to water supply and wastewater management services accounted for 68.1% and 61%, respectively).</p> <p>In Lithuania, there are 1,267 settlements with the population between 200 and 2,000. Inhabitants of these settlements account for 20% of the Lithuanian population. Their drinking water supply and wastewater treatment systems do not meet requirements of EU Water Framework Directive 2000/60/EC and EU Urban Waste Water Treatment Directive 91/271/EEC. Some of these settlements discharge wastewater to surface water bodies partially treated or untreated, thus making an adverse impact on the state of surface water bodies. The status of 45% of the Lithuanian surface water bodies is satisfactory or poor. To improve the status of these water bodies, it is crucial to set a priority of investing not only into large settlements, but also into settlements with the population below 2,000. It will ensure the compliance of services provided to consumer with health, environmental and quality requirements as well as public supply of drinking water and the provision of wastewater treatment services, in optimal conditions and at optimal prices, to a maximum number of people and other potential users (reaching a long-term target of 95% of the population), which will also contribute to the implementation of ITI development programmes.</p> <p>Currently there are 359 suppliers of drinking water in Lithuania; they cover 98% of Lithuania's territory, but only 73 of them are engaged in water supply and wastewater management as their principal activity. The cost of services provided by these enterprises vary greatly: in larger agglomerations, enterprises can offer lower prices to consumers due to better management and the economy of scale, while enterprises based in rural areas incur higher costs and do not have the possibility to ensure adequate quality of services and to implement the cost recovery principle. To reduce the gap between urban and rural areas in terms of public supply of drinking water and wastewater management services, measures must be taken to improve the management of water supply companies and optimise their operations.</p> <p>Investment in the availability of water supply and wastewater management services and in the improvement of efficiency of the system will ensure water efficiency, reduce losses in the distribution networks and the wear and tear of water networks, ensure the implementation of the "polluter pays" principle and the cost recovery principle and reduce point source pollution, all this contributing to the improvement of the status of surface water bodies and the Baltic Sea.</p>	

<b>Programme-specific result indicators for the CF</b>								
No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Accessibility of water supply services	%	Less developed	76	2012	90	Ministry of the Environment	Annual
2.	Accessibility of wastewater treatment services	%	Less developed	67	2012	90	Ministry of the Environment	Annual

<b>Actions to be supported under investment priority 5.3</b>
<ul style="list-style-type: none"> <li>Management of water resources, monitoring and improvement of the status of the Baltic Sea and other surface waters. With the aim to improve the integrated management of water resources, the following measures are envisaged: to update river basin area management plans, strategic</li> </ul>

documents on the protection and management of the environment of the Baltic Sea and implementation programmes seeking to implement water protection objectives; to draw up pollution risk management plans; to strengthen the system of monitoring of the status of the Baltic Sea and other surface and ground waters, its assessment, pollution control and liquidation (ecological, biological, chemical, hydrological, pollution load parameters), including technical capacities of the system; to implement measures aimed at restoring good status of water bodies attributed, in measure programmes, to the category of water bodies at risk, i.e. surface water bodies, reduce pollutant discharges into water bodies, restore natural hydrological regimes, implement other measures to preserve the environment and biodiversity of the Baltic Sea (including the establishment of a rehabilitation centre).

- Development and renovation of drinking water supply and wastewater treatment infrastructure. Funding will be provided for development of drinking water supply and wastewater collection infrastructure, with priority to be given to agglomerations with the population between 200 and 2000 p.e., where the maximum level of consumers' connection is ensured; renovation of networks, seeking to improve the quality and efficiency of services and minimise losses and the number of breakdowns in networks; construction and renovation of drinking water improvement facilities, where chemical indicators do not meet applicable standards; construction and renovation of wastewater treatment facilities, including tertiary treatment where this is provided for in river basin management plans; sewage sludge processing and clean-up of sludge accumulated in the past.
- Improvement of management of water supply enterprises. Aiming to improve management of water supply enterprises, support will be provided for performing stock-taking exercises for the property located in the territories of public supply of drinking water, drafting cost recovery/cost reduction plans and implementing other actions to enhance the performance of enterprises.

<b>Common and programme-specific output indicators for the CF</b>							
No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Water bodies covered by status improvement measures	Number	CF	Less developed	20	Project data	Annual
2.	Additional population served by improved water supply	Persons	CF	Less developed	60,000	Project data	Annual
3.	Additional population served by improved wastewater management services	Population equivalent	CF	Less developed	60,000	Project data	Annual
4.	Length of reconstructed water supply and wastewater collection networks	Km	CF	Less developed	680	Project data	Annual
5.	Number of water supply and wastewater management enterprises which implemented management and performance improvement actions	Enterprises	CF	Less developed	48	Project data	Annual

<b>INVESTMENT PRIORITY 5.4</b>	<b>Conserving, protecting, promoting and developing natural and cultural heritage (6c)</b>
<b>FUND</b>	<b>European Regional Development Fund</b>
<b>SPECIFIC</b>	<b>Enhance relevance, number of visits and visibility of cultural and</b>

<b>OBJECTIVE 5.4.1</b>	<b>natural heritage, including public awareness on the surrounding environment</b>
<p>The society is little conscious of landscape as their living environment, of the needs, principles and ways to protect natural and heritage sites forming part of the landscape; moreover, the cultural heritage is under-explored and under-presented, public environmental awareness and engagement is limited, cultural and recreational needs of the population are not met to the desired extent. Insufficient education and awareness on the distinctiveness and significance of Lithuania's cultural and natural heritage conditions the fact that the public hardly contributes to building and cherishing the Lithuanian culture.</p> <p>According to the Eurobarometer survey for 2013, the Lithuanian population takes less interest in sites of cultural heritage than the population of most of the old EU Member States: 53% of Lithuanians (63% of Germans, 71% of Dutch, 79% of Swedes) visit a heritage site at least once year. It is the lowest indicator among the Baltic States. The potential of heritage sites as centres of social, recreational and economic activities is under-exploited. A similar situation is with natural heritage. Due to poor technical condition, environmental-recreational sites are not capable of organising cultural and ecological education and recreation effectively, resulting in poor environmental awareness of the public.</p> <p>The image of Lithuania as a safe and hospitable tourist destination has a large effect on the competitiveness of the tourism sector and the economy. Thus, it is crucial to improve the image and perception of Lithuania as a sustainable and high-quality whole of tourism attraction sites, promote points of interest in Lithuania and increase their attractiveness, use modern information technologies to better inform tourists on Lithuanian tourism opportunities. Despite of being a field important to regional development, tourism lacks an integrated information and marking system and suffers from underdeveloped marketing actions. The Travel &amp; Tourism Competitiveness Report 2013 published by the World Economic Forum ranks Lithuania 114<sup>th</sup> among 140 countries in terms of the effectiveness of marketing to attract tourists.</p> <p>The implementation of this objective will result in improved environmental awareness of the public, guaranteed protection and well-balanced use of natural and recreational resources, greater openness of protected territories for the public. Actualised objects of cultural heritage, effective information and labelling infrastructure and marketing measures will improve the image of Lithuania as an attractive tourist destination in foreign markets, boost the interest of the Lithuanian population in cultural heritage, thus turning its sites into centres of social, educational and economic activities.</p> <p>Actions under this objective will focus on it goals as well as contribute to the implementation of objectives of integrated territorial strategies (promoting regional economy, job creation, ensuring sustainable development and concentration of investments), while ensuring links with actions under other investment priorities.</p>	

<b>Programme-specific result indicators for the ERDF</b>								
No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of population well-informed on environmental resources	%	Less developed	55	2011	65	Eurobarometer	Twice in the period
2.	Share of the Lithuanian population that has visited a site of cultural heritage within the last 12 months	%	Less developed	53	2013	60	Eurobarometer	Twice in the period
3.	Number of trips of tourists (foreign and	Number	Less developed	4,420,000	2012	4,862,000	Statistics Lithuania	Annual

	local) to prioritised tourism development regions						
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#### ***Actions to be supported under investment priority 5.4***

- Landscaping of protected areas, their promotion and adaptation for visits. Support will be provided for maintaining protected areas and their cultural and natural heritage sites, installing outdoor information systems for cognitive and protective purposes, fitting out visitor centres and nature schools/educational centres with indoor and outdoor expositions, also for the development and marketing of infrastructure to accommodate visitors and to serve recreational purposes in protected areas, so as to offer the possibility to the public to access all of the most important and exceptional objects of nature, to get knowledge about them and spend time in nature responsibly.
- Provision of information to the public on environmental issues and improvement of infrastructure in environmental-recreational sites. Seeking to raise environmental awareness and knowledge of the public, to change and foster public understanding and the culture of sustainable use of resources, funding will be provided for the implementation of public information, education and awareness-raising measures on different environmental issues. Other actions include the modernisation of parks of national interest (as cultural properties) and environmental-recreational sites, increasing their attractiveness, visiting and educational impact, thus contributing also to the economic development of regions and/or implementation of integrated regional investment plans.
- Cultural heritage sites will undergo comprehensive landscaping and adaptation for cultural, educational, economic and social needs, by using their social and economic potential in innovative ways. Adaptation of buildings for use will increase their attractiveness and economic viability. Coordination of these investments with regional development strategies, particularly with ITI strategies, will ensure their additionality and complementarity.
- Funding will be provided for marketing of prioritised tourism development regions, products and routes (priority tourism development regions are identified by the Lithuanian Tourism Development Programme 2014-2020, with regard to the Evaluation on the Impact of the European Union's Support on the Lithuanian Tourism Sector and Development Opportunities, commissioned by the Ministry of Economy (2013): Vilnius Region, Coastal Region, Lower Nemunas Region, South Dzūkija Region, East Aukštaitija Region, Žemaitija Highlands Region). To ensure efficiency of the marketing actions, funding will be provided for studies of the efficiency of measures implemented to form the image of the country as a tourist destination and of marketing actions. Plans also include the setting-up of a marking system for tourism objects, routes and tracks (informational stands, signposts, descriptions, direction markers, etc.) to help tourist find the way easily and obtain all information they need about tourism resources. The informational infrastructure will be developed by making use of the advantages of regional cooperation and in line with the principles of sustainable tourism development.

#### ***Common and programme-specific output indicators for the ERDF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Anticipated growth of the number of visits to supported cultural and natural heritage sites and tourist attractions	Visits a year	ERDF	Less developed	220,000	Project data	Annual
2.	Natural and cultural heritage sites and territories landscaped and adapted for visiting	Number	ERDF	Less developed	65	Project data	Annual
3.	Public environmental awareness-raising measures	Number	ERDF	Less developed	25	Project data	Annual
4.	Implemented tourism marketing measures	Number	ERDF	Less developed	560	Project data	Annual

<b>INVESTMENT PRIORITY 5.5</b>	<b>Protecting and restoring biodiversity, soil protection and restoration and promoting ecosystem services including Natura 2000 and green infrastructures (6iii)</b>
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<b>FUND</b>	<b>Cohesion Fund</b>
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<b>SPECIFIC OBJECTIVE 5.5.1</b>	<b>Improve the status of native plant and animal species, habitats and landscape</b>
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Loss of biodiversity affects the functioning of ecosystems, which, in turn, has a negative impact on the society's well-being and the economy. Natural and semi-natural ecosystems cover more than one-third of Lithuania's territory. Protected areas occupy 15.6% of the land area, with 12.4% included in the European Natura 2000 network. Some types of natural habitats in Lithuania are undergoing significant changes such as fragmentation of ecosystems and a changing structure of landscape – both due to renaturalisation processes and intensifying urbanisation, also due to changes in agricultural activities and resource inefficiency. Currently, Lithuania has 768 species and 53 habitat types under protection. Invasive species and possibly uncontrolled spread of genetically modified organisms pose a significant threat to native plants and animals. In order to achieve a favourable conservation status of plant and animal species and natural habitats, the network of protected areas and Natura 2000 sites must be further developed, coupled with the implementation of measures aimed at strengthening the nature framework and reversing the loss of biodiversity and the deterioration of ecosystems and ecosystem services.

The heaviest negative impact on landscape structure is exerted by a rapid densification of built-up urban spaces (at the expense of green spaces), suburban urbanisation processes, expansion of the network of roads, erosion processes, as well as by areas affected by abandoned structures, quarries and peatbogs, which need to be rehabilitated. In order to preserve landscape habitats of various levels and their geo-ecologic potential, it is necessary to ensure proper planning, use and management, restoration of affected landscape territories, implementation of innovative green infrastructure solutions, with a proper balance between social, economic and ecologic interests.

Efforts will be made to prevent, as much as possible, the loss of biodiversity and ecosystems and the deterioration of the quality of their services, to restore them, where possible, and to ensure protection and good management of protected territories and landscape.

***Programme-specific result indicators for the CF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of habitat types of Community importance with a favourable conservation status, occurring in Lithuania	%	Less developed	20	2012	40	Ministry of the Environment	Every six years

***Actions to be supported under investment priority 5.5***

- Preservation and restoration of habitats, species and genetic resources, regulation of populations of invasive species, reduction of ecosystem fragmentation. Funding will be provided for the preparation of conservation plans for protected and strictly protected species and action plans for specific protected species and for the implementation of conservation measures both in Natura 2000 sites and other territories of the country, as well as for the implementation of measures for preservation of national genetic resources of plants and biosafety measures. The planned measures also include studies of the status of invasive species, preparation of their population regulatory documents, implementation of population regulation measures. Support will also be provided for the implementation of measures to ensure integrity of Natura 2000 sites, to design

local-level structure of the nature frame (green connections) and protect and manage them in line with the Prioritised Action Framework.

- Planning, monitoring and management of protected areas. Support will be provided for the preparation of protected areas planning documents, optimisation of the Natura 2000 network by establishing new areas important for the protection of birds and habitats, renewal of the cadastre, strengthening of the monitoring system and territory management capacities, management of reserves and Natura 2000 sites. The practice of nature management plans for protected natural habitats and species present in Natura 2000 sites will be continued, to maintain favourable conservation status. Pursuant to approved nature management plans, habitat restoration works will be undertaken.
- Landscape protection, planning and management. Support will be provided for the preparation of municipal landscape management plans, management of referential landscape territories of national importance, restoration of slopes of water bodies and other relief forms affected by erosion, pilot measures to build green infrastructure, restoration of affected territories.

***Common and programme-specific output indicators for the CF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Surface area of habitats supported by investment in order to maintain or restore favourable conservation status	Hectares	CF	Less developed	1,150	Project data	Annual
2.	Preserved, managed or restored landscape habitats of various levels	Number	CF	Less developed	35	Project data	Annual

<b>INVESTMENT PRIORITY 5.6</b>	<b>Taking actions to improve the urban environment, revitalisation of cities, regeneration and decontamination of brownfield sites (including conversion areas), reduction of air pollution and promotion of noise-reduction measures (6iv)</b>
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<b>FUND</b>	<b>Cohesion Fund</b>
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<b>SPECIFIC OBJECTIVE 5.6.1</b>	<b>Reduce the level of threat to health and environment, caused by urban air pollution by particulate matter and soil pollution by chemical substances</b>
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One of the major problems faced by urbanised areas is inadequate quality of ambient air, posing threat to human health and the environment. In Lithuania, nearly 18% of urban population live in areas where particulate matter (PM<sub>10</sub>) concentrations exceed the threshold values, i.e. 35 days a year at the daily limit value of 50 µg/m<sup>3</sup>. In order to reduce air pollution and ensure compliant urban ambient air quality, there is a need to improve air quality management at the municipal level, raise public awareness and education on the threats posed by air pollution to the environment, human health and life, implement measures to reduce air pollution with particulate matter so as to reduce ambient air pollution caused by roadway dust that absorbs pollutants, particularly in winter time when roads are sprinkled with sand and salt mixture.

The negative impact of pollution with chemical substances is heaviest in densely populated urban areas. In Lithuania, there are over 11 thousand sites potentially contaminated with chemicals, the total surface area of which covers about 0.43% of the country's area, of which 20.5% (2,285 units) are located in municipal centres or within the boundaries of the largest town in a municipality. To prevent risks to the environment and human health, priority should be given to proper protection of soil, restoration of polluted areas, and clean-up of the worst-polluted sites in urban areas.

Measures aimed at improving the urban ambient air quality, protecting soil, restoring contaminated sites and clean-up of worst-polluted sites in urban areas are expected to contribute, in certain target territories, towards the implementation of integrated territorial development

programmes.

The envisaged investments will enable municipalities to take effective action to ensure compliance of the quality of ambient air with applicable requirements, and will also improve urban environment and create the conditions to develop various economic and social activities in the cleaned territories.

#### ***Programme-specific result indicators for the CF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Number of days when a daily limit value of particulate matter (PM <sub>10</sub> ) concentration is exceeded in 5 major cities	Days	Less developed	201	2012	190	Environmental Protection Agency	Annual
2.	Potential pollution hotbeds of extremely high risk	Number	Less developed	1,191	2012	1,170	Lithuanian Geological Survey	Annual

#### ***Actions to be supported under investment priority 5.6***

- Management of urban air quality and implementation of measures to reduce pollution with particulate matter. Support will be provided for the preparation of municipal ambient air quality management plans and – seeking to reduce urban air pollution with particulate matter – renewal of street maintenance and cleaning technologies, along with public awareness-raising campaigns at the municipal level on the possibilities to contribute personally to the reduction of ambient air pollution in one's own environment and on possible consequences of irresponsible behaviour.
- Management of urban sites contaminated with chemical substances. To minimise the negative impact of such areas on the environment and human health and to ensure good chemical status of soil, ground and groundwater, support will be provided for the clean-up of urban sites most heavily contaminated with chemical substances and posing the heaviest hazard.

#### ***Common and programme-specific output indicators for the CF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Street cleaning equipment purchased	Number	CF	Less developed	50	Project data	Annual
2.	Total surface area of recultivated land	Hectares	CF	Less developed	20	Project data	Annual

#### ***Guiding principles for the selection of projects/actions***

The following guiding principles will be followed for the selection of projects:

- Projects under investment priority 5.1 of the Operational Programme will be selected by way of state project planning procedure and regional project planning procedure (direct grant). If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.
- Projects under investment priorities 5.2 and 5.3 of the Operational Programme will be selected by way of tendering, state project planning procedure (direct grant) and regional project planning procedure (direct grant). If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.
- Planning interventions under these investment priorities will be based on the need to:

- strengthen management and coordination capacities of responsible bodies and organisations in waste, water and wastewater treatment policies, ensuring links with interventions under priority axes “Promoting public awareness and boosting the potential of human resources” and “Advanced public governance meeting the society’s needs”;
  - ensure principles of investment sustainability and cost efficiency when investing into the development of water supply and treatment infrastructure.
  - Projects under investment priority 5.4 of the Operational Programme will be selected by way of tendering, state project planning procedure (direct grant) and regional project planning procedure (direct grant). If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.
  - The investments into cultural and sustainable tourism infrastructure objects for the development of endogenous potential will be based on the provisions of Article 3 of the ERDF Regulation, with particular consideration of Article 3(1) (e) provisions.
  - Investments into sites of cultural and sustainable tourism infrastructure under this priority axes will aim to ensure that all restored and actualised sites of cultural heritage perform economic, social and educational and/or cultural activities.
  - The implementation of this investment priority will contribute to actions of other investment priorities implemented through ITIs under integrated territorial development programmes.
  - Projects under investment priority 5.5 of the Operational Programme will be selected by way of state project planning procedure (direct grant) and regional project planning procedure (direct grant). If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.
  - Planning interventions under this investment priority will be based on the need to build on the experience of the previous programming periods in implementing actions in the protection of biodiversity and to ensure coordination with other interventions under priorities “Environmental protection, sustainable use of natural resources and adaptation to climate change” and “Promoting social inclusion and supporting the fight against poverty”.
  - Projects under investment priority 5.6 of the Operational Programme will be selected by way of state project planning procedures (direct grant). If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.
  - Planning interventions under this investment priority will be based on the need to strengthen management and coordination capacities of responsible bodies and organisations in air quality policies, ensuring links with interventions under priority axes “Promoting public awareness and boosting the potential of human resources” and “Advanced public governance meeting the society’s needs”.
- The implementation of this investment priority will contribute to actions of other investment priorities implemented through ITIs under integrated territorial development programmes.

***Financial instruments and their description***

Currently, it is not planned to apply financial instruments to the implementation of this investment priority. However, financial instruments may be applied during the implementation stage, taking results of the ex ante evaluation into consideration.

***Major projects***

No major projects are envisaged under this investment priority.

<b>Performance Framework</b>								
<i>Indicator type (implementation steps, financial, output and result indicators)</i>	<i>Indicator or implementation step</i>	<i>Measurement unit</i>	<i>Fund</i>	<i>Category of region</i>	<i>Milestone for 2018</i>	<i>Final target (2023)</i>	<i>Source of data</i>	<i>Explanation of relevance of indicator</i>
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	ERDF	Less developed	45,324,611	227,856,129	Project data	Binding indicator to monitor financial progress towards implementing the priority axis
Output indicator	Natural and cultural heritage sites and territories landscaped and adapted for visiting	Number	ERDF	Less developed	0	165	Project data	Indicator reflects the progress of implementation of the priority axis as 66% of the ERDF allocation for this priority axis is attributed to the achievement of this indicator
Implementation step	Value of the output indicator „Natural and cultural heritage sites and territories landscaped and adapted for visiting” set in project financing and administration agreements	Number	ERDF	Less developed	20	-	Project data	The implementation step has been chosen since no projects will be completed by the end of 2018. This is due to a longer duration and later start of project implementation necessitated by the need for preparatory works for the landscaping of heritage sites and territories and the stages of heritage landscaping provided for by national programmes. The value of the output indicator set in project financing and administration agreements will be a benchmark for assessing whether the projects are being implemented to the required extent.
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	CF	Less developed	186,713,191	757,764,573	Project data	Binding indicator to monitor financial progress towards implementing the priority axis
Output indicator	Additional population served by improved water supply	Persons	CF	Less developed	0	60,000	Project data	Indicator reflects the progress of implementation of the priority axis as 16% of the CF allocation for this priority axis is attributed to the achievement of this indicator.
Implementation step	The value of the output indicator “Additional population served by improved water supply“ set in project financing and administration agreements	Persons	CF	Less developed	40,000	-	Project data	The implementation step has been chosen on account of the assessment methodology under which achievements are assessed after a certain lapse of time after completion of projects. The value of the output indicator set in project financing and administration agreements will be a benchmark for assessing whether the projects will be implemented to the required extent.
Output indicator	Additional population served by improved wastewater management services	Population equivalent	CF	Less developed	0	60,000	Project data	Indicator reflects the progress of implementation of the priority axis as 20% of the CF allocation for this priority axis is attributed to the achievement of this indicator.
Implementation step	The value of the output indicator “Additional population served by improved wastewater treatment“ set in project financing and administration agreements	Population equivalent	CF	Less developed	40,000	-	Project data	The implementation step has been chosen on account of the assessment methodology under which achievements are assessed after a certain lapse of time after project completion. The value of the output indicator set in project financing and administration agreements will be a benchmark for assessing whether the projects are being implemented to the required extent.
Output indicator	Length of reconstructed water supply and wastewater collection networks	Km	CF	Less developed	0	680	Project data	Indicator reflects the progress of implementation of the priority axis as 12% of the CF allocation for this priority axis is attributed to the achievement of this indicator.
Implementation step	The value of the output indicator “Length of reconstructed water supply and	Km	CF	Less developed	400	-	Project data	The implementation step has been chosen on account of a longer period and later start of project implementation necessitated by

<b>Performance Framework</b>								
<i>Indicator type (implementation steps, financial, output and result indicators)</i>	<i>Indicator or implementation step</i>	<i>Measurement unit</i>	<i>Fund</i>	<i>Category of region</i>	<i>Milestone for 2018</i>	<i>Final target (2023)</i>	<i>Source of data</i>	<i>Explanation of relevance of indicator</i>
	wastewater collection networks“ set in project financing and administration agreements							the need for preparatory works. The value of the output indicator set in project financing and administration agreements will be a benchmark for assessing whether the projects are being implemented to the required extent.
Output indicator	Additional/improved municipal waste separate collection capacity	Tonnes/ year	CF	Less developed	75,000	150,000	Project data	Indicator reflects the progress of implementation of the priority axis as 9% of the CF allocation for this priority axis is attributed to the achievement of this indicator.

The milestones and final targets for the ERDF indicators shown in the Performance Framework have been set by reference to the historical data of the absorption of funds and the achievement of indicators in the previous programming period, i.e. by reference to indicator values achieved by implementing similar interventions in the equivalent period, and by considering, at the same time, the envisaged volumes of investments and interventions in the current programming period. Another reference used for the setting of the milestones was the readiness of the sector to absorb EU funds, i.e. the need to complete preparatory works for the management of cultural and natural heritage, as well as institutional experience in administering EU funds.

The milestones and final targets for the CF indicators shown in the Performance Framework have been set by reference to the historical data of the absorption of funds and the achievement of indicators in the previous programming period, i.e. by reference to indicator values achieved by implementing similar interventions in the equivalent period, and by considering, at the same time, the envisaged volumes of investment and interventions in the current programming period. Another reference used for the setting of the milestones was the readiness of the sector to absorb EU funds, the specific character of implementation of environmental measures and the methodology for assessing output indicators, according to which certain achievements are assessed only after a certain lapse of time after completion of projects.

<b>Breakdown of expenditure by priority axis</b>		<b>Breakdown of expenditure by type of funding</b>		<b>Breakdown of expenditure by type of territory</b>		<b>Breakdown of expenditure by territorial delivery</b>	
Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)
017 (CF)	87,230,306	01 (ERDF)	193,677,709	01 (ERDF)	16,218,721	02 (ERDF)	16,218,721
019 (CF)	4,000,000					02 (CF)	544,905,031
020 (CF)	100,642,956	01 (CF)	629,618,886	01 (CF)	399,370,971	04 (CF)	4,344,300
021 (CF)	126,548,914	05 (CF)	14,481,001	02 (CF)	162,042,400	07 (ERDF)	177,458,988
022 (CF)	131,053,058			03 (ERDF)	41,667,692	07 (CF)	94,850,556
079 (ERDF)	9,847,081			03 (CF)	20,563,022		

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083 (CF)	8,109,361			07 (ERDF)	135,791,296		
084 (CF)	12,164,041			07 (CF)	62,123,494		
085 (CF)	41,994,903						
086 (CF)	8,688,601						
087 (ERDF)	4,064,010						
087 (CF)	104,842,447						
089 (CF)	18,825,301						
090 (ERDF)	7,240,500						
091 (ERDF)	34,427,192						
092 (ERDF)	16,218,721						
093 (ERDF)	35,030,022						
094 (ERDF)	86,850,183						

<b>PRIORITY AXIS 6. DEVELOPING SUSTAINABLE TRANSPORT AND KEY NETWORK INFRASTRUCTURES</b>
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The statistics show that Lithuania is behind the EU-27 average in terms of key characteristics of transport networks (the rail network density is 0.03 km/thousand km<sup>2</sup>; double track comprised only 22% of the total rail network in 2012; only 7% of the county roads and 20% the district roads are asphalted; carriageways are often narrower than 6 m; only 30% of the roads meet 11.5 tons axle load requirements). For these reasons, investments are planned into road, rail, air, sea and inland waterway transport networks, which will reduce or eliminate the gap between Lithuania and the EU-27 average.

Specific objectives and interventions under this priority axis will be supported both by the ERDF and the Cohesion Fund to ensure their integrated and efficient implementation. Coordinated comprehensive development of the national transport system will ensure consistent development of the TEN-T network, improved technical characteristics of the national network and connection to the TEN-T, while achieving the highest expected effectiveness and efficiency at national, regional and, most importantly, EU level. Such combination of investments from different sources of funding may ensure the proper functioning of the uninterrupted transport chain in order to combine the effective operation of different TEN-T elements and different modes of transport.

Resources of the Cohesion Fund will be used for improving the TEN-T network in Lithuania: building necessary transport infrastructure connections with the TEN-T network, the infrastructure ensuring interoperability between different modes of transport and the necessary connections, while promoting the TEN-T expansion and the development of intermodal transport. ERDF funds will be used for increasing the mobility of rural business and population, while improving the accessibility of rural areas and ensuring the proper connection with the TEN-T network and safety. To address these problems effectively, it is important to combine actions of the ERDF and the Cohesion Fund. It will facilitate the implementation of integrated approach-based projects (in many of the cases above, individual actions will be implemented by the same project promoter) as well as the administration, comprehensive monitoring and high-quality reporting for this priority axis of the Operational Programme.

<b>INVESTMENT PRIORITY 6.1</b>	<b>Supporting a multimodal Single European Transport Area by investing in the Trans-European Transport (TEN-T) Network (7i)</b>
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<b>FUND</b>	<b>Cohesion Fund</b>
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<b>SPECIFIC OBJECTIVE 6.1.1</b>	<b>Improve interoperability between national multimodal transport system and trans-European transport networks</b>
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The key challenge faced by the Lithuanian transport system is better integration into the TEN-T network, which may be achieved through improving technical characteristics of the infrastructure, building the missing links and connections and enhancing capacity. Investments into the improvement of technical characteristics of the TEN-T network must also ensure traffic safety and the implementation of environmental measures.

One of the main challenges in ensuring an effective uninterrupted transport chain in the TEN-T network in the territory of Lithuania is improving the interoperability between different modes of transport. The potential of the rail transport is not used to its full capacity due to a lack of intermodal transport terminals and limited effectiveness of the interoperability between railway and the sea port.

The main challenge for rail transport in TEN-T network elements is infrastructure of the South-North railway line. This type of railway line requires interoperability with TEN-T corridors, especially considering the need to connect different track gauges and ensure interoperability with the infrastructure of another mode of transport. Thus, another obvious area of investment is the construction and development of multi-modal terminals.

From the environmental point of view, rail transport is not efficient due to limited electrification (only 7%).

Lithuania falls behind in terms of speed and convenience criteria in the TEN-T network. The renewal and upgrading of the existing railway facilities as well as second railway tracks will increase the capacity of lines, make this mode of transport more attractive for passengers and boost rail freight.

Technical characteristics of road transport in the TEN-T network are insufficient to meet road traffic requirements and ensure adequate capacity. The number of accidents is rapidly growing. Accident rates in Lithuania are among the highest in EU countries. Speed in the TEN-T network is limited by a shortage of urban links, bypasses and individual TEN-T connections, which, in turn, leads to intensive transit traffic in urban territories.

When developing the infrastructure of the Klaipėda State Seaport, which is an integral part of the TEN-T corridor IX, it is crucial to ensure its interoperability with railway.

Investments into the seaport infrastructure will give priority to traffic safety and environmental protection. A low depth of the harbour basin prevents the seaport from accommodating vessels with larger capacity, and the increasing traffic of ships with smaller draught has an adverse effect on the environment and safety. It will be of special importance once the liquefied natural gas (LNG) terminal starts its operation. Effective navigation in the port must also be ensured.

The main priority in the airport sector is environmental protection and security to ensure sustainable and safe provision of air transport services. Air traffic is important for Lithuania, considering it is located in the EU periphery. The growing traffic, however, increases airplane pollution. For this reason, the upgrading of infrastructure elements will shorten the duration of aircraft manoeuvring after landing or before take-off, which will cut airplane pollution.

With the help of the EU funds, the transport system will be integrated into TEN-T networks, thus creating a modern and balanced multi-modal transport system. It will also increase the multimodality of freight and passengers, improve carriage efficiency and connect the transport infrastructure with the TEN-T network.

#### ***Programme-specific result indicators for the CF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Number of intermodal transport units transported	Number	–	75,107	2012	78,863	Project data	Annual
2.	Average speed of a passenger train in reconstructed and upgraded railway sections in the TEN-T network	km/h	–	80	2013	85.6	Project data	Annual
3.	Number of road traffic deaths in the TEN-T network	Persons per year	–	44	2013	37	Project data	Annual
4.	Average duration of aircraft manoeuvring*	Minutes	–	16	2013	12	Project data	Annual

\* moving to take off and moving to a site after landing (taxiing)

#### ***Actions to be supported under investment priority 6.1***

- Renewal, upgrading and development of railway infrastructure; enhancement of rail transport environmental characteristics and safety;
- Construction of railway infrastructure with track gauge of 1435 mm within transport corridor I (Rail Baltica);
- Renewal, upgrading and development of railway infrastructure (including the construction of second tracks and electrification) in transport corridor IX B, which will allow passenger trains to reach a speed of 160 km/h and freight trains a speed of 120 km/h in renewed and upgraded sections;

- Installation of new railway traffic management and control systems; installation of intelligent and technological railway (traffic safety, interoperability traffic control and security) systems;
- Implementation of railway traffic safety and environmental measures, and construction of bypasses in corridors I and IX B;
- Installation of the ERTMS system in new 1,435 mm and existing 1,520 mm width TEN-T railway lines; investing into the development and/or upgrading of signalling and control systems that are in compliance with provisions laid down in Commission decision No 2012/88/EC;
- Modernisation and development of road transport infrastructure within the TEN-T network; improvement of road traffic safety and environmental characteristics;
- Reconstruction and development of TEN-T roads, access roads and direct connecting roads, including the construction of bypasses in urban areas;
- Installation of intelligent road transport (traffic safety, security (e.g. traffic control surveillance systems), traffic notification and traffic control) systems;
- Implementation of traffic safety, security and environmental measures (e.g. construction of walls for noise reduction, fencing to protect wildlife; reconstruction of crossings in dangerous areas, installation of ruggedised fences and roundabouts);
- Reconstruction and modernisation of transport infrastructure at external borders and border checkpoints (in the TEN-T network), including access and direct connecting roads;
- Modernisation and development of water transport infrastructure, enhancement of water transport safety and environmental characters;
- Improvement of safety and environmental characteristics of the navigation channel of common use at the Klaipėda State Seaport (North Sea–Baltic Corridor) in accordance with the established environmental requirements, carrying out environmental impact assessments (widening, deepening of the water area, construction and reconstruction of piers);
- Improvement of shipping safety; renewal of hydrographical, geodesic and cartographic hardware and software at the Klaipėda State Seaport;
- Modernisation and implementation of monitoring and control systems for technical characteristics of water transport infrastructure at the Klaipėda State Seaport;
- Targeting investments in the air transport sector at the airport of the TEN-T core network in order to improve the infrastructure through increasing safety characteristics and reducing adverse environmental impacts.

In this field investments are planned to implement or modernise infrastructure increasing flight safety and aviation security (e.g. parking apron with side protection strips, lighting, operation service road); install or modernise flight control equipment (including ensuring the latest technology as part of SESAR).

Construction of the missing taxiways to reduce the duration of aircraft manoeuvring, the improvement of technical characteristics of runways and taxiways to cut aviation noise are planned as well.

- Design and construction of infrastructure increasing the effectiveness of intermodality of different modes of transport (including multimodal transport terminals);
- Improvement of the interoperability between sea and rail transport by modernising railway junctions (construction of container terminals and technologies at the entrance to the Klaipėda State Seaport where traffic from all terminals is consolidated and the concept of rail shuttles is implemented).

### ***Major projects***

Vilnius Western Bypass (Stage III) is an important project as it will divert transit car traffic flows from the central part of the capital city and form convenient connections between the system of Vilnius bypasses and TEN-T network. This bypass will contribute to the reduction of traffic

congestion in TEN-T network as well as to reduction of traffic accidents, noise, negative environmental impact and improvement of roads (streets) infrastructure in the North-West metropolitan area of Vilnius city.

***Common and programme-specific output indicators for the CF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Total length of reconstructed or upgraded railway line in the TEN-T	Km	CF	–	74	Project data	Annual
2.	Total length of newly built roads in the TEN-T	Km	CF	–	11	Project data	Annual
3.	Total length of reconstructed or upgraded roads in the TEN-T	Km	CF	–	157	Project data	Annual
4.	Implemented traffic safety improvement and environmental measures at the seaport	Number	CF	–	3	Project data	Annual
5.	Area of the airport solid surface in compliance with ICAO requirements	Square meters	CF	–	424,000	Project data	Annual

<b>INVESTMENT PRIORITY 6.2</b>	<b>Enhancing regional mobility through connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal transport nodes (7b)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 6.2.1</b>	<b>Enhancing regional mobility through developing regional connections to the main transport network of the country and implementing traffic safety measures</b>
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The transport system is one of the economic sectors that are most integrated in the European market and have a large significance for the national economy. The number of safety and environmental challenges is increasing with the growing freight traffic and the intensity of overall traffic. Business development and the mobility of regional population require fast inter-regional accessibility and proper connections with the TEN-T network. In many cases, it is crucial to improve technical characteristics, capacity and speed of regional roads, while ensuring traffic safety and reducing adverse impacts on the environment and human health.

The Lithuanian road network consists of state roads, divided into highways and motorways (TEN-T), regional roads and local roads/streets owned by municipalities.

The main challenge of rail transport in relation to connection between regions is traffic safety. Today, the key traffic safety-related problem is unsafe level crossings, leading to increased likelihood of accidents and causing trains to slow down when crossing. The rail transport infrastructure needs to be modernised by installing safety measures at level crossings. This will not only minimise the likelihood of accidents, but also increase the speed of trains.

The main challenge faced by inland waterway transport in Lithuania is its under-exploited potential: internal waterways and their infrastructure are not adapted for passenger and/or freight shipping (e.g. wharfs, quays and harbours are underdeveloped). Investments started in the 2007-2013 programming period will be continued, with further modernisation of national inland waterways to achieve the required technical characteristics of waterways and the depth required for shipping, improve the conditions for shipping and ensure safe shipping in the TEN-T and in the national network of waterways.

The improved technical characteristics of the national transport network and traffic safety engineering infrastructure to be built as part of implementing this specific objective is expected to reduce passenger and freight transportation times, ensure traffic safety and reduce the number of accidents and pollution. These investments are also expected to make a contribution to faster

economic development in regions, job creation, business diversification, higher productivity of the manufacturing industry and stronger economic competitiveness.

**Programme-specific result indicators for the ERDF**

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Average speed of a passenger train in reconstructed and upgraded non TEN-T network railway sections	km/h	Less developed	50	2013	53.5	Project data	Annual
2.	Number of road traffic deaths in non TEN-T network	Persons per year	Less developed	131	2013	113	Project data	Annual
3.	Duration of road trips (except TEN-T roads)	Million hrs.	Less developed	1,61	2013	1,55	Project data	Annual
4.	Freight transported by inland waterway transport	Tonnes per year	Less developed	70,000	2013	100,000	Project data	Annual

**Actions to be supported under investment priority 6.2**

- Enhancement of regional mobility and accessibility by building and reconstructing missing links with the main national transport network: renovation and upgrading of state roads (connections with the TEN-T network), increasing traffic safety and compliance with environmental requirements; renovation of state roads (outside the TEN-T network or connections with it) and improvement of their technical characteristics, implementation of traffic safety and environmental measures; implementation of ITS ensuring effective traffic control and traffic safety;
- Improvement of the attractiveness of rail transport by increasing rail transport safety and compliance with environmental requirements; implementation of rail transport environmental measures (measures for suppressing the noise); implementation of railway traffic safety measures at level crossings;
- Modernisation and development of inland waterway transport infrastructure, enhancement of water transport safety; improvement of shipping in inland waterways, ensuring the compliance with minimum dimensions, reducing coastal and river bed erosion and minimising transit sediment deposition with continuing modernisation of the inland waterway started in 2007-2013;
- Improvement of local (regional) connections: regional strategies provide for the development of transport infrastructure through the implementation of regional and municipal programmes and integrated programmes for the development of target territories. Investments will comprise only a proportionate share of activities provided for in strategies, without favouring the upgrading of regional and local roads, and be based on the costs and benefits analysis (taking the intensity of traffic into consideration).

**Major projects**

No major projects are envisaged under this investment priority.

**Common and programme-specific output indicators for the ERDF**

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Total length of reconstructed or upgraded roads	Km	ERDF	Less developed	116	Project data	Annual
2.	Total length of improved or new inland waterways	Km	ERDF	Less developed	20	Project data	Annual
3.	Implemented traffic safety improvement and environmental	Number	ERDF	Less developed	10	Project data	Annual

	protection measures						
4.	New or upgraded aerodromes	Number	ERDF	Less developed	3	Project data	Annual
5.	Implementation of traffic safety improvement and environmental measures, of which at level crossings	Number	ERDF	Less developed	5	Project data	Annual

<b>INVESTMENT PRIORITY 6.3</b>	<b>Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable energy (7e)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 6.3.1</b>	<b>Strengthen integration into the European Union's internal energy market</b>
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After decommissioning the Ignalina nuclear power plant producing over 80% of electricity in the country at the end of 2009, the Lithuanian electricity system went from exporting to importing and being dependant on a single supplier of electricity from a third country (the Russian Federation). In 2012, electricity imports accounted for 77.1% of the total electricity consumption. Moreover, Lithuania imports 100% of natural gas from a single source (the Russian Federation).

To implement the objectives set in the National Energy Independence Strategy and the Council Recommendation to Lithuania ("Continue the development of cross-border connections to neighbouring Member States for both electricity and gas to diversify energy sources and promote competition through improved integration of the Baltic energy markets") and to contribute to sub-objective *Reliable energy markets* of the EUSBSR objective *Connect the region*, measures to ensure integration into European electricity and gas systems will be taken.

Lithuania plans to connect its electricity system with Sweden and Poland's energy systems in 2015. Also, Klaipėda liquefied natural gas terminal will start its operation on 3 December 2014. These projects are of vital importance to Lithuania, as it will open the way to the EU single energy market and all its advantages.

To make these transnational connections functional and fully integrated into the internal market, it is necessary to strengthen domestic electricity and gas networks and implement, at the same time, advanced technologies. Implementation of these projects would result in lower energy dependence on the single source of energy, thus ensuring long-term energy security for Lithuania and a competitive energy sector. Lithuania will become a part of the single EU energy market, with price formation dictated by a competitive market rather than a monopolistic supplier. Moreover, implementation of smart energy grids would create the conditions for higher energy efficiency. Furthermore, strengthening of electricity networks is a necessary precondition for integrating renewables into the market.

The Connecting Europe Facility will finance transnational projects of European common interest (e.g. Lithuania-Poland power link LitPol Link), while resources of the EU funds 2014-2020 will be used for internal links necessary to ensure the functioning of these translational links.

<b>Programme-specific result indicators for the ERDF</b>								
No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting

1.	Herfindahl-Hirschman index for energy imports in Lithuanian electricity market	HHI index	Less developed	3,438	2013	2,800	National Commission for Energy Control and Prices	Annual
2.	Herfindahl-Hirschman index for energy imports in Lithuanian natural gas market	HHI index	Less developed	10,000	2013	5,000	National Commission for Energy Control and Prices	Annual
3.	Performance level of the N-1 criterion in the natural gas sector	%	Less developed	35.41	2013	100	Ministry of Energy	Annual

### ***Actions to be supported under investment priority 6.3***

- Smart electricity transmission systems. Support will be provided for the construction of new smart electrical power transmission lines to ensure two-way transmission of electricity by intersystem links Lithuania-Poland (LitPolLink) and Lithuania-Sweden (NordBalt); reconstruction (restoration) of the existing lines to ensure security of electricity supply to consumers; construction of new, and reconstruction (modernisation) of the existing, intelligent transformer substations and distribution stations, and replacement of overhead power lines with underground ones to ensure security of electricity supply both to the current and additional users and to contribute to the integration of renewables into the Lithuanian electrical energy system. Once the said projects are implemented, electricity transmission networks will meet standards for smart grids as laid down by Regulation No 347/2013 of the European Parliament and of the Council on guidelines for trans-European energy infrastructure (electricity network that can integrate in a cost efficient manner the behaviour and actions of all users connected to it, including generators, consumers and those that both generate and consume, in order to ensure an economically efficient and sustainable power system with low losses and high levels of quality, security of supply and safety).
- Smart gas transmission systems. Funding will be provided to domestic gas transmission networks to ensure integration of Klaipėda LNG terminal into the market and integration of Lithuania's gas systems into the European internal market, and the implementation of measures to enhance security of gas supply and energy efficiency: implementation of software and technological equipment for efficient operation of the transmission system; installation of measuring equipment, gas quality determination devices and telemetry; installation and modernisation of gas distribution and compressor stations.
- Smart gas distribution systems. Funding will be provided to projects related to the looping of gas distribution networks and the installation of controllable valves. The created smart grid technologies will ensure reliable distribution of natural gas and more control options. Support will be provided to smart natural gas accounting installation projects that offer consumers more options to control gas consumption and improve the control of the system.
- Projects related to gas distribution and transmission networks to be funded will meet the characteristics of smart gas infrastructure as established by the European Commission.

### ***Major projects***

- Gas transmission pipeline "Klaipėda-Kuršėnai".  
The project will enhance security of gas transmission to Lithuanian consumers, as the current section of the pipeline Klaipėda-Kuršėnai (built in 1968) cannot ensure secure supply of gas due to its technical condition. Even with the construction of the liquefied natural gas terminal in Klaipėda, possibilities to diversify gas supply for Lithuanian consumers and towards Latvia, within the existing Lithuanian transmission system would remain limited. Once constructed, the gas pipeline section Klaipėda-Kuršėnai would allow making maximum use of the terminal's regasification capacities for the needs of Lithuania and other Baltic countries. This project will be co-financed

from the EU funds only in the event that no financial support is made available from the European Commission under the Connecting Europe Facility.

This project is included in the Union list of projects of common interest and is a potential candidate for support from the Connecting Europe Facility. If the European Commission decides not to finance this project or to finance it partially, given its importance, it will be financed by the Eu funds.

***Common and programme-specific output indicators for the ERDF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	New and/or renovated transformer substations and/or distribution stations	Number	ERDF	Less developed	32	Project data	Annual
2.	Length of new and/or reconstructed power transmission lines	Km	ERDF	Less developed	500	Project data	Annual
3.	Gas distribution stations upgraded by using smart technologies	Number	ERDF	Less developed	5	Project data	Annual
4.	Length of new gas pipelines	Km	ERDF	Less developed	110	Project data	Annual
5.	Length of new gas distribution pipelines	Km	ERDF	Less developed	50	Project data	Annual

***Guiding principles for selection of projects/actions***

Projects to implement investment priority 6.1 of the Operational Programme will be selected by way of state project planning procedure (direct grant). If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.

The action of this investment priority related to the modernisation of the signalling system (ERTMS) will be in compliance with Commission decision No 2012/88/EC.

Investments by the ERDF, the Cohesion Fund and the CEF are planned by combining projects to be financed under the National Transport Development Programme. Projects will also be implemented by coordinating the use of different funds. If CEF financing is not sufficient, projects may be funded by the Cohesion Fund or the ERDF.

The created and upgraded infrastructure will be maintained following the existing practice, where a manager is responsible for the maintenance of infrastructure, and funds are collected through the rates applicable to infrastructure users. Maintenance of the road transport infrastructure will receive state allocations under the specifically designed Road Development and Maintenance Programme (RDMP).

Contribution will also be made to actions of other investment priorities implemented through ITIs under integrated territorial development programmes.

Projects under investment priority 6.2 of the Operational Programme will be selected by way of state project planning procedure and regional project planning procedure (direct grant). If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.

Investments by the ERDF, the Cohesion Fund and the CEF are planned by combining projects to be financed under the National Transport Development Programme. Projects will also be implemented by coordinating the use of different funds. If CEF financing is not sufficient, projects may be funded by the Cohesion Fund or the ERDF.

The created and upgraded infrastructure will be maintained following the existing practice, where a manager is responsible for the maintenance of infrastructure, and funds are collected through the rates applicable to infrastructure users. Maintenance of the road transport infrastructure will receive

state allocations under the specifically designed Road Development and Maintenance Programme (RDMP) and/or municipal funds.

When implementing information systems in the transport sector, investments will be combined with measures of priority axis "Promoting information society".

Contribution will also be made to actions of other investment priorities implemented through ITIs under integrated territorial development programmes.

Projects under investment priority 6.3 of the Operational Programme will be selected by way of state project planning procedure and regional project planning procedure (direct grant). If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.

***Financial instruments and their description***

Possibilities to use financial instruments for this priority axis of the Operational Programme are under consideration.

<b>Performance Framework</b>								
<b>Indicator type (implementation steps, financial, output and result indicators)</b>	<b>Indicator or implementation step</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region</b>	<b>Milestone for 2018</b>	<b>Final target (2023)</b>	<b>Source of data</b>	<b>Explanation of relevance of indicator</b>
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	ERDF	Less developed	91,682,301	459,559,075	Project data	Binding indicator to monitor financial progress towards implementing the priority axis
Output indicator	Total length of reconstructed or upgraded roads	Km	ERDF	Less developed	17	116	Project data	Indicator reflects the progress of implementation of the priority axis as 27% of the ERDF allocation for this priority axis is attributed to the achievement of this indicator
Output indicator	Implemented traffic safety improvement and environmental protection measures	Number	ERDF	Less developed	2	10	Project data	Indicator reflects the progress of implementation of the priority axis as 9% of the ERDF allocation for this priority axis is attributed to the achievement of this indicator
Output indicator	Length of new and/or reconstructed power transmission lines	Km	ERDF	Less developed	75	500	Project data	Indicator reflects the progress of implementation of the priority axis as 18% of the ERDF allocation for this priority axis is attributed to the achievement of this indicator
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	CF	Less developed	237,027,309	897,830,717	Project data	Binding indicator to monitor financial progress towards implementing the priority axis
Output indicator	Total length of reconstructed or upgraded railway lines within TEN-T network	Km	CF	Less developed	0	74	Project data	Indicator reflects the progress of implementation of the priority axis as 26% of the CF allocation for this priority axis is attributed to the achievement of this indicator.
Implementation step	The value of the output indicator "Total length of reconstructed or upgraded railway lines within TEN-T network" set in project financing and administration agreements	Km	CF	Less developed	32	-	Project data	The implementation step has been chosen since none of the projects will be completed by 2018 and on account of a longer period and later start of project implementation necessitated by the need for preparatory works related to technical documentation. The value of the output indicator set in project financing and administration agreements will be a benchmark for assessing whether the projects will be implemented to the required extent.
Output indicator	Total length of reconstructed or upgraded roads within TEN-T network	Km	CF	Less developed	23	157	Project data	Indicator reflects the progress of implementation of the priority axis as 34% of the CF allocation for this priority axis is attributed to the achievement of this indicator.

The milestones and final targets for the ERDF indicators shown in the Performance Framework have been set by reference to the historical data of the usage of funds and the achievement of indicators in the previous programming period, i.e. by reference to indicator values achieved by implementing similar interventions in an equivalent period, and by considering, at the same time, the envisaged volumes of investment and interventions in the current programming period as well as average unit cost rates applied in similar interventions. Another reference used for the setting of the milestones was the readiness of the sector to absorb EU funds, i.e. the need to complete preparatory works for the construction and/or renovation of roads and

railways, the need to coordinate state aid schemes and major projects for the construction of electricity transmission lines with the European Commission, as well as the institutional experience in administering EU funds.

The milestones and final targets for the CF indicators shown in the Performance Framework have been set by reference to the historical data of the usage of funds and the achievement of indicators in the previous programming period, i.e. by reference to indicator values achieved by implementing similar interventions in the equivalent period, and by considering, at the same time, the envisaged volumes of investment and interventions in the current programming period: Another reference used for the setting of the milestones was the readiness of the sector to absorb EU funds, i.e. the need to complete preparatory works for the construction and/or renovation of roads and railways and the specifics of the implementation of the measures, many of which require larger-scale and longer-duration projects.

<b>Indicative breakdown of expenditure by category</b>					
<b>Breakdown of expenditure by priority axis</b>		<b>Breakdown of expenditure by type of funding</b>		<b>Breakdown of expenditure by type of territory</b>	
Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)
05 (ERDF)	69,508,804	01 (ERDF)	390,625,213	01 (ERDF)	153,704,108
07 (ERDF)	84,195,304	01 (CF)	763,156,109	07 (CF)	763,156,109
024 (CF)	217,440,748			07 (ERDF)	236,921,105
026 (ERDF)	62,268,304				
028 (CF)	86,877,027				
033 (CF)	198,314,990				
034 (ERDF)	142,215,359				
035 (CF)	77,353,163				
037 (CF)	40,546,803				
039 (CF)	93,677,595				
041 (ERDF)	5,792,400				
042 (ERDF)	25,196,942				
044 (ERDF)	1,448,100				
044 (CF)	48,945,783				

<b>Indicative breakdown of expenditure by category</b>			
<b>Breakdown of expenditure by territorial delivery</b>		<b>Breakdown of expenditure by ESF secondary theme</b>	
Code	Financial proportion (EUR)	Code	Financial proportion (EUR)
07 (ERDF)	390,625,213		
07 (CF)	763,156,109		

**PRIORITY AXIS 7. PROMOTING QUALITY EMPLOYMENT AND PARTICIPATION IN THE LABOUR MARKET**

In the recent years, the employment in Lithuania has been growing steadily to reach 68.7% in 2012 (in the 20-64 age group) (cf. EU-27 average 68.5%), and the level of unemployment decreased but remained high (13.2% compared to the EU-27 average of 10.6%). Youth unemployment is particularly high in Lithuania (26.4% in 2012 in the 15-24 age-group compared to the EU-27 average of 22.8%). A very serious problem is a long-term and structural unemployment. In 2012, 195 thousand unemployed were registered in Lithuania: only one-tenth of them returned to employment within one month and as many as half of this number remained unemployed for a year or even longer. Qualifications and skills of a large share of job-seekers and inactive persons do not match labour market demands anymore. The problem of matching labour market demands is more often faced by low-skilled and older persons and persons with disabilities. Also, there are obvious disparities in territorial development: employment in urban areas is higher than in rural areas (72.7% and 60%, respectively). In general, the country's economic potential is concentrated in the five major cities, while small and medium-sized towns suffer from decreasing number of population, under-used economic potential and declining quality of public services.

To effectively address these problems, ERDF- and ESF-funded interventions must be combined to complement one another for the achievement of the same goals, i.e. promoting employment and supporting labour mobility. The ERDF allocation will be used to improve the infrastructure of institutions of the public employment service by targeting investments to those components of the restructured network where the development of infrastructure is necessary in order to increase accessibility, quality and effectiveness of employment services. Meanwhile, the ESF allocation will be used for the improvement of coverage, quality and effectiveness of ALMP measures, e.g. a more active application of the personalised approach, development of new services for specific target groups (e.g. for the long-term unemployed), ensuring territorial accessibility of services. Investments will also be made in the capacity-building of the public employment service (e.g. enhancement of employees' competences, improvement of their preparedness to provide quality personalised services) and in the setting-up of a system for the monitoring and assessment of the quality of the services provided.

<b>INVESTMENT PRIORITY 7.1</b>	<b>Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to and development of specific natural and cultural resources (8b)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 7.1.1</b>	<b>Diversify economic activities and improve conditions for attracting investment in support of job creation in target territories (urban areas)</b>
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This objective addresses territorial development challenges that hinder balanced employment in towns and their metropolitan areas and preclude attracting of investment that generates high value-added and quality employment in small and medium-sized towns or disadvantaged territories of larger towns, by minimising the impact of demographic changes on urban areas, adapting public infrastructures and promoting internal urban development that ensures resource efficiency and smaller impact of urbanisation (and suburbanisation) on the environment and climate change.

Investments under this objective will be made into the revitalisation of public urban spaces (by making use, inter alia, of their specific natural and cultural resources and objects shaping local identity) by increasing the flow of people; restructuring (conversion) of abandoned territories and

sites; balancing of the internal migration and tackling labour mobility problems through improvement of the living environment by focusing investments around the specifics of target territories, by forming the demand for local business in those territories and enhancing their attractiveness for private investment.

Interventions for the fulfilment of this objective must be complemented with interventions under other investment priorities; therefore, they will be implemented with the help of ITI through integrated territorial development programmes. Thus, investments under this objective will be complemented with actions related to the promotion of entrepreneurship (including direct support), support to employment, attraction of investment, transport and sustainable mobility solutions, etc.

The implementation of this objective will result in improved employability owing to higher diversity of economic activities, high value-added investment attracted to target territories, and preserved potential of key economic sectors in small and medium-sized towns threatened by adverse demographic processes.

#### ***Programme-specific result indicators for the ERDF***

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Material investments attracted to target territories*	%	Less developed	164,217	2012	290,000	Survey conducted by the Ministry of the Interior	Every two years
2.	Share of workers in enterprises of the total number of working-age population in municipalities with target territories identified**	%	Less developed	32.81	2012	38	Statistics Lithuania	Annual

\*Target territories include target territories specified by Section 3 of the Partnership Agreement: some of major cities (where sustainable urban development actions are implemented), also small and medium-sized towns recognised as target territories.

\*\*Target territories include small and medium-sized towns recognised as target territories; the statistical survey excludes economic operators engaged in agricultural, financial mediation, public administration and defence activities.

#### ***Actions to be supported under investment priority 7.1***

- Conversion of under-used or abandoned infrastructures and territories, creating conditions to attract new commercial activities to them, adapting them social and cultural infrastructure, community activities (including the elimination of contamination or demolition, where necessary, of buildings and structures posing damage to the environment). Investments will be promoted to abandoned territories and unused infrastructures, their adaptation for activities that will facilitate the emergence of new sources of social and economic development in these territories and create preconditions for private investment (through building the required infrastructure).
- Modernisation of public spaces by forming additional or new, or strengthening the existing, urban attraction centres by making use of the elements of the nature frame, cultural heritage, urban structures and landscape that shape local identity, and of cultural infrastructures important to local communities and urban and rural population. The aim is to build local demand, promote additional flows of visitors by forming the demand for local business and promoting attractiveness for investment, business development and job creation.
- Improvement of the living environment in residential districts, by setting up or renovating small-scale community infrastructure, cleaning the environment, investing in green infrastructure and accessibility of these territories (e.g. walking and cycling paths). Residential districts within central areas of major cities, as well as small and medium-sized towns are affected by significant demographic changes which lead to the basic (economic) infrastructure being not used efficiently, exerting pressure on suburban territories (where the cost of new infrastructure is relatively high

and employment possibilities are limited due to low density of population). Efforts will be made to balance migration flows by encouraging people to choose the place of living closer to their place of work (using the existing economic infrastructure more effectively).

<b>Common and programme-specific output indicators for the ERDF</b>							
No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Population in areas with integrated urban development strategies	Persons	ERDF	Less developed	250,000	Integrated territorial development programmes, Statistics Lithuania	Annual
2.	Open space created or revitalised in urban areas	m <sup>2</sup>	ERDF	Less developed	6,000,000	Project data	Annual
3.	New or renovated public or commercial buildings in urban areas	m <sup>2</sup>	ERDF	Less developed	25,000	Project data	Annual

<b>INVESTMENT PRIORITY 7.2</b>	<b>Investing in infrastructure for public employment services (8d)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 7.2.1</b>	<b>Improve the quality and accessibility of services provided by labour market institutions</b>
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Allocations from EU funds of previous programming periods were used to co-finance renovation and modernisation of the Lithuanian Labour Exchange (LLE) infrastructure.

However, not all infrastructure of the LLE was upgraded. Buildings used by Vilnius Office of Vilnius Territorial Labour Exchange, which is the largest office of territorial labour exchange (TLE) structural units by the number of services provided, are not properly adapted for its activities, office space is very limited and of a very poor status. Office space allowance is between 5 to 10 square meters per employee on average, with 3-4 employees sharing one room, plus the same number of customers served simultaneously. Vilnius Office has neither premises for personalised confidential meetings with customers nor meeting rooms for larger groups or break rooms for staff. Some premises are not accessible to people with disabilities: premises on the second floor can be accessed by stairs only. This causes much discomfort both to visitors and staff, and limits possibilities to provide high-quality services to jobseekers, employers, etc.

In the 2014-2020 period, investments will be focused on the remaining, largest component of the LLE network: Vilnius TLE administration and Vilnius Office, which must be renovated and developed in order to improve accessibility, quality and efficiency of the employment services provided. The investments will help to bridge the gap in the level of employment services throughout the country: all territorial divisions of the public employment services will have satisfactory conditions for the provision of services, including individualised ones. Investment in infrastructure under this specific objective will be coordinated with ESF investments under specific objectives 7.3.1 and 7.3.2.

<b>Programme-specific result indicators for the ERDF</b>
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No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Satisfaction in the quality of services and facilities in the Vilnius Territorial Labour Exchange	%	Less developed	78.17	2013	84.80	Lithuanian Labour Exchange	Annual

***Actions to be supported under investment priority 7.2***

- Improvement of the quality and accessibility of infrastructure in the administrative premises of Vilnius territorial labour exchange and Vilnius Office.

***Common and programme-specific output indicators for the ERDF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Infrastructure unit supported by investment	Number	ERDF	Less developed	1	Project data	Annual

<b>INVESTMENT PRIORITY 7.3</b>	<b>Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility (8i)</b>
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<b>FUND</b>	<b>European Social Fund</b>
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<b>SPECIFIC OBJECTIVE 7.3.1</b>	<b>Increase employment, especially among the long-term and unskilled unemployed and people with disabilities</b>
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The biggest problem lies in the fact that qualifications and skills of job-seekers and inactive persons do not match the labour market needs and that these people lack relevant experience. The problem of matching labour market needs is more often encountered by persons with low educational attainment and unskilled persons, young people (who do not have professional experience yet), older people and persons with disabilities. According to the data of the Lithuanian Labour Exchange, a relatively low number of people (about 20% of the total number of registered unemployed) were sent to participate in active labour market policy (ALMP) measures in 2012; moreover, the shortage of funding presses to offer shorter ALMP measures. The overall level of employment in the country is also driven down by low motivation to work (for certain groups of people, social benefits hardly differ from the likely income from employment), low supply of jobs, and the shadow economy. Therefore, investment must be coupled with regulatory measures (regulation of employment relations, improvement of taxation, combination of cash social assistance and the provision of individualised social services). To combine cash social assistance and the provision of individualised social services as well as to promote active participation in the labour market, a reform of the cash social assistance system was launched in 2012. Its main aim is to provide municipal administrations with more autonomy in making decisions on the distribution of cash social assistance. Long-term beneficiaries of cash social assistance are encouraged to work by leaving them with part of the social benefits for six months after becoming employed. Moreover, the social assistance system (cash social benefit, compulsory health insurance by state funds, etc.) is linked to the registration of the unemployed at the labour exchange, declaring that the person is actively looking for a job and is ready to participate in ALMP measures offered by the labour exchange. The labour exchange pays special attention to long-term unemployed, unskilled and disabled. These persons have a priority to be engaged in activities that boost motivation to find a job and participate in ALMP measures,

This objective will contribute to the solution of one of the above-mentioned problems, i.e.

lack of adequate qualifications, skills and professional experience among the unemployed (other challenges will be addressed by other investment priorities and objectives). Investments will be made in ALMP measures, particularly those aimed at providing or enhancing professional qualifications and competences of the unemployed, teaching practical skills, promoting territorial mobility, and other measures that could significantly contribute to the improvement of working skills and employability. Community works may be organised additionally, but they are financed only by public funds. Priority will be given to long-term, unskilled unemployed, people with disabilities, particularly to their integration into the labour market through the improvement of professional rehabilitation services. Efforts will be made to expand the coverage and effectiveness of ALMP measures, apply personalised employment action plans and offer new services, particularly those needed by the long-term unemployed, by taking into account results and outputs to be generated by implementing specific objective 7.3.2.

In addition to ALMP measures, employment will be increased through financial support to employers employing persons who face difficulties on the labour market (e.g. young or older persons) and financial incentives for qualified labour force to take up job vacancies in regions. These measures will increase the motivation of employers to create more jobs and stimulate the mobility of qualified labour force.

<i>Programme-specific result indicators for the ESF</i>										
No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	unit Baseline and target value measurement	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Participants engaged in employment after leaving ESF intervention, including self-employment	Less developed	Persons	Unemployed, including long-term unemployed	30	%	2013	35	Project data	Annual
2.	Participants gaining a qualification after leaving ESF intervention *	Less developed	Persons	Unemployed, including long-term unemployed	29	%	2013	42	Project data	Annual
3.	Participants engaged in employment after leaving ESF intervention, including self-employment	Less developed	Persons	Persons over 54 years old who are unemployed, including long-term unemployed, or inactive, not in education or training	30	%	2013	35	Project data	Annual
4.	Participants gaining a qualification after leaving ESF intervention *	Less developed	Persons	Persons over 54 years old who are unemployed, including long-term	29	%	2013	42	Project data	Annual

				unemployed, or inactive, not in education or training						
5.	Disabled who successfully finished ESF supported professional rehabilitation programmes	Less developed	Persons	-	90	%	2013	92	Project data	Annual

\*Qualification as defined in the EC monitoring and evaluation guidance document.

<b>SPECIFIC OBJECTIVE 7.3.2</b>	<b>Improving the effectiveness of a public employment service and making it more results-oriented</b>
<p>Several important changes were initiated in the LLE system in the past few years to reduce operational costs and increase efficiency. 2010 and 2011 saw restructuring and optimisation of the territorial network of labour exchanges: 10 territorial exchanges were established, with 49 sections in urban and rural municipalities, and youth employment subsections, etc. In 2012, the implementation of an evaluation system for results-oriented performance and remuneration of the staff of labour exchanges was kicked-off. In the area of services to job-seekers, a shift to personalised approach was made and job-seeker profiling was started. Moreover, incentives to work exclusively with persons who are prepared for the labour market the best are being reduced, stimulating to shift focus on unskilled persons, long-term unemployed or persons with difficulties to get employed.</p> <p>Further steps are needed to improve the effectiveness of services provided by labour exchanges. The current job-seeker profiling system is still underdeveloped. To make a more accurate assessment of the level of preparedness of the unemployed to join the labour market and to take into account the situation in the sector concerned, additional criteria should be introduced. There is a need for a consistent LLE staff training and adaptation system: new employees acquire the required skills on the job, they lack psychological knowledge and competences to work with job-seekers who are different in terms of their level of preparedness for the labour market and motivation. To ensure the effectiveness of personalised employment action plans as well as cut time for filling a job vacancy registered at the labour exchange, LLE staff must possess comprehensive information on labour demand in the labour market. Currently they rely only on short-term forecasts of labour force employment. There is also a need for an effective ALMP measures monitoring and evaluation system.</p> <p>Measures to be implemented in the 2014-2020 programming period will be aimed at improving the system of public employment services. The improvement of the labour market forecasting, predicting the demand for labour force for more than one year and forecasting not only professions in demand, but also the necessary qualifications and competences, will allow the LLE to plan and implement actions aimed at providing employers with the required labour force more accurately, thus shortening the time required for filling job vacancies. The refined profiling system will ensure more accurate identification of the job-seeker's suitability for a certain job and shorten the selection of candidates for job vacancies, while strengthened competences of the staff of the labour exchange will ensure more effective recruitment services. Improvements will also be made to the staff adaptation and competence-building system. Systematic assessments of the quality and availability of LLE services will be performed so as to improve current, and introduce new, services based on the results of such assessments. Every job-seeker therefore will be offered services that meet their individual needs and prospects of the labour market.</p>	

***Programme-specific result indicators for the ESF***

No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	Baseline and target value measurement unit	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Average length of time to fill a vacancy	Less developed	Number of working days	-	13,7	Number	2011	8.7	Project data	Annual
2.	Number of staff of the Lithuanian Labour Exchange gaining a qualification after leaving ESF intervention	Less developed	Persons	-	96	%	2012	98	Project data	Annual
3.	ALMP and sustainable employment monitoring and evaluation system designed and operational	Less developed	Number	-	0	Number	2014	1	Project data	Annual

\*Qualification as defined in the EC monitoring and evaluation guidance document.

<b>SPECIFIC OBJECTIVE 7.3.3</b>	<b>Increase labour demand by promoting entrepreneurship of the population, in particular those who face difficulties on the labour market</b>
<p>By the data of the Statistics Lithuania, the share of self-employed persons in the total employed population decreased in Lithuania from 11.9% in 2007 to 9.1% in 2011, as a consequence of the economic and financial crisis, lower purchasing power, reduced demand for services provided by small enterprises. In 2012, the share of self-employed persons grew slightly to reach 9.7%, but still remained low compared to the EU average of 15.2%, leaving Lithuania well behind in the area of self-employment. According to a study on entrepreneurship in Lithuania conducted by the International Business School of Vilnius University in 2011, access to finance for new and growing companies is too limited, and the education system fails to prepare young people for starting and developing their own business. Moreover, the economic crisis has incited a visible growth of the scale of illegal employment and shadow economy.</p> <p>In 2014-2020, interventions will be targeted at facilitating the establishment of new enterprises by providing start-up loans (except for economic entities in the sectors of agriculture, fisheries and aquaculture), repayable and non-repayable support. These interventions will be complemented with trainings and personalised counselling on the establishment and management of a new business. Distinction from interventions under Investment Priority 3.1 will be determined by applying two criteria: size of loan and duration of business/enterprise (as envisaged in the ex-ante conditionality No 8.2 “Self-employment, entrepreneurship and business creation: the existence of a strategic policy framework for inclusive start-up”). Interventions facilitating access to capital for start-ups are expected to encourage people to explore and implement new business ideas. The interventions will be open for all people willing to become self-employed, but the priority and more significant financial incentives will be provided to groups disadvantaged in the labour market (young people, people with disabilities, older people, etc.) and to those who will create “green” jobs.</p> <p>The interest of persons who face difficulties on the labour market in entrepreneurship will be boosted by proactive publicity measures promoting self-employment. These persons will also be at the centre of attention when organising training and providing advice. Moreover, additional financial incentives will be ensured for those who started a business: they will receive larger support directly related to new jobs in new business.</p> <p>Complex measures that facilitate business creation and management will encourage people to use support for starting a business and develop a sustainable, transparent and economically viable</p>	

business.

<i>Programme-specific result indicators for the ESF</i>										
No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	unitBaseline and target value measurement	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of new enterprises/businesses supported by a financial instrument for starting-up, successfully functioning 12 months upon receipt of lending	Less developed	%	81.7	0	%	2013	82	Project data	Annual

<b>SPECIFIC OBJECTIVE 7.3.4</b>	<b>Raise understanding of the society, business and public sector on the application of principles of equality between men and women and non-discrimination based on age, disability or other grounds, and strengthen capacity to recognise and stop occurrences of discrimination</b>
<p>Gender gaps exist in many fields, particularly in employment and labour. In 2012, the level of employment of the population aged 15-64 was 61.9% and that of men 62.5%. Gender pay gap in Lithuania was 11.9% in 2011 (cf. EU average 16.4%). The gender gap in the labour market is caused by many factors: lack of knowledge on the advantages and the added value of the equality between women and men, lack of knowledge on the instruments available for the achievement of gender equality and lack of capacities to apply them at work, etc.</p> <p>The societal attitude that not all members of the society are equal also has an adverse effect on the possibility of other social groups to take part in social life on an equal basis with others. By the data of the Eurobarometer survey conducted in 2012, the most prevalent form of discrimination in Lithuania was discrimination on the grounds of age (people over 55 years) and disability. The relatively low level of employment in these groups is also associated with the fact that a large share of employers and members of social and disadvantaged groups have little understanding of discrimination and of the ways to change the situation.</p> <p>In the 2014-2020 programming period, Lithuania will seek to improve the equality between women and men, particularly in the labour market, including measures to reduce segregation in the labour market and increase balanced representation in decision-making. Efforts will be made to reduce discrimination in the labour market on the grounds defined in the Law on Equal Treatment. Investments will be made in systemic targeted trainings, education and awareness-raising for the</p>	

public and for the business and public sectors, in the capacities to apply gender equality models (e.g. gender equality planning at work), and in other measures. The interventions planned will help to systematically reduce gender gaps. Other interventions will be targeted at raising awareness, mutual understanding and tolerance, seeking to enhance the society's knowledge on discrimination and its negative effects.

The major expected outcome: a better understanding of the advantages of the equality between women and men in the labour market and of discrimination on the basis of disability and other grounds.

<i>Programme-specific result indicators for the ESF</i>										
No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	unitBaseline and target value measurement	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of persons who apply in practice the knowledge and skills acquired through participation in events promoting gender equality and non-discrimination in the labour market	Less developed	Persons	-	20	%	2013	25	Survey	Twice per period

### ***Actions to be supported under investment priority 7.3***

#### *Actions of specific objective 7.3.1:*

- ALMP measures (vocational training and education of unemployed persons and persons threatened by unemployment; support for professional skills; subsidised employment; job rotation; support for territorial mobility of the unemployed; other ALMP measures to improve employability of the unemployed), internships and apprenticeships for the acquisition of professional skills; measures relevant for a personalised approach towards a job-seeker: personalised counselling, support after employment, etc.
  - Provision of professional rehabilitation services to people with disabilities, with a focus on support for integration into the labour market upon engagement in professional rehabilitation; provision of recruitment services and assistance to adapt in the new workplace, long-term support in the new workplace (consulting, psychological assistance).
- Support for the promotion of employment of persons, especially those facing difficulties on the labour market (e.g. young or older persons), and the territorial mobility of qualified labour force.

#### *Actions of specific objective 7.3.2:*

- Improvement of performance of labour market institutions: enhancement of special skills of staff; development of new, and improvement of the existing, services, particularly through the implementation of personalised approach enabling to assess the situation of every single applicant

and to offer him/her an optimal package of services; monitoring of the implementation of labour market policy measures, evaluation and enhancement of their suitability, relevance and effectiveness; establishment of the youth guarantee monitoring system; other measures aimed at improving the quality of operations and services provided by the institutions; ensuring functioning of the European Employment Service (EURES) in Lithuania: support for the improvement of performance management, staff competences, and the quality of services, and for the provision of services.

*Actions of specific objective 7.3.3:*

- Support for start-ups: provision of loans; compensation of interest payments; provision of other repayable and non-repayable support; other entrepreneurship promotion measures for small and medium-sized enterprises, family business and natural persons; trainings and personalised counselling on the establishment of a new business, its management, etc.;

*Actions of specific objective 7.3.4:*

- Educational and training activities; preparation of methodological guidance materials; adaptation and counselling; enhancement of skills; public awareness-raising campaigns; studies; monitoring and assessment; exchange of experience; projects aimed at strengthening the equality between women and men and reducing discrimination on the basis of age, disability and other grounds specified in the Republic of Lithuania Law on Equal Treatment (sex, race, nationality, language, origin, social status, beliefs, views and convictions, age, sexual orientation, disability, ethnic belonging, religion). Use will made of the experience and products acquired and created in the 2007-2013 programming period, by applying and disseminating them in regions and on the national scale.

***Common and programme-specific output indicators for the ESF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Unemployed, including long-term unemployed, who participated in ESF activities	Number	ESF	Less developed	55,000	Project data	Annual
2.	Unemployed, including long-term unemployed, participants in ESF activities, of which: long-term unemployed	Number	ESF	Less developed	25,500	Project data	Annual
3.	Persons above 54 years of age, who are unemployed, including long-term unemployed, or inactive, not in education or training, who participated in ESF activities	Number	ESF	Less developed	30,500	Project data	Annual
4.	Disabled participants in the ESF-supported professional rehabilitation programme	Number	ESF	Less developed	5,000	Project data	Annual
5.	Staff of the Lithuanian Labour Exchange that has participated in ESF activities	Number	ESF	Less developed	1,200	Project data	Annual
6.	Persons and enterprises supported by a financial instrument for starting-up	Number	ESF	Less developed	1,000	Project data	Annual
7.	Persons or enterprises that used the financial measure for starting a business, of which: persons and enterprises facing difficulties on the labour market	Number	ESF	Less developed	440	Project data	Annual
8.	Number of new jobs in new enterprises/businesses	Number	ESF	Less developed	1,800	Project data	Annual
9.	Number of new jobs in new enterprises/businesses, of which: persons facing difficulties on the labour market, employed at new enterprises/businesses	Number	ESF	Less developed	810	Project data	Annual
10.	Persons who participated in events promoting gender equality and reduction of discrimination in the labour market	Number	ESF	Less developed	5,000	Project data	Annual

<b>INVESTMENT PRIORITY 7.4</b>	<b>Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation Youth Guarantee</b>
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<b>FUND</b>	<b>Youth Employment Initiative and European Social Fund</b>
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<b>SPECIFIC OBJECTIVE 7.4.1</b>	<b>Reduce the number of young people between 15 and 29 years of age not in employment, education or training</b>
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High level of unemployment among young people is one of the biggest challenges in the EU and Lithuania. In 2012, the level of unemployment among population aged 15-29 was higher than the overall level of unemployment (13.6% in the 15-64 age group). In 2009-2012, the highest unemployment was recorded in the age-group of 15-24 years (as a share of unemployed young people in the overall number of people aged 15-24 willing and capable to work) reaching 26.4%, or 32 thousand persons, in 2012, and making it one of the highest levels in the EU (cf. EU-27 average of 22.8%). Unemployment in the 25-29 age group was slightly lower, standing at 14.3%. In 2012, the share of young people of 15-29 years not in employment, education or training (NEET) accounted for 13.9% of the total number of population in this age-group. The largest share of NEET young persons was recorded in the 25-29 age group, standing at 20.3%, and in the 15-24 age-group, standing at 11.1%, in 2012. According to findings of the Eurofound research conducted in 2011, this large share of NEETs is very costly not only due to the growing demand for social benefits and allowances but also because it means a waste of the labour force potential. NEETs lose skills and qualifications demanded in the labour market.

In the 2014-2020 programming period, investments in the promotion of youth employment will be among the key priorities of Lithuania and the EU. With a view to achieving a significant decline of youth unemployment, measures set out in the Youth Guarantee Implementation Plan will be implemented: within 4 months of registering within a labour exchange or joining the Youth Guarantee Initiative, all young people aged between 15 and 25 and not in employment, education or training must receive an offer of employment, continued education, a professional qualification to be acquired or improved, an internship or apprenticeship. Every participant will have an individual plan developed in accordance with their needs and status. The individual plan will cover all possible activities of activation and integration into the labour market, aimed at ensuring that a young person has a job, apprenticeship and traineeship. The Youth Guarantee Initiative will facilitate young people's transition from education to the labour market and the acquisition of skills demanded in the labour market. Early intervention, activation and labour market integration services will be provided, to promote education, socialisation and employment of NEETs.

<b>Common and programme-specific result indicators for the YEI and the ESF</b>										
<b>No</b>	<b>Indicator</b>	<b>Category of region</b>	<b>Measurement unit</b>	<b>Common output indicator used as the basis</b>	<b>Baseline value</b>	<b>unit</b>	<b>Baseline year</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
1.	Unemployed participants who completed participation in YEI-supported intervention	Less developed	Number of persons	Unemployed, including long-term unemployed	70	%	2013	75	Project data	Annual
2.	Unemployed participants who received an offer of employment, continued education, apprenticeship or traineeship after leaving	Less developed	Number of persons	Unemployed, including long-term unemployed	45	%	2013	50	Project data	Annual
3.	Unemployed participants who are in education/training, gained a qualification, or are in employment, including self-employment, after leaving	Less developed	Number of persons	Unemployed, including long-term unemployed	45	%	2013	50	Project data	Annual
4.	Long-term unemployed participants who completed participation in YEI-supported intervention	Less developed	Number of persons	Long-term unemployed	45	%	2013	50	Project data	Annual
5.	Long-term unemployed participants who received an offer of employment, continued education, apprenticeship or traineeship after leaving	Less developed	Number of persons	Long-term unemployed	30	%	2013	32	Project data	Annual
6.	Long-term unemployed participants who are in education/training, gained a qualification, or are in employment, including self-employment, after leaving	Less developed	Number of persons	Long-term unemployed	25.4	%	2013	26	Project data	Annual
7.	Inactive participants not in education or	Less developed	Number of persons	Inactive, not in	30	%	2013	35	Project data	Annual

<b>Common and programme-specific result indicators for the YEI and the ESF</b>										
No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	unitBaseline and target value measurement	Baseline year	Target value (2023)	Source of data	Frequency of reporting
	training who completed participation in YEI-supported intervention			education or training persons						
8.	Inactive participants not in education or training who receive an offer of employment, continued education, apprenticeship or traineeship after leaving	Less developed	Number of persons	Inactive, not in education or training persons	24	%	2013	30	Project data	Annual
9.	Inactive participants not in education or training who are in education/training, gained a qualification, or are in employment, including self-employment, after leaving	Less developed	Number of persons	Inactive, not in education or training persons	8.5	%	2013	10	Project data	Annual
10.	Participants in continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving	Less developed	Number of persons	-	8,9	%	2013	16	Survey	Annual
11.	Participants in employment six months after leaving	Less developed	Number of persons	-	36,8	%	2013	44	Survey	Annual
12.	Participants in self-employment six months after leaving	Less developed	Number of persons	-	7	%	2013	9	Survey	Annual

#### **Actions to be supported under investment priority 7.4**

- Support to interventions set out in the Youth Guarantee Implementation Plan. The aim is to ensure that all young people who have completed formal education or are unemployed receive, within 4 month of registering with the labour exchange or joining the Youth Guarantee Initiative, an offer of employment, continued education, internship or apprenticeship. Every participant will have an individual plan developed in accordance with their needs and status. The individual plan will cover all possible activities of activation and integration into the labour market, aimed at ensuring that a young person has a job, apprenticeship and traineeship. Financing will be available to:

- early intervention and youth activation services: guidance and counselling services concerning the choice of profession, social and psychological rehabilitation, volunteering, mentoring and similar activities;
- measures promoting integration into the labour market: formal and non-formal vocational training, subsidised employment, traineeships and apprenticeships, other relevant activities.

***Common and programme-specific output indicators for the ESF and YEI***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Persons aged between 15 and 29 who are not in education or training, who participated in YEI-supported intervention	Number	YEI	Less developed	35,000	Project data	Annual
2.	Persons aged between 15 and 29 who are not in education or training, who participated in ESF-supported intervention	Number	ESF	Less developed	10,000	Project data	Annual
3.	Persons who are not in education or training, who participated in YEI-supported intervention, of which aged between 15 and 29	Number	YEI	Less developed	8,000	Project data	Annual
4.	Persons aged between 15 and 29 who are not in education or training, who participated in YEI-supported intervention, of which aged between 25 and 29	Number	ESF	Less developed	2,000	Project data	Annual

***ESF-specific provisions***

For this investment priority, no additional investments to promote application of social innovations and international cooperation are envisaged.

Interventions envisaged under priority axis 7 (ALMP, professional rehabilitation for the disabled, start-up support, etc.) will contribute to the growth of labour force demand. These interventions are interrelated with priority axis 3, which envisages investments in promoting entrepreneurship and the establishment of new enterprises, internationalisation of SME activities and their capacities to engage in economic growth and innovation processes. Support under priority axis 3 will be focused on the demand side, while those under priority axis 7, on the supply side of labour force. Priority axes 3 and 7 are linked also by the fact that they both envisage entrepreneurship promotion interventions.

All investment priorities under priority axis 7 deal with investments in training to facilitate integration of the unemployed into the labour market, in the enhancement of capacities of labour market institutions, etc. ALMP measures will be planned in close coordination with interventions under priority axis 9 targeted at promoting lifelong learning and enhancing the match between the potential and skills of human resources, on one side, and the demands in the labour market, on the other side. Many of such trainings will include the provision and improvement of digital literacy skills, complementing digital literacy improvement interventions anticipated under priority axis 2 "Promoting information society".

Investment priority 7.1 envisages promoting the use of cultural services through modernisation and conversion of cultural infrastructures, whereas investment priority 2.3, through transfer of cultural services into the digital area and dissemination of the digital cultural content.

Investment priority 7.1 envisages the modernisation of public spaces and investments in the infrastructure to promote attractiveness of the relevant territory for investment and to improve the living environment. These investments are interrelated with priority axis 6, which envisages the improvement of transport and main networks infrastructure. Investments under priority axis 6

will also contribute to improved quality of the living environment and attractiveness of territories for investment.

Specific objective 7.3.4 is aimed at promoting the equality between women and men and reducing all forms of discrimination. This is a horizontal area, interlinked with all other priorities of the Operational Programme. All project applicants will have to ensure that their projects respect the principles of equal opportunities and non-discrimination.

***Guiding principles for selection of projects/actions:***

Investment priority 7.1 will be implemented by applying the ITI-based model: setting target territories, and adopting and implementing integrated development programmes.

For the purpose of selecting target territories from among residential areas with population between 6 and 100 thousand (including smaller towns which are administrative centres of municipalities) and setting specific measures to promote their development (also transitional measures for the development of target territories), account will be taken of the social, demographic and economic environment and development challenges facing the town and the surrounding territory (sub-region) concerned. Target territories in the five major cities will be selected on the basis of a pre-defined size of the urban district (population of 30-40 thousand); investments there will be focused on addressing major challenges commonly faced by such territories and will be allocated by adhering to the principles of sustainable urban development laid down in the Partnership Agreement and Chapter 4 of the Operational Programme.

Integrated territorial development programmes will be drafted by municipalities in cooperation and by consultation with competent authorities (including ministries, universities, territorial labour exchange offices and other public bodies), social and economic partners and local community. These programmes set development goals and objectives, target result and output indicators (with regard to investment priority 7.1 and other priority axes of the Operational Programme, allocations of which will be used) and a list of operations or group of operations, the implementation of which will help achieve these indicators. Following the guidelines for drafting and implementation of integrated territorial development programmes, municipalities that draft such programmes will have to ensure and justify that the intervention is evidence-based (situation analysis), different (realistic) investment alternatives have been considered (at the level of goals, objectives and actions) and the alternative chosen ensures the largest impact on the achievement of results and outputs at the optimal cost.

Projects implementing integrated territorial development programmes may be selected by way of state or regional project planning procedures, where they are in line with the operations set out by integrated territorial development programmes drafted by municipalities, or by way of tendering, where the same objective set by an integrated territorial development programme may be implemented by several eligible applicants using different approaches.

In cases where projects implemented outside the target territory may contribute to goals of integrated territorial development programmes effectively (or even more effectively than ITIs), they may be implemented by way of regional project planning procedures, ensuring that these projects will be conducive to goals of integrated territorial development programmes and help implement the general strategy of the region, that is the regional development plan.

If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.

The investments into cultural and sustainable tourism infrastructure objects for the development of endogenous potential will be based on the provisions of Article 3 of the ERDF Regulation, with particular consideration of Article 3(1) (e) provisions.

Projects under investment priorities 7.2 and 7.4 of the Operational Programme will be selected by way of state project planning procedures (direct grant). If it is decided that grants are

awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.

Projects under investment priority 7.3 will be selected by way of tendering and state project planning procedures (direct grant). If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent. Interventions under Investment Priority 7.3 will be planned in close coordination with interventions under the Lithuanian Rural Development Action Programme 2014-2020 targeted at promoting employment of rural population.

#### ***Financial instruments and their description***

For investment priority 7.1, possibilities to use financial instruments are currently being analysed, i.e. an ex ante evaluation is being carried out and it will serve as a basis for deciding on the use of specific financial instruments.

For the implementation of investment priority 7.3, microcredits, compensation of interest payments, repayable and non-repayable support to promote self-employment will be used.

For other investment priorities under this priority axis of the Operational Programme, the use of financial instruments is not envisaged.

#### ***Major projects***

No major projects are envisaged under this investment priority.

<b>Performance Framework</b>								
<b>Indicator type (implementation steps, financial, output and result indicators)</b>	<b>Indicator or implementation step</b>	<b>unitMeasurement</b>	<b>Fund</b>	<b>Category of region</b>	<b>Milestone for 2018</b>	<b>Final target (2023)</b>	<b>Source of data</b>	<b>Explanation of relevance of indicator</b>
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	ERDF	Less developed	121,048,686	495,646,043	Project data	Binding indicator to monitor financial progress towards implementing the priority axis
Output indicator	Open spaces created or rehabilitated in urban areas	sq.m.	ERDF	Less developed	0	6,000,000	Project data	Indicator reflects the progress of implementation of the priority axis as 62% of the ERDF allocation for this priority axis is attributed to the achievement of this indicator
Implementation step	The value of the output indicator "Open spaces created or rehabilitated in urban areas" set in project financing and administration agreements	sq.m.	ERDF	Less developed	3,600.000	-	Project data	The implementation step has been chosen since no project will be completed by 2018. This is due to a longer period of project implementation. The value of the output indicator set in project financing and administration agreements will be a benchmark for assessing whether the projects are being implemented to the required extent.
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	ESF	Less developed	100,929,497	286,731,526	Project data	Binding indicator to monitor financial progress towards implementing the priority axis
Output indicator	Unemployed, including long-term unemployed	Persons	ESF	Less developed	19,250	55,000	Project data	Indicator reflects the progress of implementation of the priority axis as 34% of the ESF allocation for this priority axis is attributed to the achievement of this indicator
Output indicator	Persons over 54 years of age who are unemployed, including long-term unemployed, or inactive persons not in training or education, who participated in ESF activities	Persons	ESF	Less developed	10,500	30,000	Project data	Indicator reflects the progress of implementation of the priority axis as 18% of the ESF allocation for this priority axis is attributed to the achievement of this indicator
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	YEI	Less developed	69,173,966	69,173,966	Project data	Binding indicator to monitor financial progress towards implementing the priority axis
Output indicator	Persons below 30 years	Persons	YEI	Less developed	35,000	35,000	Project data	Indicator reflects the progress of implementation of the priority axis as 100% of the YEI allocation for this priority axis is attributed to the achievement of this indicator

The milestones and final targets for the ERDF indicators shown in the Performance Framework have been set by reference to the historical data of the usage of funds and the achievement of indicators, i.e. by reference to indicator values achieved by implementing similar interventions in regional economic growth centres in an equivalent period, and by considering, at the same time, the envisaged volumes of investment and operations in the current programming period.

Another reference used for the setting of the milestones was the readiness of cities to absorb EU funds through the application of integrated territorial investment model, i.e. the novelty of the initiative, the need for a timely drafting of integrated territorial development programmes and relevant legal acts.

The milestones and final targets for the ESF indicators shown in the Performance Framework have been set by reference to the historical data of the usage of funds and the achievement of indicators in the previous programming period, i.e. by reference to indicator values achieved by implementing similar interventions in an equivalent period, and by considering, at the same time, the envisaged volumes of investment and operations in the current programming period as well as average unit cost rates applied in similar interventions. Another reference used for the setting of the milestones was the readiness of the sector to absorb EU funds, i.e. readiness of strategic planning documents, the needs and deadlines specified therein for the implementation of interventions aimed at target groups.

The milestones and final targets for the YEI indicators shown in the Performance Framework have been set by reference to the historical data of the usage of funds and the achievement of indicators in the previous programming period, i.e. by reference to indicator values achieved by implementing similar interventions in an equivalent period, and by considering, at the same time, the envisaged volumes of investment and operations in the current programming period as well as average unit cost rates applied in similar interventions. The milestones also take account of the requirement to absorb all YEI funds by the end of 2018 at the latest. After using YEI funds the implementation of actions under specific objective 7.4.1 will be financed by ESF funds.

<b><i>Indicative breakdown of expenditure by category</i></b>									
<b>Breakdown of expenditure by priority axis</b>		<b>Breakdown of expenditure by type of funding</b>		<b>Breakdown of expenditure by type of territory</b>		<b>Breakdown of expenditure by territorial delivery</b>		<b>Breakdown of expenditure by ESF secondary theme</b>	
Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)
055 (ERDF)	421,299,136	01 (ERDF)	421,299,136	01 (ERDF)	286,393,473	01 (ERDF)	306,767,327	06 (ESF)	724,050
0102 (ESF)	226,269,027	01 (ESF)	203,174,994	02 (ERDF)	43,543,456	03 (ERDF)	110,692,430	07 (ESF)	724,050
0103 (ESF)	17,452,770	01 (YEI)	63,565,266	03 (ERDF)	87,522,828	07 (ERDF)	3,839,379	08 (ESF)	242,273,697
0103 (YEI)	63,565,266	04 (ESF)	23,169,601	07 (ERDF)	3,839,379	07 (ESF)	243,721,797	08 (YEI)	63,565,266
		06 (ESF)	17,377,201	07 (ESF)	243,721,797	07 (YEI)	63,565,266		
				07 (YEI)	63,565,266				

**PRIORITY AXIS 8. PROMOTING SOCIAL INCLUSION AND COMBATING POVERTY**

In the 2014-2020 programming period, actions will be taken to reduce the gap between different municipalities in terms of the availability of social and health services, improve the quality of social services, introduce new social services, implement deinstitutionalisation and develop community-based services. The most efficient way of achieving this is to combine ERDF and ESF investments.

In 2014-2020, the ERDF allocation will be used to upgrade health and social services infrastructure, including any other public infrastructure in rural areas and small towns necessary for community-based social and cultural activities and for improving health status of the population. Meanwhile, the ESF funds will be targeted at making this infrastructure an integral part of the national system of public services and ensuring its proper functioning even after completion of support schemes. Financing will be provided for the development of new social services, improvement of their quality and accessibility, testing of different service provision models, improvement of competences of the staff that provide such services. Support will be aimed at ensuring integrity of social, health-care and cultural services, promoting the engagement of local government and non-governmental sector in planning, developing and providing such services.

<b>INVESTMENT PRIORITY 8.1</b>	<b>Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services, and the transition from institutional to community-based services (9a)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 8.1.1</b>	<b>Increase the share of community-based social services through transition from institutional to community-based services</b>
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Population ageing and emigration are among the causes of the growing need for social services to disadvantaged groups of the society in Lithuania. There is a growing number of older single persons who need – due to their age and health status – social services and social care, which are, unfortunately, still underdeveloped in municipalities. Institutionalised social services are better developed than community-based services because of the several decades-long formation of the institutional structure of social services. For instance, in 2012, social care institutions for the elderly and persons with disabilities accommodated 10,632 persons, while independent living homes, only 262 persons. Child care homes accommodated over 4 thousand children (under guardianship).

In the 2014-2020 programming period efforts will be made to reduce disparities in the availability of social services, improve the quality of social services, introduce new social services, and reform the child rights protection system. An important systemic change aimed at in the 2014-2020 period is the deinstitutionalisation of social services and development of community-based services. Deinstitutionalisation will be implemented in accordance with the Action Plan 2014-2020 for the Transition from Institutional Care to Family- and Community-based Services for Children with Disabilities and Deprived from Parental Care and with regard to the Common European Guidelines on the Transition from Institutional to Community-based Care.

In pursuing these changes, the ERDF allocation will be targeted at developing the infrastructure and organisation of community-based and/or non-institutional services. Such investments, coupled with ESF-supported interventions (under investment priority 8.4), will serve to reduce the share of institutionalised children (deprived of parental care) and persons with mental and/or intellectual disabilities, and to develop services relevant to other social groups. It will also help ensure that new service recipients who do not live in care facilities do not end up in

residential facilities as a result of under-developed community-based services.

**Programme-specific result indicators for the ERDF**

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of disabled people receiving community-based social services, of the total number of disabled people receiving social services	%	Less developed	73	2012	80	Statistics Lithuania	Annual
2.	Share of children under care (guardianship) receiving community-based social care services, of the total number of children under care (guardianship)	%	Less developed	61.7	2012	73	Statistics Lithuania	Annual

**SPECIFIC OBJECTIVE 8.1.2 Facilitate access to social housing for the most disadvantaged social groups**

Only a small share of the demand for social housing is currently met in Lithuania. In 2012, the waiting list for the rent of social housing contained over 31 thousand persons (families). These families made about 70 persons altogether. In 2012, social housing was rented to 1,086 persons (families). Thus, housing was provided to over 2.4 thousand persons. The availability of social housing is the biggest issue in the largest towns of Lithuania (e.g. in 2012, social housing was rented to only 53 persons (families) out of 6,289 on the waiting list in Vilnius).

By the data of the Ministry of Social Security and Labour, over 1,520,000 sq. m. of the useful floor-area is needed in total in order to fully satisfy the need for social housing in Lithuania. New draft amendments to the Law of State Support for the Acquisition or Rent of Housing and Renovation of Multi-Apartment Houses provide for a new form of support for the rent of housing, i.e. a partial compensation of rent or lease-purchase payments (families and persons entitled to social housing but renting a housing on market conditions from legal and natural persons have a right to a compensation of a share of their rent or lease-purchase payments). By the data of survey conducted in 2013, this new form of support would be interesting to about 70% of the persons (families) waiting for a social housing. To provide housing to the remaining 30% of applicants who, due to their social status, cannot afford renting housing on the market, the municipal social housing stock will be expanded, by purchasing, constructing, reconstructing and otherwise adapting existing buildings for social housing purposes. These plans will be implemented by using ERDF support funds and privatisation funds to be received pursuant to the above-mentioned legislative amendments for housing rented on other than social housing conditions. Support for social housing will be coordinated with ESF investments under Investment Priorities 8.3 and 8.4, thereby ensuring an integrated response to problems faced by disadvantaged groups and families and helping them to integrate into the society and the labour market.

**Programme-specific result indicators for the ERDF**

No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of persons (families) renting municipal social housing, of the total number of persons (families) on the waiting list	%	Less developed	3,6	2012	14	Ministry of Social Security and Labour	Annual

<b>SPECIFIC OBJECTIVE 8.1.3</b>	<b>Improve health-care quality and accessibility for target groups and reduce health inequalities</b>
<p>Barriers to high-quality and accessible health-care services have a larger impact on population of certain territories (municipalities) and certain target groups, i.e. they are exposed to a higher risk of delayed diseases and premature deaths, have less favourable opportunities for the formation of healthy lifestyles and lower level of health literacy. For instance, in 23 municipalities, age-standardised (0-64 years) mortality rates from circulatory diseases exceeded the national average in 2007-2011 by 20% or even more. By the data of 2012, population of urban municipalities made more frequent visits to physicians (10.2 visits per person) than population of regional municipalities (6.2 visits per person). Therefore, this objective will be pursued by coordinating integrated actions and developing infrastructure in order to ensure equal access (to a maximum possible extent) to the population of the identified target territories and target groups to high-quality public services of health promotion, disease prevention, early diagnostic and specialised health-care. Investments will also be made in the introduction and development of efficient models for the organisation, provision and management of health-care services and timely aid by supporting innovative and efficient solutions and technologies to enhance the level of health literacy, to provide consultations, medical treatment and to observe target groups and to maintain their quality of life.</p> <p>The target population groups include: 1) population of municipalities with the highest rates of premature mortality from the main non-communicable diseases; 2) people from certain social risk groups with high rates of morbidity with certain diseases (such as tuberculosis, alcohol addiction) due to their social and economic status (unemployment, poverty, etc.) and addictions (alcohol and other) and with limited access to health-care (people with disabilities, etc.); 3) children (below 18 years) as they are more than others threatened by social exclusion due to economic and social factors such as social and economic status of the family and employability and by adverse effects of these factors for their health; 4) elderly people (55 years and older), seeking to maintain, as long as possible, good health of elderly people, to improve their quality of life and to create the conditions for them to stay active in employment and in the community and live independently.</p> <p>Interventions envisaged in the 2014-2020 programming period for the implementation of this objective will help to reduce territorial disparities in terms of the availability of public and personal health-care services and in terms of the level of health status, as well as to develop services relevant for social risk groups, to create preconditions for longer and healthier living for these population groups, lower risks of premature deaths, social exclusion and poverty.</p> <p>The implementation of this objective will complement interventions to be implemented through integrated territorial development programmes by applying ITI, depending on the degree of inequalities in terms of health status and health care quality and accessibility.</p>	

<b>Programme-specific result indicators for the ERDF</b>								
No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Decline of age-standardised (0-64 years) rate of mortality from system diseases in target territories <sup>4</sup>	Deaths per 100,000 population	Less developed	158,91	2012	105	Health Information Centre of the Institute of Hygiene	Annual

<sup>4</sup> Target territories are:

- municipalities where age-standardised (0-64 years) mortality rates (SMR) exceeded the national average in 2007-2011 as follows: circulatory diseases by more than 20%, cerebrovascular diseases by more than 20%, malignant tumors by more than 8%, external causes by more than 20%;
- municipalities with largest disparities in terms of accessibility of child health-care services.

2.	Decline of age-standardised (0-64 years) rate of mortality from cerebrovascular diseases in target territories	Deaths per 100,000 population	Less developed	30,03	2012	24	Health Information Centre of the Institute of Hygiene	Annual
3.	Decline of age-standardised (0-64 years) rate of mortality from malignant tumours in target territories	Deaths per 100,000 population	Less developed	91,85	2012	78	Health Information Centre of the Institute of Hygiene	Annual
4.	Decline of age-standardised (0-64 years) rate of mortality from external causes in target territories	Deaths per 100,000 population	Less developed	135,44	2012	82	Health Information Centre of the Institute of Hygiene	Annual
5.	Difference in the number of visits to physicians per person between population of urban and regional municipalities	Visits per person	Less developed	4	2012	3	Health Information Centre of the Institute of Hygiene; compulsory health insurance information system SVEIDRA	Annual

### ***Actions to be supported under investment priority 8.1***

- *Actions of specific objective 8.1.1:*
- Gradual deinstitutionalisation of social care of children deprived of parental care and people with intellectual and/or mental disabilities, by setting up social services infrastructure in municipalities and local communities. It is planned to develop infrastructure of transitional services and non-institutional social services; address the issue of the availability of housing, i.e. to establish group living or independent living homes; to develop infrastructure necessary for organising alternative forms to institutional child care; in exceptional cases, where the community-based service provision model is not applicable, to develop infrastructure of institutions which will provide specialised institutional care services to persons who cannot take care of themselves and to reintegrate into the family/society, and to improve their quality (according to preliminary estimates, from 5 to 7% of the resources allocated by the EU funds to this specific objective will be spent on the infrastructure of specialised institutional care facilities).
- Development of infrastructure of non-institutional, community-based services for disadvantaged groups and families not covered by the deinstitutionalisation process. There are plans to develop non-institutional service centres (e.g. psycho-social assistance institutions for people addicted to psychoactive substances, victims of trafficking in human beings and violence, abusers, day centres for people with disabilities, except for mental disabilities).
- Modernisation and development of infrastructure of social care homes for the elderly in the community.
- *Actions of specific objective 8.1.2:*
- Expansion of the stock of social housing: construction, reconstruction and modernisation of buildings to adapt them for social housing purposes; acquisition of residential houses and apartments.
- *Actions of specific objective 8.1.3:*
- Support for infrastructure aimed at improving the quality and accessibility of public health-care services and integrating them with personal health-care and social services; improving the

organisation of primary personal health-care; developing nursing and palliative care services in personal health-care institutions, and providing such services at patients' home; improving performance of ambulance services;

- Development of infrastructure to facilitate access to timely and high-quality specialised (provided by specialists) medical aid and health-care services for target groups (e.g. acquisition of equipment and/or vehicles for mobile services and specialised aid in the referred localities, patient transportation services, remote health services);
- Introduction and development of efficient and innovative models of health-care services infrastructure (physical and ICT) to enhance accessibility and quality of health-care services (health education, disease prevention, early diagnostics, medical rehabilitation and health recovery, etc.) for population of target territories with a view to strengthening the prevention and management of risk factors of the main chronic diseases (circulatory, cerebrovascular, oncologic diseases) and external causes of death, and reducing the rate of premature mortality and disability caused by these diseases;
- Investment in infrastructure aimed at improving children's health, disease prevention, early diagnostics and efficient treatment;
- Renovation and/or development of infrastructure targeted at the enhancement of efficiency of tuberculosis prevention, diagnostics and treatment;
- Investment in infrastructure enabling to improve accessibility of health-care services (e.g. oral hygiene (odontology), medical rehabilitation and health recovery, disease prevention, etc.) for most disadvantaged social groups (people with disabilities, etc.), as well as infrastructure for the development of services of prevention, diagnostics and treatment for addictive disorders (e.g. "low-threshold" health-care outlets, active guidance, engagement of persons, especially low-educated persons, low-income persons, persons with mental disorders, unemployed persons, to attend smoking/drinking cessation group sessions, etc.);
- In the field of healthy ageing, investments will be made in infrastructure for the prevention and early diagnostics of ageing-associated diseases, also in the renovation of infrastructure for the development of geriatric services, medical rehabilitation and more effective and faster health recovery.

Investments under this specific objective will contribute to, and complement, interventions under Specific Objectives 8.4.3 and 2.3.1, and will be related to investments under Investment Priority 1.2 aimed at developing and introducing innovations in health-care.

<b><i>Common and programme-specific output indicators for the ERDF</i></b>							
<b>No</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
1.	Social services infrastructure units supported by investment	Number	ERDF	Less developed	100	Project data	Annual
2.	New or renovated social housing	Number	ERDF	Less developed	1,150	Project data	Annual
3.	Population covered by improved health care services	Persons	ERDF	Less developed	1,000,000	Project data	Annual
4.	Public health-care institutions with upgraded infrastructure for the provision of services	Number	ERDF	Less developed	200	Project data	Annual

<b>INVESTMENT PRIORITY 8.2</b>	<b>Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas (9b)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 8.2.1</b>	<b>Reduce disparities in the quality of life caused by geographical conditions and demographic processes</b>
<p>Smaller towns and larger villages (residential areas with the population from 1,000 to 6,000, except for municipal centres) ensure the provision of key services and employment opportunities to rural population, while their location close to larger towns ensure links between urban and rural residential areas; in sparsely populated territories such residential areas perform some of the functions that are normally attributed to towns (administrative, economic and population service centres).</p> <p>Many of these areas have less developed public infrastructure compared with cities and therefore are not attractive to higher-income earners. Low purchasing power, population ageing and depopulation in smaller towns and villages, especially in less populated regions, lead to limited economic activities.</p> <p>The growing infrastructure maintenance costs (per capita) affect the diversity of public services available in smaller towns and villages (e.g. forcing to close schools and medical institutions). Investments into infrastructure ensuring a better quality of living environment are not sufficient, leading to physical and social degeneration of towns and the surrounding areas, which are populated mostly by older people and people at social risk.</p> <p>This objective will be implemented in target territories in smaller towns and larger villages (residential areas with the population from 1,000 to 6,000, except for municipal centres), identified by regional development councils, using criteria of social issues (low income, disadvantaged demographic structure, large share of persons suffering from social exclusion, unemployment, etc.) that are most typical for each NUTS-3 region (county).</p> <p>Within the framework of this objective, support will be provided to physical renewal of target territories (poor, declining towns and villages that meet criteria set by regional development councils), including complex restructuring of public infrastructure and creating conditions for job creation. Conversion of public buildings and territories and their adaptation to new activities will stimulate social activities in rural areas and towns, leading to more diversified, higher-quality and affordable services (focusing on community-based services to local population), smaller disparities in the quality of living environment, more active economic development that exploits the inner potential (more attractive natural environment, community relations and relations with smaller rural areas that allow developing businesses linked by the value-added chain to agricultural activities or manufacturing in the surrounding areas) and attracts private investments.</p> <p>Achieving targets of this objective requires complementary actions of other investment priorities, which will be carried out using complex investments for the implementation of regional development plans. In this way, investments under this objective will be complemented by actions related to transport and sustainable mobility solutions that increase the accessibility of these territories, and by investments directly intended for the development of social, health and education services for target population.</p>	

<b>Programme-specific result indicators for the ERDF</b>								
No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of employed* in target territories**	%	Less developed	49,5	2011	54,5	Survey conducted by the Ministry of the Interior	Every two years
2.	Additional material investments attracted to target territories**	Thou. EUR	Less developed	31,900	2011	55,000	Survey conducted by the Ministry of the Interior	Every two years

\* Counting from population aged between 15-64 years of age.

\*\* Target territories include rural areas and smallest cities (with population between 1,000 and 6,000, with the exception of cities – centres of municipalities)

**Actions to be supported under investment priority 8.2**

- Conversion of the urban infrastructure of public open spaces, preparing abandoned or inefficiently used territories for investments, promoting commercial activities in these territories (e.g. small industrial areas, markets, etc.), adapting public spaces for self-expression, communication, learning, health promotion and thereby increasing the number of visitors, also creating conditions for new service-related businesses, thus attracting private investments.
- Conversion of abandoned or inefficiently used buildings, other infrastructures and territories; improvement of their functionality (e.g. by adapting dormant or partially occupied buildings for several purposes: community activities, public and social services). Investments into abandoned territories or unused infrastructure, their adaptation for new activities and investments will also be promoted, while stimulating public-private partnerships.

**Common and programme-specific output indicators for the ERDF**

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	New open spaces in areas with the population between 1,000 and 6,000 (except for municipal centres)	sq. m	ERDF	Less developed	2,000,000	Project data	Annual
2.	Buildings and structures renovated or adapted for new purposes in rural areas	sq. m	ERDF	Less developed	3,000	Project data	Annual

<b>INVESTMENT PRIORITY 8.3</b>	<b>Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability (9i)</b>
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<b>FUND</b>	<b>European Social Fund</b>
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<b>SPECIFIC OBJECTIVE 8.3.1</b>	<b>Enhance integration of persons most distant from the labour market into the labour market</b>
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In 2012, 32.5% (or 975,000 persons) of the Lithuanian population were at risk of poverty or social exclusion. This indicator makes Lithuania the fifth poorest country in the EU (the EU-27 average 24.8%). The highest risk of poverty and social exclusion threatens the most socially disadvantaged social groups such as long-term unemployed, people with disabilities, people with addictive disorders, the Roma community, recent prisoners, homeless persons, etc. As a rule, persons belonging to these groups have been economically inactive for a long time, which makes it difficult for them to integrate into the labour market due to never possessed or lost professional skills, qualifications or social competences.

Lithuania badly needs services to help persons most distant from the labour market to restore their social competences, motivation, psychological preparedness, etc. Therefore, investments in the 2014-2020 programming period will be made in the development of such services (psycho-social assistance, developing and maintaining social competences, socio-cultural services, education/training, mediation in seeking and keeping employment), thus facilitating integration and reintegration of the most disadvantaged persons into the labour market. The provision of social integration services to socially disadvantaged persons must be organised through close cooperation between municipalities and other institutions and organisations providing social services.

The expected outcome is to ensure that having received a service, a person actively seeks social integration and rehabilitation (e.g. undergoes treatment for alcoholism, seeks solution to housing problems, attends training, etc.) and is willing to actively look for a job, engage in

education and training, or participate in ALMP measures offered by the Lithuanian Labour Exchange. Much focus will be placed on shifting to an individualised approach in the provision of services so that they match, as much as possible, the situation and capacities of the recipients of the services.

<b>Programme-specific result indicators for the ESF</b>										
No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	unitBaseline and target value measurement	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Socially disadvantaged persons engaged in job searching, in education/training, in employment, including self-employment, after leaving ESF interventions for social integration	Less developed	Persons	-	21	%	2013	40	Project data	Annual

<b>SPECIFIC OBJECTIVE 8.3.2</b>	<b>Increase participation by older working-age persons in the labour market and volunteering</b>
<p>Lithuania faces an increasing share of older people. At the beginning of 2001, the share of people aged 65 and over accounted for 14% (484,700), and in 2012 this share reached 18% of the total population (543,300). Moreover, due to emigration and negative natural change of population, Lithuania also faces a decline in the total number of population: within the last 12 years the population decreased by 15% (from 3,487 thousand in 2011 to 2,979.31 thousand at the beginning of 2013). Such situation threatens the sustainability of social protection, health and education systems: with the ageing working force it becomes increasingly difficult to maintain the said systems, which is exacerbated by the increasing need for social, health and other services for the elderly.</p> <p>As a response to the challenges caused by the ageing society, from 2012 the retirement age is being increased until it reaches 65. Although the overall level of employment of the elderly (aged between 55 and 64) is not low in Lithuania (58.8% and 51.8%, respectively and in both cases even exceeds the national total average comprising all age groups), a trend that the level of employment reduces with the increasing age remains (according to the data for 2013, the level of employment of the population aged between 25 and 54 was 79.6%, aged between 55 and 64 53.4% and aged 65 and over only 5.2%). The main reasons usually include the declining demand for unskilled or low-skilled labour force, the inability or unwillingness to work full-time, the absence of measures which would allow working-age people work part-time and combine family commitments related to long-term social care or nursing, negative attitude of employers to the need to invest into the professional development, retraining or competence development of such employees, mistrust of older people, etc.</p> <p>In the 2014-2020 programming period, financing will be provided to the participation of the elderly in ALMP measures (objective 7.3.1), activities promoting healthy ageing (objective 8.4.2) and lifelong activities (objective 9.4.2). The implementation of this objective is aimed at creating</p>	

and refining measures which help tackle age barriers, improve work environment, motivate older people to plan their career, stimulate employers to better their age-related policies at the organisational level, promote social dialogue between employers and employees to introduce internal active ageing measures, encourage older people to participate in volunteering, etc. The expected outcome is to ensure that older persons are more active in the labour market or engage themselves in volunteering activities.

<b>Programme-specific result indicators for the ESF</b>										
No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	unitBaseline and target value measurement	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Persons over 54 years of age gaining a qualification* after leaving ESF interventions	Less developed	Persons	-	97	%	2013	97	Project data	Annual
2.	Persons over 54 years of age engaged in volunteering after leaving ESF intervention	Less developed	Persons	-	7	%	2010	10	Project data	Annual

\*Qualification as defined in the EC monitoring and evaluation guidance document.

### **Actions to be supported investment priority 8.3**

#### *Actions of specific objective 8.3.1:*

- Social integration services for disadvantaged persons (including persons with addictive disorders, persons serving a sentence or back from imprisonment, persons with disabilities, the Roma and other disadvantaged groups) with a view to promoting their social inclusion and integration in the labour market. Financing of personal empowerment services such as psycho-social assistance, developing and maintaining social competences, socio-cultural services, education/training, mediation in seeking and keeping employment).

#### *Actions of specific objective 8.3.2:*

- Support in the field of active ageing. Activities to be financed include the application of social and psychological working methods on older persons to retain older people at work or reintegrate them into the labour market training, research and educational activities for employers to ensure equal opportunities for older people in the labour market; the organisation of volunteering and other relevant activities.

### **Common and programme-specific output indicators for the ESF**

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Socially disadvantaged persons who participated in ESF activities for social integration	Persons	ESF	Less developed	14,000	Project data	Annual
2.	Persons over 54 years of age who participated in ESF activities for healthy ageing	Persons	ESF	Less developed	8,000	Project data	Annual

<b>INVESTMENT PRIORITY 8.4</b>	<b>Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest (9iv)</b>
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<b>FUND</b>	<b>European Social Fund</b>
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<b>SPECIFIC OBJECTIVE 8.4.1</b>	<b>Improve access to and quality of community-based services, develop services for families</b>
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The ageing of population and emigration are among the causes of the growing need for social services to older persons and persons with disabilities. However, institutionalised social services are better developed than community-based services because of the several decades-long formation of the institutional framework of social services. With a view to achieving a systemic change, the degree of development of social services across municipalities will firstly have to be assessed, followed by the development of sustainable models for the provision of services, financing of the development and provision of new services, support for transitional social services, and improvement of staff competences. The expected outcome is to develop and provide services to facilitate the transition to community-based services throughout the country, by combining ESF and ERDF investments. It will also help ensure that new service recipients who do not live in care facilities do not end up in residential facilities as a result of under-developed community-based services.

Deinstitutionalisation will be implemented in accordance with the Common European Guidelines on the Transition from Institutional to Community-based Care

The development of community-based services must take into account the fact that quite a number of persons taking care of children or other family members find it difficult to find a job and start working due to their family obligations. According to Eurostat, children or persons in need of continuous care were taken care of by 68.8 thousand persons, two-thirds of whom were women, in 2010, in Lithuania. In 2010, only about 15% of the employed population of Lithuania considered they had the possibility to enjoy flexible working time arrangements. With this in mind, the ESF support will be used to develop community-based services that will facilitate reconciliation of work and family life.

Efforts will be made to help families in poverty and crises to receive the necessary assistance and allow children to grow up in a safe environment. Currently, children's day-care centres which provide social care services for children from families at social risk meet only a quarter of the demand (services are provided to 5,000 children from over 22,000 families at social risk). Today, services for parents to help them deal with crisis, overcome addictions, learn how to take care of themselves and other family members and enable them to successfully raise and educate their children are insufficient. To address this issue, the availability, quality and diversity of preventive and intervention services for families and children will be increased in all municipalities.

***Programme-specific result indicators for the ESF***

No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	unitBaseline and target value measurement	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Implemented individual plans of transition from institutional care to family and community-based services as a share of the total number of plans	Less developed	Plans	-	0	%	2013	80	Project data	Annual
2.	Beneficiaries of family services satisfied with the quality of the services	Less developed	Persons	-	95.5	%	2014	98	Survey	Three times per period
3.	Staff of the social services system gaining a qualification* after leaving ESF interventions	Less developed	Persons	-	90	%	2013	95	Project data	Annual

\*Qualification as defined in the EC monitoring and evaluation guidance document.

<b>SPECIFIC OBJECTIVE 8.4.2</b>	<b>Reduce health inequalities by improving health-care quality and accessibility for target population groups<sup>5</sup> and promoting healthy ageing</b>
<p>According to data, large inequalities in terms of health status and health care exist between high-income people and those with irregular and low income, i.e. between population of the large cities and rural municipalities.</p> <p>Interventions aimed at improving health literacy and forming healthy lifestyle skills for the identified target groups as well as at ensuring efficient functioning of the health care system will ensure an effective access for the target groups to high-quality public services of health promotion, disease prevention, early diagnostics and specialised health-care services, thus promoting the use by these disadvantaged persons of accessible and affordable services in time and according to their health needs, creating preconditions for longer and healthier living for these groups, reducing the risk of premature deaths, and addressing disparities in the level of mental and physical health.</p> <p>To mitigate the adverse effects of ageing and other demographic factors, interventions aimed at promoting healthy ageing will be implemented for the benefit of older people (over 55 years). Investment in the promotion of healthy lifestyles of this target group and in the enhancement of</p>	

<sup>5</sup> The target groups are:

- population in regions (territories) with the highest rates of premature mortality from the main non-communicable diseases;
- certain social risk groups with high rates of morbidity with certain diseases (such as tuberculosis, alcohol addiction) due to their social and economic status (unemployment, poverty, etc.) and addictions (alcohol and other) with limited access to health-care (people with disabilities, etc.);
- children (below 18 years of age) are also classified as a target group as they are more than others threatened by social exclusion due to economic and social factors such as social and economic status of the family and employability and by adverse effects of these factors for their health;
- elderly people (over 55 years of age) are also classified as a target group in light of the aspiration to maintain, as long as possible, good health of elderly people, to improve their quality of life and to create the conditions for them to stay active in employment and in the community and live independently.

accessibility of high-quality preventive and specialised health care services will create the conditions to strengthen health of older people, to prolong their healthy and productive age, thus reducing the negative effects of health disorders on the quality of life and independent living, and preventing, accordingly, the exposure of these persons to the risk of social exclusion and poverty.

<b>Programme-specific result indicators for the ESF</b>										
No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	unitBaseline and target value measurement	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of population from regions with largest disparities in terms of health status and healthcare accessibility engaged in preventive programmes	Less developed	Persons	-	15	%	2014	35	Survey	Three times per period
2.	Share of persons from target groups with changed lifestyles for health purposes as a result of ESF-supported public awareness-raising, education and training activities (themes: healthy lifestyles, health preservation and promotion, disease prevention)	Less developed	Persons	-	21	%	2014	26	Survey	Three times per period

#### **Actions to be supported under investment priority 8.4**

##### *Actions of specific objective 8.4.1:*

- Support for the development and provision of non-institutional and community-based services to ensure availability of alternatives to institutional care (including services relevant for the deinstitutionalisation process) and services for people receiving care in families so that their caregivers are offered better opportunities to gain or improve a professional qualification and/or participate in the labour market. Support will be provided for the provision of “protected housing”, social rehabilitation, psycho-social assistance, social competences formation, temporary “respite”, day-care, personal social worker (“escort”), family counselling, integrated assistance at home, crisis management and other social services. Promotion of family child care: public awareness-

raising, trainings and counselling for carers, establishment of (self-)assistance networks;

- Integrated services for families and children: psychological assistance for parents, training, counselling, developing parenting skills, establishing self-assistance groups; social, health and other services aimed at helping parents to abandon addictions, stop their violent behaviour, gain social competences and integrate into the society; psychological assistance and other relevant services (including after-school education, health care, etc.) for children of at-risk or disadvantaged families and for children with behavioural, emotional or mental disorders; public awareness-raising on, and fostering public intolerance to, domestic violence; other required services. The integrated services will be provided in proximity to families or by mobile workers or by arranging transportation for the recipients of the services.

- Strengthening of the social services system:

- monitoring, planning and forecasting of the quality, supply and demand of the services; development of sustainable models of financing and implementing social services (e.g. envisaging ways of diverting institutional financing of institutional services to the provision of community-based services); promotion of cooperation among budgetary institutions and NGOs organising or providing social services, including initiatives to facilitate implementation of social services development plans and coordination of the provision of social services across a municipality; support for initiatives to promote cross-sectoral and inter-institutional cooperation, as well as cooperation between the national and local levels, in developing and providing social services;

- enhancement of competences of staff – both of budgetary institutions and NGOs – administering and providing social services (including support for re-training of former institutional staff to provide community-based services), assessment of competences;

- relevant surveys and evaluations, public awareness-raising measures.

*Actions of specific objective 8.4.2:*

- Designing, testing, launching and developing effective and innovative models and solutions for the provision of health care services, aimed at improving the quality and accessibility of health care (in the field of circulatory, oncologic, cerebrovascular diseases and external causes) for target groups; monitoring of implementation and evaluation of effectiveness;

- Designing, testing and launching models of cooperation among public and personal health care professionals, social workers and other parties on the level of primary health care, in addressing key health problems, particularly population polymorbidity, chronic non-communicable diseases and health disorders caused by social factors;

- Attracting required health professionals to health care institutions in regions with the largest disparities among target groups in terms of the requirement for professionals to provide health care and other health services;

- Improvement of coordination, management and monitoring of the provision of prevention and control services, aspiring for a more efficient implementation of prevention programmes in territories with worst health indicators (e.g. designing, testing and launching a primary health care integration model applying the “case management” approach);

- Providing information to, educating and training target groups on the themes of healthy lifestyles, health preservation and promotion, disease prevention and control (healthy nutrition, physical activity, prevention of communicable and non-communicable diseases, prevention of suicides, violence, unintentional injuries and addictions (alcohol and tobacco)); monitoring and evaluation of the effectiveness of these initiatives;

- Increasing the empowerment of target groups to actively participate in health care activities. Investments will be aimed at strengthening cooperation among relevant patients, NGOs, local communities and health care professionals, equal partnership, health literacy in the identified fields, thus creating the possibilities to choose among health care services on the basis of performance of health care institutions and the quality and safety of the services;

- Adoption and implementation of health promotion programmes in municipalities, with the aim

to reduce inequalities in terms of health status of local population. Funding will be provided for projects aimed at strengthening cooperation among, and competences of, central government and municipal representatives, health professionals, business institutions, NGOs and community organisations by adopting and implementing community health promotion programmes;

- Support for projects in the field of active ageing; financing of training/education for older people on health preservation and promotion as well as general health literacy, awareness-raising campaigns, surveys and other initiatives aimed at helping older people to stay in the labour market and engage in their regular activities as long as possible owing to good health status; projects aimed at enhancing qualifications and improving capacities of health care professionals to meet the growing demand for health care and health promotion services due to population ageing; improvement of occupational health and prolongation of working age by carrying out prevention of morbidity with occupational and work-related diseases and ensuring high-quality and accessible occupational health care services; trainings for professionals on the identification and prevention of occupational diseases; implementation, evaluation and management of occupational health care pilot models in companies; dissemination of information; events; trainings for employers and employees, and other initiatives; support for interventions aimed at improving physical and mental health of working older persons, health promotion and disease prevention innovations in small and medium-sized enterprises and organisations.

<b>Common and programme-specific output indicators for the ESF</b>							
No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Persons (families) of target groups benefiting from social services	Number	ESF	Less developed	10,000	Project data	Annual
2.	Prepared individual plans of transition from institutional care to family and community-based services	Number	ESF	Less developed	1,700	Project data	Annual
3.	Staff of the social services system who participated in qualification enhancement activities	Number	ESF	Less developed	5,000	Project data	Annual
4.	Municipalities with innovative models of provision of personal and public health care services, improving access to health care services for target groups	Number	ESF	Less developed	30	Project data	Annual
5.	Persons of target groups who participated in awareness-raising, educational and training events and activities to promote health literacy	Number	ESF	Less developed	100,000	Project data	Annual

<b>INVESTMENT PRIORITY 8.5</b>	<b>Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment (9v)</b>
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<b>FUND</b>	<b>European Social Fund</b>
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<b>SPECIFIC OBJECTIVE 8.5.1</b>	<b>Promote the emergence of initiatives enhancing social entrepreneurship and social responsibility</b>
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The aim of this objective is to contribute to the development of social economy in Lithuania and strengthen the social aspect, supporting social business, social enterprises, corporate social responsibility and social dialogue and partnerships.

Lithuania is currently developing the Social Business Concept and discusses the state's role in stimulating the establishment and development of social business. The main challenge is to create social business that operates as a means to attract private financial and human capital, make

an efficient use of public funds and, finally, support itself in the problem area chosen.

To try different social business models in practice, ESF funds will be allocated to initiatives which promote social business-based enterprises and organisations. Support will be provided to the existing social enterprises that mostly employ persons with disabilities. The aim is to increase the level of employment of the disabled, preserve their jobs, support newly employed persons with disabilities, reinforce their social integration and reduce social exclusion, help the disabled to perform job functions with a help of assistants.

Social and environmental responsibility of business, which in the long-term contributes to people's social welfare, will be increased by promoting corporate social responsibility. Lithuania's National Network of Responsible Business has a membership of 130 enterprises, 87 of which have joined the UN Global Compact. The concept of corporate social responsibility is usually implemented in large enterprises, while SMEs use it significantly less, indicating increasing costs as the main reason. It is therefore planned to further promote the development of the responsible business network and corporate social responsibility initiatives, putting an emphasis on the SME sector.

The Lithuania 2030 strategy provides for mechanisms to involve citizens and other interested groups into the identification of needs of the public and to ensure their participation at all decision-making levels in a form of constructive dialogue. Today, cooperation between different sectors, in particular at the municipal level, is often fragmented, unsustainable and under-structured. This is why social dialogue and partnerships will be supported, thus promoting consultation, negotiation and joint actions of social partners as well as joint efforts of public, non-governmental and private sectors in dealing with a specific (national or local) problem. Support will be provided to initiatives on which all stakeholders are able to agree and to the implementation of which they are willing to contribute. Possible partnership areas include active inclusion, active labour market policies, dealing with youth unemployment issues, active ageing, gender equality and anti-discrimination in the labour market.

***Programme-specific result indicators for the ESF***

No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	unitBaseline and target value measurement	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of social businesses successfully operating 12 months upon project completion, of the total number of social businesses that received ESF investments	Less developed	Business	-	0	%	2014	50	Project data	Annual
2.	ESF supported employees of social enterprises who retained their jobs	Less developed	Persons	-	74.8	%	2013	78	Project data	Annual
3.	Persons gaining a qualification* upon completing ESF	Less developed	Persons	-	80	%	2013	85	Project data	Annual

financed training									
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\*Qualification as defined in the EC monitoring and evaluation guidance document.

### ***Actions to be supported under investment priority 8.5***

- Development of social business: support to enterprises and organisations that provide goods or services for the community to address a specific social problem.
- Support for social enterprises: training of employees of social enterprises who belong to target groups, subsidies to compensate expenses on salaries for social enterprise employees belonging to target groups and for assistants (sign language interpreters).
- Promotion of corporate social responsibility: training, guidance, staff exchanges, studies and assessments, public awareness-raising, CSR promotion campaigns, etc.; promoting the implementation of CSR principles, implementation of horizontal principles of responsible business such as responsible use of resources, socially responsible management of human resources, occupational health and safety, equality between women and men, non-discrimination on the basis of age, disability and other grounds.
- Support for the development of social dialogue and employment and/or social policy implementation partnerships among public, private and non-governmental sectors (on the national and local levels), by including education and cultural institutions and local communities.

### ***Common and programme-specific output indicators for the ESF***

No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Social businesses created after receiving ESF investments	Number	ESF	Less developed	10	Project data	Annual
2.	ESF supported employees of social enterprises belonging to target groups	Number	ESF	Less developed	5.500	Project data	Annual
3.	Persons who participated in ESF financed training	Number	ESF	Less developed	7.000	Project data	Annual

### **INVESTMENT PRIORITY 8.6**

### **Community-led local development strategies (9vi)**

### **FUND**

### **European Social Fund**

### **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**

In implementing this objective, efforts will be made to engage urban communities and local businesses in the implementation of ESF goals, by establishing cooperation networks to address challenges facing urban areas in cooperation with all stakeholders, i.e. by implementing local development strategies. All societal groups will be welcome to participate in addressing local employment and social exclusion problems: target groups whose social integration and participation in the labour market is being sought, active members of the community, municipal institutions, private enterprises and associated business structures, NGOs, etc. Mobilisation of resources and potential of all local partners will allow complementing the main (centrally managed) ESF investments with small-scale projects targeted at local specifics and local partnerships.

This is expected to result in improved situation of target groups identified in local development strategies (20% of participants) and in continued participation – even after

completion of supported activities – by members of the community who have participated in, and organised, supported activities, in volunteering activities providing social services, assistance in getting employment and other actions aimed at reducing social exclusion (10% of participants).

Interventions to reach the expected outcome under this objective will be complemented with interventions under other investment priorities (e.g. ERDF-supported investment in comprehensive regeneration of urban areas under Priority Axis 7 “Promoting quality employment and participation in the labour market” of the Operational Programme); with this in mind, priority will be given to those local development strategies which will be implemented through ITI and/or contribute to the implementation of integrated territorial development programmes.

CLLD, as part of ITI, will also contribute to a wider regeneration of target territories (through integrated approach to demographic, social, economic, environmental and climate change-related challenges).

<i>Programme-specific result indicators for the ESF</i>										
No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	unit Baseline and target value measurement	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Participants in CLLD projects with improved status in the labour market 6 months after leaving	Less developed	Persons	-	15	%	2013	20	Project data	Annual
2.	Participants (members of local communities) volunteering in social partner organisation or NGOs 6 months after leaving	Less developed	Persons	-	7	%	2013	10	Project data	Annual

#### *Actions to be supported under investment priority 8.6*

- Community-led activities aimed at reducing social exclusion: psycho-social, socio-cultural services; training of volunteers and community members working with social risk persons; dissemination of information among target groups on social services available from various organisations and mediation in providing such services; assistance at home; establishment of self-assistance and other groups; creative partnerships of community members, artists and culture institutions dealing with pre-identified social challenges.
- Promotion of employment by helping unemployed and inactive persons to gain new professional skills, by engaging them into community-led activities (including non-formal education, cultural activities, volunteering) and mediating in getting a job (through cooperation

with local businesses and local governments).

- Non-formal initiatives to promote entrepreneurship (e.g. mentoring, mediation, consultations for start-ups and for persons registering an individual activity).
- Establishment of cooperation and information sharing networks (including cooperation with local action groups (LAGs) of rural areas).

<b><i>Common and programme-specific output indicators for the ESF</i></b>							
No	Indicator	Measurement unit	Fund	Category of region	Target value (2023)	Source of data	Frequency of reporting
1.	Number of projects fully or partially implemented by social partners or NGOs	Number	ESF	Less developed	60	Project data	Annual
2.	Participants in CLLD project activities (including all target groups)	Number	ESF	Less developed	3.000	Project data	Annual

### ***Guiding principles for selection of projects/actions***

Projects under investment priority 8.1 will be selected by way of state project planning procedure and regional project planning procedure (direct grant). If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.

Investments into the infrastructure of social and health services under this investment priority will be planned in the light of the lessons learnt and investments made in 2007-2013 as well as expected development needs and demographic trends in 2014-2020 to ensure the availability and effectiveness of social and health services and the sustainability of investments.

Investment priority 8.2 will be implemented through integrated cross-sectoral projects or project groups (URBAN-type actions), by way of regional project planning procedure, in target territories identified by regional development councils. Interventions will be implemented in the category of target territories comprising small towns and rural areas (with the population of from 1,000 to 6,000, except for municipal centres). Selection criteria within the category of target territories and, based on these, target territories will be identified by regional development councils in agreement with the Ministry of the Interior. Account will be taken of the most common social, economic and demographic problems, the potential of the territory concerned and region-specific challenges. In view of concentration of resources, at least EUR 725,000 will be invested in each target territory.

Actions under the regional development plan are complemented by actions under this priority axis and other priority axes of the Operational Programme, ensuring the accessibility of target territories (by implementing transport and sustainable mobility solutions) and the development or improvement of services intended directly for target population.

The investments into cultural and sustainable tourism infrastructure objects for the development of endogenous potential will be based on the provisions of Article 3 of the ERDF Regulation, with particular consideration of Article 3(1) (e) provisions.

Investment priorities 8.3, 8.4 and 8.5 will be implemented by way of tendering and state project planning procedures (direct grant). If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.

In implementing investment priority 8.6, efforts should be concentrated on challenges faced by territories where ITI will be implemented. These are:

- inner areas of the five major cities (target and linked territories);
- the category of small and medium-sized towns comprises target territories, transition

target territories and related territories.

Interventions may be implemented in other areas, too, provided that they make a clear contribution to the implementation of the Operational Programme. Interventions under this investment priority in the territories where integrated sustainable urban development actions are supported (selected target territories of the five major cities) will be implemented as a compulsory part of ITI. CLLD allows complementing measures/projects led by local governments (including those implemented through the ITI instrument) with measures/projects relevant for the local community.

The integrated approach on the local level will be ensured by enhanced coordination of public investment instruments aimed at urban development and community-led instruments.

Actions aimed at promoting the development of social services under priority axis 8 will be based on the following two key principles: first, providing as many opportunities as possible to the non-governmental sector and communities, and, second, ensuring that municipalities play a more active role in coordinating the development of new and existing social services.

#### ***Financial instruments and their description***

Currently, it is not planned to apply financial instruments to the implementation of this investment priority. However, financial instruments may be applied during the implementation stage, taking results of the ex ante evaluation into consideration.

#### ***Major projects***

No major projects are envisaged under this investment priority.

#### ***ESF-specific provisions***

For this investment priority, application of social innovations and international cooperation will be promoted.

Support will be provided for social innovations in the field of social economy and social business, also for projects that will help to inform the public of the concept of social business, demonstrate how social business works in practice and contribute to promoting the establishment of organisations that follow the principles of social business. Support will be targeted at testing new promising ideas not yet exploited in Lithuania, learning from experience, assessing the conditions for successful implementation, and suggesting sustainable financing models. Priority will be given to ideas that address specific dilemmas in public policy (e.g. which active inclusion measures are most effective?) and that can later be implemented on the national scale. For this reason, it will be possible to finance several alternative approaches to one and the same problem with a view to identifying the best solution.

Support will be provided for projects that will aim to take over the best practices of foreign countries and to adapt them in Lithuania, to share experience with other EU Member States, to initiate the development and application of new innovative techniques and models that improve efficiency of investments from the EU funds and that demonstrate clearly the added value of international cooperation. To ensure sustainable growth in the Baltic Sea neighbouring countries, improve the well-being of people, contribute to the implementation of the key policies of the EU and strengthen integration of the region, support will be provided for international cooperation related to the implementation of the EU Strategy for the Baltic Sea Region. Priorities for the international cooperation will be set through consultations with social partners.

Funding under Priorities 2 and 8 will be geared towards activation of communities. Actions under Investment Priority 2.2 will be targeted at promoting active engagement of local communities in acquiring digital literacy skills, and under Investment Priorities 8.1 and 8.4, promoting the development of community-based services and the improvement of their quality. Investment Priority 8.6 envisages the implementation of community-led actions aimed at reducing social exclusion and enhancing employment and entrepreneurship.

Priority Axes 2 and 8 are interrelated, as Priority Axis 8 aims at improving the quality and accessibility of health and social services, while Priority Axis 2 envisages investment in the accessibility and development of these services in the Internet.

Priority Axis 8 envisages investment in infrastructures (social housing, infrastructure of social and health services, different infrastructures in small towns and rural areas, etc.), and Priority Axis 2, in the monitoring of these infrastructures. Support under Investment Priority 2.3 will be provided for the development of spatial data management services and infrastructure as part of implementing the INSPIRE Directive.

Priority Axis 8 is related to Priority Axis 3 on the operational level. Priority Axis 3 supports promotion of the demand for labour force through investments in promoting entrepreneurship and the establishment of new enterprises, internationalisation of SME activities and in their capacities to engage in economic growth and innovation processes. Support under Investment Priority 8.5 will be provided to social enterprises and social business, i.e. for the same purpose of promoting labour force demand. In addition, Investment Priority 8.3 envisages the provision of social integration services to socially disadvantaged persons by improving their employability (i.e. enhancing labour force supply). Actions under Investment Priority 8.6 include investment in community-led non-formal entrepreneurship initiatives. These actions are directly related to the promotion of entrepreneurship envisaged under Priority Axis 3.

Investment in infrastructure under Priority Axis 8 is also related to Priority Axis 4. Investment Priority 4.3 envisages renovation and modernisation of multi-apartment houses and public infrastructures. Infrastructures that will be built or renovated under Priority Axis 8 will be compliant with EU directives on energy efficiency and thus with the goals under Investment Priority 4.3 concerning energy savings.

Investments under Specific Objective 8.1.3 will contribute to, and complement, interventions under Specific Objectives 8.4.3 and 2.3.1, and will also be related to investments under Investment Priority 1.2 aimed at developing and introducing innovations in health-care.

<b>Performance Framework</b>								
<b>Indicator type (implementation steps, financial, output and result indicators)</b>	<b>Indicator or implementation step</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region</b>	<b>Milestone for 2018</b>	<b>Final target (2023)</b>	<b>Source of data</b>	<b>Explanation of relevance of indicator</b>
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	ERDF	Less developed	106,693,822	371,223,700	Project data	Binding indicator to monitor financial progress towards implementing the priority axis
Output indicator	Public health-care institutions with upgraded infrastructure for the provision of services	Number	ERDF	Less developed	40	200	Project data	Indicator reflects the progress of implementation of the priority axis as 52% of the ERDF allocation for this priority axis is attributed to the achievement of this indicator
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	ESF	Less developed	71,691,786	259,169,866	Project data	Binding indicator to monitor financial progress towards implementing the priority axis
Output indicator	ESF supported employees of social enterprises belonging to target groups	Persons	ESF	Less developed	4,400	5,500	Project data	Indicator reflects the progress of implementation of the priority axis as 14% of the ESF allocation for this priority axis is attributed to the achievement of this indicator
Output indicator	Persons (families) of target groups benefiting from social services	Persons	ESF	Less developed	2,500	10,000	Project data	Indicator reflects the progress of implementation of the priority axis as 25% of the ESF allocation for this priority axis is attributed to the achievement of this indicator
Output indicator	Persons over 54 years who participated in ESF interventions for active ageing	Persons	ESF	Less developed	1,000	8,000	Project data	Indicator reflects the progress of implementation of the priority axis as 8% of the ESF allocation for this priority axis is attributed to the achievement of this indicator
Output indicator	Persons of target groups who participated in awareness-raising, educational and training events and activities promoting health literacy	Persons	ESF	Less developed	25,000	100,000	Project data	Indicator reflects the progress of implementation of the priority axis as 7% of the ESF allocation for this priority axis is attributed to the achievement of this indicator

The milestones and final targets for the ERDF indicators shown in the Performance Framework have been set by reference to the historical data of the usage of funds and the achievement of indicators in the previous programming period, i.e. by reference to indicator values achieved by implementing similar interventions in the equivalent period, and by considering, at the same time, the envisaged volumes of investments and

interventions in the current programming period. Another reference used for the setting of the milestones was the readiness of the sector to absorb EU funds, i.e. readiness of strategic planning documents, the deadlines specified therein, and the specifics of the implementation of interventions.

The milestones and final targets for the ESF indicators shown in the Performance Framework have been set by reference to the historical data of the usage of funds and the achievement of indicators in the previous programming period, i.e. by reference to indicator values achieved by implementing similar interventions in an equivalent period, and by considering, at the same time, the envisaged volumes of investment and operations in the current programming period. Another reference used for the setting of the milestones was the readiness of the sector to absorb EU funds, i.e. the specifics of measures and target groups, compatibility with ERDF interventions, etc.

<b><i>Indicative breakdown of expenditure by category</i></b>									
<b>Breakdown of expenditure by priority axis</b>		<b>Breakdown of expenditure by type of funding</b>		<b>Breakdown of expenditure by type of territory</b>		<b>Breakdown of expenditure by territorial delivery</b>		<b>Breakdown of expenditure by ESF secondary theme</b>	
Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)
053 (ERDF)	167,889,782	01 (ERDF)	315.540.145	01 (ESF)	5,792,402	06 (ESF))	14,340,102	02 (ESF)	5,792,402
054 (ERDF)	49,931,530	01 (ESF)	220.294.386	02 (ERDF)	18,825,301	07 (ERDF)	315,540,145	08 (ESF)	214,501,984
055 (ERDF)	97,718,833			02 (ESF)	4273851	07 (ESF)	205.954.284		
109 (ESF)	57,924,006			03 (ERDF)	28,962,002				
0112 (ESF)	106,904,236			03 (ESF)	4,273,851				
0113 (ESF)	41,126,042			06 (ESF)	11,584,801				
0114 (ESF)	14,340,102			07 (ERDF)	267,752,842				
				07 (ESF)	194,369,481				

## **PRIORITY AXIS 9. EDUCATING THE SOCIETY AND STRENGTHENING THE POTENTIAL OF HUMAN RESOURCES**

The 2014-2020 Common Strategic Framework includes a thematic objective “Investing in education, skills and lifelong learning” embracing one investment priority set by the ERDF regulation and three investment priorities set by the ESF regulation. Activities to be supported by ERDF and ESF cover all fields of education. Development of the infrastructure along with the ESF financed activities will facilitate qualitative changes in the training/learning, including informal training/learning, with a view to achieving objectives set forth in the Europe 2020 strategy and the national education strategies.

Lack of places at urban pre-school and pre-primary education institutions and poor access to these facilities in rural areas limits early-childhood education, whereas ERDF investments will allow upgrading the outdated equipment and training facilities that restrict the possibilities to educate children according to modern education programmes by applying newly acquired pedagogical competences.

International researches on student performance confirm the link between learning achievements and the environment. ERDF interventions into the general education infrastructure are aimed at increasing the efficiency of the schools network and the training quality. Modern infrastructure will serve as the basis to expand teaching of natural and technological sciences and the scope of non-formal education of children, while ESF supported activities will ensure the establishment of new organisational arrangements for education, allow teachers to enhance their qualifications and enable them to use new training facilities and methods. Efforts will be oriented towards improvement of the students' knowledge, better integration into the general education system of children with special needs, supporting of the initiatives aimed at prevention or reintegration of children not attending the school.

For increasing the relevance of vocational and adult training to the labour market needs it is necessary to improve practical training, cooperation of the schools with their social partners and to increase the flexibility of the training supply. ERDP support will be used to increase access to quality practical training by expanding the network of sectoral practical training centres and strengthening basic vocational training in other vocational training establishments. Adult training centres will be modernised as well. ESF supported activities will be aimed at: tackling the problems with regard to quality and flexibility of both vocational and adult training supply; promoting the demand for training by facilitating training of the least trained social groups and quality practical training at employers' sites, and by supporting training of public service providers.

The upgrading of studies infrastructure is needed to ensure proper arrangements for quality studies and to continue the consolidation of the network and infrastructure of higher education institutions. Closer relations between studies and research should be sought by improving the attractiveness of higher education and more efficient use of resources. ESF investments will improve the quality of studies through better adaptability to the labour market needs, development of new studies methods and innovative technologies, ensuring high quality content of higher education and relevance of programs, strengthening the skills of lecturers, increasing internationalisation of studies. In addition to that the access to studies needs to be improved in particular for the underrepresented and vulnerable groups and studies have to be better mainstreamed into the lifelong learning system. ESF funds will be used to strengthen the skills of scientists and researchers, to promote science and participation in international scientific programmes or other activities.

<b>INVESTMENT PRIORITY 9.1</b>	<b>Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure (10a)</b>
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<b>FUND</b>	<b>European Regional Development Fund</b>
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<b>SPECIFIC OBJECTIVE 9.1.1</b>	<b>Improve and consolidate the studies infrastructure for better quality of the studies</b>
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The aim is to make higher education in Lithuania high quality, open and modern, to maintain attractiveness of higher education institutions to Lithuanian and foreign students, to supply qualified workforce able to adapt to changes.

The studies infrastructure remains fragmented: a wide network of higher education institutions does not ensure the concentration of competences and resources (45 higher education institutions were operating in Lithuania in 2012, of which 15 had under 5,000 students). Insufficiently modern and fragmented infrastructure of higher education and learning environment makes it difficult to ensure high-quality learning environment, compete and cooperate with other foreign (higher education) institutions. Thus the aim of contributing to the objectives set by the National Programme 2013-2020 for Studies, Research and (Social, Cultural) Development is to mobilise the extensive development of higher education and research institutions and the scattered potential and resources and to concentrate the infrastructure for studies. The learning environment does not meet the needs of modern study destinations and lack means necessary for studies. None of the Lithuanian higher education institutions is among top 250 European higher education institutions. Investments made in 2014-2020 into Lithuanian higher education must therefore create preconditions for higher education institutions that meet standards of the best European and global higher education institutions.

The pursuing of the above objective will contribute to better quality and infrastructure of higher education which will be rendered in line with the standards applicable to modern education and will be well concentrated. As a result, students of several higher education institutions will be able to use concentrated modern infrastructure; colleges will match the regional economic structure and needs better and will play an important role in the development of the country's economy.

Other actions include installing modern work places for teachers, modernising the learning environment, creativity, health promotion and entertainment facilities, upgrading basic learning facilities.

The objective data required for proper management of the studies quality will be supplied only from registries, data bases involved in regular monitoring and updating, therefore it is planned to renew and expand the infrastructure needed for the functioning of educational information systems, national registries or data bases. The planned developments include virtual learning environment.

<b>Programme-specific result indicators for ERDF</b>								
No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.	Share of students studying at higher education institutions which has used at least EUR 289,000 of the ERDF resources under the Operational Programme for the renewal of concentrated studies infrastructure	%	Less developed	5,22	2013	10	Education management information system, project data	Annual

<b>SPECIFIC</b>	<b>Improve access to quality vocational and adult training by investing</b>
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<b>OBJECTIVE 9.1.2.</b>	<b>into infrastructure</b>
<p>The attractiveness of vocational training is growing slowly in Lithuania. The percentage of students studying under vocational training programmes which provide an opportunity to obtain secondary education along with a professional qualification account for less than 30 % of all students in the ISCED 3<sup>rd</sup> level programmes, while the EU average is about 50 %. One of the main reasons for low attractiveness of vocational training is insufficient quality of training in a large number of vocational training institutions. More than 6% of adults have not completed general education programme. Under such circumstances their continued studies and career opportunities are limited. It should also be noted that the network of adult education centres is well developed, but learning spaces and means are outdated and unattractive for learners.</p> <p>The condition of the infrastructure for practical training is one of the main factors affecting vocational and adult training quality because even 70% of the total time in vocational training is devoted to practical training. In 2004-2013 programming period, training environment and facilities were upgraded in some of the vocational and adult training institutions the investments mainly focusing on sectoral practical training centres the development of which contributes to the activities aimed at improving the quality of vocational training.</p> <p>In 2014-2020, the support will be focused on the development of sectoral practical training centres by channelling the investments into the complex upgrading of the vocational training institutions infrastructure. At the same time, the infrastructure needed for quality basic vocational training in other vocational training institutions that have no sectoral practical training centres, will be further developed. That will allow offering quality learning opportunities to the youth and the adults close to their places of residence and a possibility for them to complete practical training at sectoral practical training centres of high technology readiness level by using mobility options.</p> <p>The network of adult training centres is well developed however the learning spaces and facilities are worn out and unattractive to the students. Therefore the interventions planned for 2014-2020 are to be used for the upgrading of a part of the adult training centres to enable more adults to complete general training programme. Moreover, some of adult education centres will be modernised in the new programming period.</p>	

<i>Programme-specific result indicators for ERDF</i>								
No	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Share of vocational training students in vocational training institutions improved using at least EUR 289,000 of the ERDF resources under the Operational Programme	%	Less developed	53	2013	75	Education management information system, project data	Annual

<b>SPECIFIC OBJECTIVE 9.1.3</b>	<b>Improve operational efficiency of general and non-formal education institutions (especially engaged in pre-school and pre-primary education programmes)</b>
<p>The main challenges as regards general and non-formal education infrastructure are related to the unbalanced network of training institutions resulting from different demographic reasons. Schools that fail to attract sufficient number of student baskets are not able to keep sufficient number of trainers; students from different classes are trained together which undermines the training quality; in rural areas the drop-out rates remain high. The training conditions in children's socialization centres are in particular poor. The majority of Lithuanian children study at non-renovated and technologically poorly provided urban schools.</p> <p>Although over the recent 15 years the investments were increasingly intensive, the</p>	

institutions that have received at least LTL 1 million of support for their renovation purposes account for just 26.9%. The IEA TIMSS study from 2011 claims that the achievements of the Lithuanian students were relatively lower due to the fact that only 13% of eight-graders study at schools with natural science laboratories, while primary schools have no such laboratories at all. The share of students in non-formal education in 2012 accounted for just 14.2 % and only 1/18 share of those attend technical creativity or natural science workshops.

Due to urban development and reversed downward tendency of birth rates, some municipal pre-school training institutions are not able to admit all the applicants. The majority of state pre-school training institutions are in poor shape, use outdated training facilities and therefore are not able to ensure quality and accessible pre-school and pre-primary education of children.

In 2014-2020, the availability of high-quality general and non-formal education for children, irrespective of their place of residence, will be improved by supporting national and municipal initiatives and commitments towards increasing the efficiency of the training institutions networks as well as its accessibility in rural areas so that everybody has access to high-quality and affordable education services, irrespective of their place of residence. Efforts will be made to ensure that a larger share of pupils in general education programmes are able to study at modernised and easily accessible institutions offering quality education services. The EU funds allocated to this objective will be used for improving conditions at children's socialisation centres. Expansion of the scope of pre-school and pre-primary education will also be pursued to ensure that quality services are offered close to home or working place of the parents.

#### ***Programme-specific result indicators for ERDF***

<i>No</i>	<i>Indicator</i>	<i>Measurement unit</i>	<i>Category of region</i>	<i>Baseline value</i>	<i>Baseline year</i>	<i>Target value (2013)</i>	<i>Source of data</i>	<i>Frequency of reporting</i>
1.	Share of pupils in institutions improved using at least EUR 289,000 of the ERDF resources under the Operational Programme	%	Less developed	36,14	2012	48	Education management information system, project data	Annual
2.	Share of 1-6 year-old children in pre-school and pre-primary institutions improved using ERDF resources under the Operational Programme	%	Less developed	25	2014	46	Statistics Lithuania, project data	Annual

#### ***9.1. Actions to be supported under investment priority 9.1***

##### *Actions of specific objective 9.1.1:*

- Concentration of higher education and research institutions infrastructure; upgrading of the learning environment; upgrading of working and learning environment for lecturers, provision of technologies, equipment and common infrastructure for studies.
- Development of the physical infrastructure needed for the functioning of information systems, national registries and data bases of education.

##### *Actions of specific objective 9.1.2:*

- Development of sectoral practical training centres; investments into dormitories of vocational training institutions that operate sectoral practical training centres to ensure accommodation for the students from other institutions and participants of continued training programmes; investments into other related educational spaces of the centres.
- Development of the infrastructure needed to deliver high-quality basic vocational training modules in other vocational training institutions that have no sectoral practical training centres.

##### *Actions of specific objective 9.1.3:*

- Supporting national and municipal initiatives in relation to improving the network of pre-school education institutions, primary, basic education institutions, pro-gymnasiums and gymnasium-type schools and improving the quality of education through modernisation of training tools and environment with particular focus on the (self) training environment inspiring creativity, ensuring safety of the children and adapting vacant premises of the education institutions for other educational needs (e.g. for pre-school and other non-formal training or training of adults). Priority will be given to integrated investments into the infrastructure of demographically perspective schools subject to the commitment of their founders to ensure convenient access and availability in rural areas. Taking into consideration these developments transport means will be purchased to facilitate access to the institutions for the students and education staff resident in more remote rural areas.
- Improvement of training quality in general training institutions by installing modern education technologies for rendering of the training curricula, demonstration and communication purposes; establishing or upgrading laboratories of natural sciences and other specialised classes or rooms within the schools providing them with modern work places for the teachers; installing wireless networks. The supported schools and their founders will undertake the commitment to assess, communicate and improve the performance of their students, reduce drop-out rates, boost creativity, sense of citizenship and entrepreneurship.
- Upgrading the existing infrastructure of pre-school institutions and provision of tools to promote creativity and self-regulation of the children. Incentives to municipalities and private education service providers to render quality pre-school education services in the areas wherein there exists the demand for such services but which either had no pre-school education services rendered before or in which the supply of such services was insufficient.
- Arranging the infrastructure of the children's socialisation centres network by facilitating individualised integrated support for children with different special needs.
- Investments into the infrastructure of non-formal education providers promoting technical and artistic creativity, natural sciences, music, painting, theatre, art, sport schools and workshops, other areas of creativity, healthy way of living and socialization of children (for instance, summer camps for children).

<b>Common and programme-specific output indicators for ERDF</b>							
No	Indicator	Measurement units	Fund	Category of region	Target value (2013)	Source of data	Frequency of reporting
<i>Common output indicator reflecting the activities of specific objectives 9.1.1, 9.1.2 and 9.1.3</i>							
1.	Capacity of supported childcare or education infrastructure	Number	ERDF	Less developed	112,300	Project data	Annual
<i>Programme-specific output indicators reflecting the activities of specific objective 9.1.1</i>							
2.	Higher education institutions with concentrated studies infrastructure renewed using at least EUR 289,000 of ERDF resources under the Operational Programme	Number	ERDF	Less developed	5	Project data	Annual
<i>Programme-specific output indicators reflecting the activities of specific objective 9.1.2</i>							
3.	Vocational training institutions improved using at least EUR 289,000 of ERDF resources under the Operational Programme	Number	ERDF	Less developed	20	Project data	Annual
<i>Programme-specific output indicators reflecting the activities of specific objective 9.1.3</i>							
5.	Education institutions and other educational service providers that created or improved at least one educational area using ERDF resources under the Operational Programme	Number	ERDF	Less developed	180	Project data	Annual
6.	New pre-school and pre-primary places created using ERDF	Number	ERDF	Less developed	6,000	Project data	Annual

resources under the Operational Programme						
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<b>INVESTMENT PRIORITY 9.2</b>	<b>Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education, including formal, non-formal and informal learning pathways for reintegrating into education and training (10i)</b>
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<b>FUND</b>	<b>European Social Fund</b>
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<b>SPECIFIC OBJECTIVE 9.2.1.</b>	<b>Improve students' training achievements by promoting operational changes at the education institutions</b>
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The recent research studies of student performance (PISA, TIMSS and PIRLS) demonstrate that the average performance of Lithuanian students in reading, mathematics and natural sciences remains statistically lower than in the neighbouring countries, the achievements of rural students are significantly lower than these of urban students, while boys' performance level is much lower to compare with girls.

A large number of schools and pre-school training institutions are clinging to outdated organisational models, methods, tools and curricula of training. The staff of training institutions and community members lack general and specific competences. Pedagogical staff is aging however no young people with modern training background come to replace them. Teachers and trainers lack knowledge about students, managerial, professional and technological competences, skills to promote creativity, sense of citizenship, leadership and entrepreneurship of their students.

Based on the findings in relation to the assessment of student performance and progress of schools, in the 2014-2020 programming period support will be channelled for promotion of targeted efforts of the communities at state, municipal institutions and schools to improve the students' performance. Progress seeking schools will develop tailored action plans which will serve as the basis to provide support for the implementation of the agreed commitments to improve training quality, participate in and communicate the findings of student performance assessments. These measures focused on specific issues of the educational institution will improve students' performance in reading, mathematics and natural sciences, also reduce the gap between the performance of rural and urban children, and improve the performance of boys.

Qualifications of the pedagogical staff will be improved in a targeted manner in line with the Action Plan 2014-2016 for the Strengthening and Inclusive Development of General Education Schools Implementing Primary and Lower Secondary Education Programmes and needs of specific schools and pre-school training institutions. The educational support system will be brought closer to the working place of a teacher or a trainer. Pedagogues will be able to get recognition of competencies acquired in non-formal ways, they will be allowed to enhance their qualifications by gradually accumulating credits at higher education institutions and seeking master degrees. New specialists will be involved into education and educational support activities. Pedagogical information technology, psychology and other required competencies will be acquired through mentoring and other methods.

Following the Action Plan 2014-2016 for the Introduction of Information and Communications Technology into General Education and Vocational Training, information and communications technology will be implemented and teachers' capacities in working with the latest information and communications technology developed.

<b>Common and programme-specific result indicators for ESF</b>										
No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	measurement units	Baseline year	Target value (2013)	Source of data	reporting/Frequency of
1.	Share of schools with increased pupils' achievements among all schools that received ESF financing under the Operational Programme for educational quality improvement	Less developed	Schools	-	0	%	2014	70	National examination centre, project data	Annual

<b>SPECIFIC OBJECTIVE 9.2.2.</b>	<b>Reduce the number of drop-outs of education system and those who do not complete general education programme</b>
<p>The number of students who withdraw from general training and education system in rural areas is almost three times larger than in urban areas, the number of drop-outs among boys is twice as big as among girls. The variety and scope of the current prevention of drop-out and second chance measures are confined by the available resources; in particular, insufficient attention is paid to preventive actions, while the educational support is insufficiently tailored, intensive and timely. The education needs of both children with development disorders and children with particular talent are poorly met. Little attention is paid on ensuring social, emotional, safety and equality needs.</p> <p>Non-formal education plays a very important role for the socialisation of children and their learning motivation, helps to keep students within the formal education system as well as complements the formal education with different training approaches and opportunities. The network of non-formal education institutions is in particular scarce in rural areas, where the number of children engaged in non-formal education activities is more than twice as small as in urban areas. Moreover, the choice of such education is small, for instance, usually there are no training opportunities offered in technological and natural science areas.</p> <p>In the 2014-2020 programming period, support will be focused on targeted efforts of public authorities, municipalities and school communities to help pupils successfully complete a general education programme and/or acquire a professional qualification. Investments using funds of this objective complemented by funds from the national budget will be channelled to schools with an increased risk of early school leaving.</p> <p>In the 2014-2020 programming period, the provision of educational assistance will be expanded, the accessibility of high-quality non-formal education for children increased, the scope of pre-school and pre-primary education expanded, lituanistic education of Lithuanians living abroad strengthened and conditions to return to the national education system ensured, the variety of alternative training choices improved, a system to validate the results of learning, including informal learning, developed, and a long-term drop-out prevention secured. Increased attention will be paid to the education of children from social risk families and the provision of educational assistance. The support will facilitate the integration of children with special needs and from socially excluded groups into general education institutions and improve services offered by specialised educational institutions, allowing for successful integration into general education institutions.</p>	

<b>Common and programme-specific result indicators for ESF</b>										
<b>No</b>	<b>Indicator</b>	<b>Category of region</b>	<b>Measurement unit</b>	<b>Common output indicator used as the basis</b>	<b>Baseline value</b>	<b>measurement units</b>	<b>Baseline year</b>	<b>Target value (2013)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
1.	Reduction in share of pupils not attending school in schools that implemented early school leaving reduction and compensation measures using ESF resources under the Operational Programme	Less developed	Persons	-	0*	%	2012	2	Information system of children not in education or training project data	<i>Annual</i>

\*Set on an individual school basis

## **9.2. Actions to be supported under investment priority 9.1**

### *Actions of specific objective 9.2.1:*

- Supporting initiatives of schools, their communities and founders to improve student performance. Increasing the operational efficiency of schools, in particular in rural areas. Implementation of good practices in relation to education methodology; development of electronic education (shifting education content and processes into electronic media; provision of education via ICT and other tools) and educational support services; launching and application of the required education technologies; equipping of teachers' work places; educational support activities; supporting projects of original schools and pre-school training institutions in relation to organisation of training; strengthening quality management and institutional evaluation systems. In addition, support will be provided to career services; informing and training parents about their children's education needs, education programmes, involvement in self-governance of pre-school and general education institutions, more active participation and cooperation with educational institutions in relation to implementation of education and training programmes. Development of creativity-based partnerships: cooperation of cultural institutions, representatives from creative businesses and creators' on the one hand and educational institutions on the other; using of creative competences, methods, measures and public cultural infrastructure for current education and self-education needs strengthening the linkage between formal and non-formal education.
- Development of evaluation and monitoring system: implementation of the system for enhancement of qualifications and evaluation of performance; improvement of monitoring of non-formal, pre-school, pre-primary and general education; development of methods, systems and tools for evaluation of students' competencies and their self-evaluation; surveys of performance; support to evaluation activities and modernisation of evaluation, communication/publicity and applicability of evaluation results.
- Significant enhancement of teachers' qualifications, improvement of educational support specialists' qualification. A semester/module at a higher education school; promoting and supporting long- and short-term traineeships and practice, gaining of international experience; enhancement of general and specific competencies; improvement of knowledge about students;

implementation of methods and programmes promoting creativity; accessibility of information sources; supporting events to promote teachers' cooperation; encouraging public dissemination of good practices; promotion of teachers' profession.

- Promoting pedagogue's profession. Involving specialists into the education and education support activities: provision of pedagogical competencies to non-pedagogues and their involvement into education and education support activities; attraction of specialists and scientists into the education system from the labour market; provision of support during the first year of pedagogical practice; supporting withdrawal from pedagogical activities assisting to shift to the consultant teacher's, assistant teacher's or mentors' role using the gained practice.

*Actions of specific objective 9.2.2:*

- Supporting efforts of schools, their communities and founders to reduce drop-out rates. Integrated provision of educational support; improvement of education environment, i.e. implementation of preventive, interventional and compensative measures; ensuring social and emotional safety and equal treatment of students. The schools pursue systemic changes in relation to safe school approaches to reduce bullying, human trafficking and violence, consumption of alcohol and tobacco to safeguard psychological safety of the schools' communities. The development of competences of the staff of educational institutions will be built on non-formal education programmes.

- Supporting integration of children with special needs and from socially excluded groups into the education system; promoting the variety of non-formal and alternative training. Investments will also be directed towards improvement of services by specialised training institutions, promoting of qualitative changes in the activities of children's socialisation centres and other specialised institutions, focusing on the integration of children with special needs and from socially excluded groups into general education institutions and teachers' ability to work with them. Funding of different tailored educational support is envisioned. Investments will cover all groups of students with special training needs: students with disabilities, development and training disorders, students with particular talents.

- To grant the different needs and to reveal the talents of the students active involvement of different organisations into the education of children and youth, exploitation of non-traditional spaces for education needs will be supported; non-formal education initiatives encouraged and assisted; support provided to increasing the variety and accessibility of services of non-formal education institutions with particular focus on natural sciences, technological, business competencies, development of creativity and citizenship. The development of competences of the staff of educational institutions will be built on non-formal education programmes.

- To allow children who are growing up abroad to successfully adapt to the national education system, lituanistic education of Lithuanians living abroad will be promoted, relevant training tools tailored to the relevant target groups will be developed, professional and pedagogic competences of lituanistic teachers will be strengthened, joint education camps for the children of Lithuanians living abroad and Lithuanian children organised, etc., thus allowing children with these special educational needs to return to the national education system.

***Common and programme-specific output indicators for ESF***

<i>No</i>	<i>Indicator</i>	<i>measurement units</i>	<i>Fund</i>	<i>Category of region</i>	<i>Target value (2013)</i>	<i>Source of data</i>	<i>Frequency of reporting</i>
<i>. Output indicators reflecting the activities of specific objective 9.2.1</i>							
1.	Schools that introduced pupils' evaluation and self-assessment systems after using ESF resources under the Operational Programme for educational quality improvement	Number	ESF	Less developed	360	Project data	Annual
2.	Education institutions' employees who participated in ESF activities	Number	ESF	Less developed	10,000	Project data	Annual

	for non-formal education programmes						
<i>Output indicators reflecting the activities of specific objective 9.2.2</i>							
3.	Pupils have received educational support by using ESF resources under the Operational Programme	Number	ESF	Less developed	4,000	Project data	Annual
4.	Staff of education institutions who participated in ESF supported activities for learning under non-formal education programmes	Number	ESF	Less developed	1,100	Project data	Annual

<b>INVESTMENT PRIORITY 9.3.</b>	<b>Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups (10ii)</b>
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<b>FUND</b>	<b>European Social Fund</b>
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<b>SPECIFIC OBJECTIVE 9.3.1.</b>	<b>Improve the quality and access to the studies with a view to ensuring better consistency between the studies and the needs of the labour market and the society</b>
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Lithuanian higher education institutions have significantly updated their study programmes, optimised their internal structure, put in place quality management systems; lecturers were enhancing their qualifications; a number of scientific, methodological guidelines were published; cross-border cooperation in the studies areas as well as the mobility possibilities for lecturers and for students have been expanded. However there still remain certain studies-related issues. Challenges for 2014-2020 are related to the quality of studies that does not match the needs of the labour market and the society (in terms of content, structure and delivery), fragmented involvement of social partners into the development of the content of studies, lack of practical skills, process- rather than result-oriented studies and poorly developed career services define a lower level of employment and are the reason why the attractiveness of studies in Lithuania is decreasing (the level of employment of 25-29 year-old people with higher education in 2006-2011 fell from 89.2% to 84.8%, unemployment of youth (20-34 year-old people) with higher education reached 14.6% in 2011, while EU average in 2011 was 11.6%). Increasingly more people choose studies abroad (the number of Lithuanian students studying in EU Member States and candidates as well as in European Economic Area countries increased in 2004-2011 from 4,400 to 9,400). In the light of the challenges above, only successful actions that were financed in the 2007-2013 period will be continued, avoiding any duplication of resources.

In the 2014-2020 programming period, higher quality of studies will be achieved by focusing the available resources on strengthening the key factors that define the quality of higher education: involving social partners in the improvement of the content of studies; providing methodological guidance to higher education institutions; developing result-oriented study programmes, modules. Studies will meet the labour market needs better and students will acquire practical skills. It will also strengthen the professional profile of the academic staff and increase the internationality of high education in study programmes that contribute to the implementation of the Lithuanian Smart Specialisation approved by Resolution No 411 of the Government of the Republic of Lithuania "On Approval of the Programme for Key Development Areas of Research, (Social, Cultural) Development and Innovation (Smart Specialisation) and for the Implementation of their Priorities".

Access to studies is limited by the lack of remote or flexible forms of studies and the underdeveloped system of financial incentives, therefore the availability of studies will be improved by social and financial incentives (scholarships, allowances, preferential loans to finance tuition fees, etc.) to students from underrepresented social groups.

<b>Common and programme-specific result indicators for ESF</b>										
No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	measurement units	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Share of higher education students who studied at least a part of their term-time abroad using ESF resources under the Operational Programme	Less developed	Persons	-	0.93	%	2013	2.25	Project data	Annual
2.	Share of students who participated in internship schemes in companies and organisations using ESF resources under the Operational Programme	Less developed	Persons	-	3.16	%	2013	4.8	Project data	Annual

<b>SPECIFIC OBJECTIVE 9.3.2.</b>	<b>Reinforce monitoring, external evaluation and efficient management of higher education with a view to constant quality improvement</b>
<p>The purpose of the quality management systems implemented in 2007-2013 programming period is to safeguard and to support the current studies process, however, there is no system enabling to make improvements of the studies quality on an ongoing basis, while the managers of higher education institutions lack special competencies and skills for such changes.</p> <p>Also, the management of the studies quality lacks objective data needed for decision making, identification of the areas for improvement and development tendencies or perspectives to enable assessment of the key quality factors or elements and implementation of evidence-based management.</p> <p>In the 2014-2020 programming period Lithuania will pursue evidence-based management of studies quality and result-oriented studies by supporting and reinforcing the processes of monitoring, external evaluation (including evaluation of study programmes and institutional evaluation), quality assessment, self-assessment and accreditation systems, involvement of stakeholders into the quality improvement. Bearing in mind the autonomy of higher education institutions, higher education institutions will initiate such improvements themselves. Efforts will be made to promote the optimisation of the network of such institutions and secure that in the long-run only those higher education institutions that are able to compete in the global higher education area survive. Shifting to result-oriented studies and their management will lead to considerable improvements in the functioning and accessibility of the system for acquisition and validation of qualifications in higher education, better conformity to the changing labour market needs, higher on-going and systemic quality of studies, improved management of studies and higher education institutions, reduced costs, and increased efficiency of higher education institutions. Efficient management of studies will ensure better employability opportunities to graduates, on-going updating and adaptation of studies to the needs of the labour market and the society, resulting in more efficient use of public investments into higher education.</p>	

<b>Common and programme-specific result indicators for ESF</b>										
No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	measurement units	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Share of higher education institutions that underwent external evaluation using Operational Programme funds	Less developed	Higher education institutions	-	85	%	2014	50	Project data	Annual

<b>SPECIFIC OBJECTIVE 9.3.3.</b>	<b>Strengthen the skills and capacities of public sector researchers for engaging in high level R&amp;D activities</b>
<p>To ensure successful development of the R&amp;D system, Lithuania has identified the need to strengthen and mobilise human potential in the R&amp;D area. Lithuanian R&amp;D expenditure is more than twice lower than the EU average. Looking at the scope of European Commission's subsidies per project participant in the EU's Seventh Framework Programme for research, technological development and demonstration activities (FP7) and the ratio between the number of coordinators of the evaluation of applications and the number of participants, Lithuania is at the bottom compared to other EU countries. In terms of the number of general scientific and business publications, Lithuania's indicators are more than twice lower than the EU average. These results suggest that Lithuanian scientists and researchers lack competences. Moreover, almost half of the Lithuanian population believes that the youth is not sufficiently encouraged to take interest in science. Interventions in the said areas started in 2007-2013 programming period as part of implementation of the Researchers' Career Programme, but investments were not sufficient.</p> <p>In the framework of the 2014-2020 programming period the proven measures will be further implemented expanding their scope and complementing with other relevant activities. The majority of the investments will be channelled for the financing of R&amp;D activities by public sector researchers or their groups to enable the researchers to acquire new and to strengthen the existing general skills and improve the relevant special skills through practical engagements. The increasing scope of R&amp;D activities will enable to better exploit R&amp;D infrastructure, improve preparedness of the research sector to develop technologies and processes identified in smart specialisation strategy as well as to implement high level R&amp;D activities together with partners in Lithuania and abroad. The interventions will encourage the researchers to actively apply their newly acquired and/or strengthened skills in their further activities. In the meanwhile, the investments into the initiatives to promote training of young researchers, researches and mobility (inter-institutional, inter-sectoral and international) will contribute to the growing number of researchers in the country and encourage upgrading of the national R&amp;D human resource base.</p>	

**Programme-specific result indicators for ESF**

No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	measurement units	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Share of persons who completed doctoral studies as a result of participation in ESF activities	Less developed	Persons	-	85	%	2014	80	Project data	Annual

### 9.3. Actions to be supported under investment priority 9.3

#### *Actions of specific objective 9.3.1:*

- Improving the quality of studies. Improvement of the content through systemic involvement of social partners into content development. Result-oriented study programmes and modules. Launching of studying/learning methods in higher education and research institutions to promote students' creativity, entrepreneurship and leadership. Development and implementation of a system for those who have acquired a professional Bachelor's degree and are willing to continue their studies. Students' career planning and training for the career. Access to international data bases, registries, internet, open educational resources needed for learning purposes. Modernisation of training of pedagogues and increasing of employment opportunities.
- Increasing internationality of studies: promoting students' mobility (part-time studies and practices); participation of students in international networks, international projects and research activities; support to students engaged in combined, double degree study programmes; attracting students from abroad in particular to study programmes related to smart specialisation of Lithuania; promoting opportunities to study in Lithuania. Cooperation of Lithuanian higher education and research institutions with foreign lituanistic (Baltistic) centres. Promoting mobility of lecturers; attracting lecturers to Lithuanian higher education institutions. Increasing (international) competitiveness of higher education institutions; communication of evaluation and rating results; promoting (international) reputation and prestige of universities.
- Granting practice and practical skills to students - links with labour market and profession. On-the-job practice; partnerships with social partners and their involvement into organisation and realisation of study practices; financial incentives for students' traineeship at companies and organisations; development and implementation of a system for students having acquired bachelor's degree and willing to continue higher level studies.
- Increasing professional profile of the academic staff. Systemic and continual renewal and improvement of pedagogic, andragogic, professional and research competencies of the academic staff; professional networking.
- Increasing access to different forms of studies - implementation of flexible studying forms, involvement of socially vulnerable groups into studies. Social and financial incentives (scholarships, standard tuition fee, allowances, preferential loans to finance tuition fee, etc.) and support to students from socially vulnerable, excluded, underrepresented groups. Training of specialists under study programmes related to priorities of smart specialisation.

#### *Actions of specific objective 9.3.2:*

- Reinforcing monitoring, external evaluation (including evaluation of study programmes and

institutional evaluation), self-assessment and accreditation system of higher education institutions; maintenance and improvement of the admission system of higher education institutions; involvement of stakeholders into the improvement of studies quality – pursuing evidence- and achievements-based management and administration (evidence-based decision-making, identification of shortcomings and tendencies, progress monitoring), strengthening of managerial competences of the staff at higher education institutions.

- Developing and expanding the system of qualifications and recognition of qualifications in the area of higher education. Building of qualifications (by areas of higher education); international external evaluation (including the evaluation of studies and institutions) involving foreign experts and social partners; involvement of social partners into the building of qualifications; analysis of competencies and labour market needs, surveys, evaluation and monitoring of the relevance of studies to grant these needs.

- Improving management and administration of higher education institutions, organisation of studying process and educational support and application of tailored e-tools.

*Actions of specific objective 9.3.3:*

- Support to R&D activities contributing to the development of capacities, professional skills and competencies of researchers: support to R&D activities jointly undertaken by experienced and advanced researchers, high level research groups (demonstration/ excellence research centres), local researchers and teaming high level laboratories operating in other EU countries.

- Training of young researchers and enhancement of their qualification: promoting R&D activities undertaken by pupils and students; supporting students' research practices (for instance, students' researches carried outside study hours); supporting doctoral programmes by funding doctoral positions (in particular, in the areas of physical and technological sciences and art: design, medias, visual communication, marketing); support for researches by doctoral students, including financing of R&D activities by young people who have come from abroad to study under doctoral programmes; support of doctoral studies at knowledge intensive companies and other research and higher education institutions; development of a system for traineeship of young researchers after their doctoral studies, including traineeship at knowledge intensive companies.

- Promoting inter-institutional, international and intersectoral mobility of researchers: support for traineeships of experienced researchers at research institutions abroad and at knowledge intensive companies; participation of Lithuanian researchers in international conferences, fairs of ideas and other research events; initiatives encouraging foreign scientists and other researchers to come to work and involve in R&D activities in Lithuanian research and higher education institutions; returning/reintegration of emigrant Lithuanian researchers.

- Promoting establishment of partnerships: support to promote establishment and activities of academic communities; promoting active participation of R&D thematic networks; support to research and higher education institutions for their involvement and participation in international R&D&I initiatives.

- Strengthening of general skills and competences of the researchers: practical training of researchers to strengthen their capacity in writing of applications and implementing R&D projects; improve their skills related to commercialisation of R&D results and transfer of technologies; develop skills of the staff of competence centres engaged in promoting private and public partnerships in R&D area; strengthen competencies of the staff of open access centres; support for the participation of scientists and other researchers in tailored events held under international programmes.

- Promotion of science and improvement of researchers' working conditions: support for publication of scientific articles in high level scientific magazines; organisation of science promotion events; storing, dissemination and presentation in international and national competitions or exhibitions of scientific publications and electronic documents; awards to young, advanced and high level researchers.

<b>Common and specific output indicators for ESF</b>							
No	Indicator	measurement units	Fund	Category of region	Target value (2013)	Source of data	Frequency of reporting
<i>Output indicators reflecting the activities of specific objective 9.3.1:</i>							
1.	Higher education students who studied at least a part of their term-time abroad using ESF resources under the Operational Programme	Number	ESF	Less developed	3,600	Project data	Annual
2.	Students who participated in internship schemes in companies and organisations using ESF resources under the Operational Programme	Number	ESF	Less developed	5,000	Project data	Annual
3.	Students from socially vulnerable, excluded and underrepresented groups who received targeted allowances to improve accessibility of studies	Number	ESF	Less developed	1,000	Project data	Annual
4.	Lecturers who participated in ESF activities for non-formal education programmes	Number	ESF	Less developed	1,000	Project data	Annual
<i>Output indicators reflecting the activities of specific objective 9.3.2:</i>							
5.	Monitoring tools developed or upgraded using ESF resources under the Operational Programme	Number	ESF	Less developed	20	Project data	Annual
6.	Higher education institutions that underwent external evaluation using ESF resources under the Operational Programme	Number	ESF	Less developed	23	Project data	Annual
7.	Administrative staff of lifelong learning institutions who participated in ESF activities for learning under non-formal education programmes	Number	ESF	Less developed	200	Project data	Annual
<i>Output indicators reflecting the activities of Specific Objective 9.3.3:</i>							
8.	Foreign researchers attracted to research and higher education institutions using ESF investments	Number	ESF	Less developed	600	Project data	Annual
9.	Researchers improving professional skills abroad using ESF investments	Number	ESF	Less developed	1,100	Project data	Annual
10.	Persons who participated in ESF activities for doctoral studies	Number	ESF	Less developed	380	Project data	Annual
11.	Researchers who participated in ESF supported activities for non-formal education programmes	Number	ESF	Less developed	2,200	Project data	Annual
12.	Implemented R&D projects	Number	ESF	Less developed	80	Project data	Annual

<b>INVESTMENT PRIORITY 9.4.</b>	<b>Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competencies of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences</b>
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<b>FUND</b>	<b>European Social Fund</b>
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<b>SPECIFIC OBJECTIVE 9.4.1.</b>	<b>Improve consistency of vocational and adult training with the labour market needs and make it more attractive</b>
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The quality of vocational and adult training services is insufficient. As demonstrated by figures provided by the Lithuanian Industrialists Confederation, as many as 44% of the enterprises in the country were not hiring new people in 2012 because they were not able to find skilled specialists.

By the end of the 2007-2013 programming period, professional standards for 5 economic sectors and 40 modular vocational training programmes will be developed in cooperation with social partners. However, they do not cover all economic sectors, and the Lithuanian qualifications framework and modern educational content have not been fully developed yet. Lithuania still lacks a targeted promotion of the lifelong learning concept as well as factors that form a positive image of vocational training, such as the development of career services focusing on new target groups (adults and young people who are not in employment, education or training) and the system for recognition of competences and qualifications acquired in different ways.

Employers have expressed their opinion that competences acquired at vocational training institutions do not meet the labour market needs, apprenticeship as a training form therefore will be tested by the end of the 2007-2013 programming period. Adequate recommendations will help decide which model of apprenticeship organisation and financing would suit Lithuania the best and ensure quality development of practical skills in the new programming period.

In 2014-2020, financing will be allocated to the on-the-job training module to encourage employers to be more active in organising apprenticeship and on-the-job training. It will contribute to closer education-business cooperation and ensure that job skills meet the labour market needs. Other activities to be supported include organising training for company employees who will implement practical training for trainees. The aim of such training is to provide company employees with andragogical and other competences that are necessary for ensuring the quality of apprenticeship.

Qualifications framework and modern content development activities will extend to other Lithuanian economic sectors that do not have professional standards and modular training programmes, thus improving the flexibility of vocational training and its adaptation to the changing economic needs. Recognition of knowledge and skills will be facilitated by improving the system for the evaluation and recognition of competences and qualifications acquired in different ways.

Moreover, the 2014-2020 programming period will continue with external and internal evaluation of vocational training institutions and programmes, reinforcing the monitoring of and surveys on vocational and adult training, implementing innovation in educational management processes and tools, increasing public awareness on the latest learning opportunities and their comprehensive benefits, investing into the provision of high-quality career services at all levels of education, ensuring the increase in demand for and attractiveness of vocational and adult training.

With the improving conformity of vocational and adult training to the labour market needs, formal vocational training in sectoral practical training centres, traineeships and apprenticeships financed by funds of this objective will complement a field of activity of the Ministry of Agriculture of the Republic of Lithuania related to non-formal education "Supporting Vocational Training and Acquisition of Skills". The aim of this field of activity is to provide farmers, forest managers and other rural development entities with knowledge and ensure the development of their technological, economic and managerial competences.

***Common and programme-specific result indicators for ESF***

No	Indicator	Category of region	Measurement unit	Common output indicator used as the basis	Baseline value	measurement units	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Share of students who studied under modular vocational training programmes developed or updated using ESF resources under the Operational Programme	Less developed	Persons	-	0.47	%	2014	40	Qualifications and vocational training development centre, Education management information system, project data	Annual
2.	Share of students who obtained a qualification as a result of completing a part of their vocational training programme on-the-job using ESF resources under the Operational Programme	Less developed	Persons	-	80	%	2014	80	Project data	Annual
3.	Share of students who study under vocational training programmes which have been subject to external evaluation using ESF resources under the Operational Programme	Less developed	Persons	-	30	%	2013	55	Project data	Annual

<b>SPECIFIC OBJECTIVE 9.4.2</b>	<b>Provide opportunities and incentives for lifelong learning by ensuring efficient support for the enhancement of competence</b>
<p>In 2012, the share of 25-64 year old people who participated in formal and non-formal training was by 1.7 times smaller than the EU average (respectively, 5.7% and 9%), while the divide to compare with the Europe 2020 target (15%) was 2.6 times. The barriers precluding adult training are related to a lack of personal resources and time.</p> <p>In 2007-2013 programming period, the major portion of the resources from the EU funds in the area of lifelong learning was allocated to the training of staff of public service providers possessing high level qualifications, the unemployed and the staff that have received termination notices; companies also tended to invest into training of highly skilled employees. Training of the employed people with no or with lower qualification who account for more than half of the total working force in our country, so far has been targeted to an insufficient degree. Moreover, many of these people engage in work for which they have no qualification, while training services are not affordable to them due to low income. Moreover, the competence of most of the pedagogical staff at training institutions is insufficient to ensure the adequate quality of training services.</p> <p>Therefore in the 2014-2020 programming period, the aim is to enable unskilled and low-skilled persons to self-evaluate their competences, complete general education or vocational training programme and acquire the missing qualification or competences. Elder people will be</p>	

offered the opportunity to acquire their first higher education background, and opportunities for the elderly people's learning will be further expanded.

Moreover, in the new programming period efforts will be made to expand qualification development opportunities for the pedagogical staff of vocational and adult training institutions at Lithuanian and foreign higher education institutions and to promote on-the-job training. The implementation of other successful measures will also be continued, providing educational leaders with competences to make qualitative changes in the functioning of training institutions. It will increase the number of persons participating in lifelong learning, provide socially vulnerable groups (adults who have not completed a general education programme, unskilled and low-skilled persons) with access to lifelong activities.

Given rapid development of information technology and green economy as well as other economic changes, new initiatives will be implemented to encourage people to improve their skills in the related areas.

The synergy between this objective and investment priority 10.1 "Advanced public governance meeting the society's needs" will allow for efficient improvements in the quality and availability of public services, and the promotion of reforms in public service systems. To stimulate lifelong learning, interventions under this objective will aim at developing qualifications of public service employees (except for education, social and labour market services) beyond the civil service. Activities under investment priority 10.1, in turn, will be focused on reinforcing institutional capacities and efficient public administration through improvements in the efficiency of public administration institutions, transparency and openness of public management processes, quality of services provided to the public, regulatory environment for business and management of human resources in the civil service.

<b>Common and programme-specific result indicators for ESF</b>										
No	Indicator	Region category	Measurement unit	Common output indicator used as the basis	Baseline value	measurement units	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Share of persons who gained nationally recognised qualification as a result of participating in ESF activities	Less developed	Persons	-	0	%	2014	80	Project data	Annual

<b>SPECIFIC OBJECTIVE 9.4.3</b>	<b>Increase workforce competitiveness, ensuring opportunities to adapt to economic needs</b>
<p>In order to increase Lithuania's competitiveness constant monitoring of the workforce qualification level, professional mobility and the ability to quickly re-orient themselves towards other activities of the sector is critical. Currently there is no functioning nationally supported scheme for enhancement of the workforce qualifications.</p> <p>Forecasting of human resources system is not designed in Lithuania which leads to a lack of significant information. Lithuania does not have information about the real situation on the labour market or about filling of vacancies with qualified specialists.</p>	

There is no instrument enabling comparison of the professional structure of the labour market at international and domestic levels. The current form of the Lithuanian professions classification is not appropriate, and the form of presentation and content of information are not user friendly. The implementation of the education reform and the resulting ability of students to carry their education “baskets” to research and study programmes have raised the necessity to provide objective information about supply of jobs on the labour market and about their employability perspectives.

In the framework of the 2014-2020 programming period, qualifications of the staff in companies launching new technologies and SMEs will be further developed and their competences, including ICT competences, will be reinforced. It is expected that a voucher system to increase the availability of the development of competences for human resources at companies, especially micro-enterprises and SMEs, will be developed and implemented. The voucher system will aim at offering companies, where needed, an opportunity to improve qualifications of their staff and receive high-quality training services for employees in a form of voucher.

It is also planned to support personnel training needs of investing companies and the development of competences to work with the latest technologies at companies that implement innovation. In the 2014-2020 programming period the plan is to develop a system for monitoring, forecasting and expanding the demand for human resources, which will cover the middle-term forecasting studies of the demand for human resources, dissemination of forecasting results as well as safeguarding and development of the functionality of the professions' classifier by developing advanced version of Lithuanian professions' classifier which content and form of providing information will be convenient for wide range of users. The results of the forecasts for the demand of human resources on the labour market are planned to be used for professional guidance by developing professional guidance products to target groups.

<b>Common and programme-specific result indicators for ESF</b>										
No	Indicator	Region category	Measurement unit	Common output indicator used as the basis	Baseline value	measurement units	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Share of persons who successfully completed training and apply the obtained knowledge at work from 6 to 12 months after taking part in the ESF activities	Less developed	Persons	-	58.52	%	2013	85	Survey	3 times per period

#### **9.4. Actions to be supported under investment priority 9.4**

##### *Actions of specific objective 9.4.1:*

- Support for the building of Lithuanian classification framework and modern educational content: development of professional standards; involvement of social partners into the development of qualifications and training curricula, launching of new training methods and implementation of training programmes; activities in relation to linking vocational training, non-

university studies, general and vocational training, preparation and launching of modular programmes; development of learning performance-based qualification system; digitisation of lifelong learning and ensuring open access, development and communication of a catalogue of modular training programmes.

- Revision of the system for assessment and recognition of competencies and qualifications acquired in different ways: expanding the system for assessment of acquired qualifications, creating of a task bank; ensuring the functioning of the system for recognition of educational background and qualifications acquired abroad; supporting and upgrading the electronic media for recognition; communication of the possibilities with regard to recognition of competencies.
- Support for the acquisition of practical skills for those participating in formal education programmes and assistance to pupils from socially vulnerable groups: opportunity to complete part of practical training at high-tech level practical training centres, to finalise the preparation to enter the labour market at employers' sites as part of traineeship or apprenticeship schemes; training of staff of enterprises, companies or farms in charge of traineeships and apprenticeships; social and financial incentives and assistance to pupils from social vulnerable groups in vocational training.
- Improvement of educational management systems and education processes: further development of information systems and registries, in particular, reinforcing the linkages between them and with the information systems and registries of other countries; strengthening monitoring and assessment of education policy by building up analytical potential of the education sector and facilitating evidence-based management; launching electronic management tools for education processes, surveys of adults' learning needs, training efficiency and adaptability; external and internal assessment of vocational training institutions and programmes and communication of the assessment findings.
- Reinforcing the skills of adult and general training managers and community leaders to implement qualitative operational changes within education institutions and tightening of quality assurance processes: studies of education management based on the best international practice; consulting; mentoring; mutual assistance; implementation of other initiatives for the development of leadership in education. External and internal assessment of vocational training institutions and programmes and communication of the assessment findings.
- Promoting the understanding of lifelong learning concept; strengthening regional network for coordination of lifelong learning; improving the image and increasing the attractiveness of vocational training: competitions of professional skills, quality awards and other activities will be implemented in close cooperation with social partners.
- Provision of high-quality career services in real and virtual environment (to those studying in general education schools, vocational training institutions, higher education institutions, in particular to adults and drop-outs) as well as support for ensuring accessibility of such services. Ensuring accessibility of instruments and information for career planning and management (including gaining and disseminating knowledge on supply and demand sides of competencies), initiatives by education institutions and employers to raise awareness of the students about professional career perspectives.

*Actions of specific objective 9.4.2:*

- Incentives and preconditions for the assessment and recognition of the competencies possessed by the groups of adults with lower education background, and their inclusion into general, vocational training and study programmes and modules for acquisition of qualifications of all levels (in accordance with the European qualifications framework) with particular focus on acquisition of qualifications corresponding to 1-4 EQF levels. It is envisioned to provide an opportunity to elder people to acquire first higher education background and to further develop learning opportunities for the elderly people.
- Improvement of the qualification of vocational training, adult education and other pedagogical staff: improvement of technological competences of profession trainers (training through

apprenticeship, practical on-the-job training); support to trainers of vocational and adult training institutions for acquiring international experience, improvement of pedagogical, creative, entrepreneurship, professional and general competences, training to work with newly developed programmes, methodologies, training tools and equipment; improvement of general and professional competences of general education teachers.

- Strengthening of capacities of vocational, adult training and general education leaders and community leaders to make qualitative changes in educational institutions and reinforcement of quality assurance processes: education management studies based on the international good practice, guidance, mentoring and mutual assistance, implementation of other initiatives aimed at the development of education leadership.
- Enhancement of competencies and qualification of the staff of public service providers to encourage their lifelong learning, improve the quality and accessibility of public services and support the reforms ongoing in the public service systems.

*Actions of specific objective 9.4.3:*

- Initiatives dealing with the improvement of qualifications and competence of human resources will be implemented through “skills voucher” to be used for strengthening the access to qualifications and competence development for company employees, in particular for employees of SMEs.
- Support for competence and professional development of human resources from investing companies and companies engaged in RDI activities.
- Support for projects of apprenticeship and the acquisition of sectoral competences, also for the development of a sub-system for qualifications obtained in the working environment and its further functioning.
- Safeguarding and improvement of the functionality of the system for medium-term forecasting of the demand for human resources, and arrangements for its periodic updates of the information base on the labour market demand for human resources.
- Processing of results of forecasting studies on the demand for human resources in the labour market and their communication for different target groups performing professional orientation. The results are expected to be used for professional guidance purposes as well.
- Development of a complete instrument based on the extended version of the Lithuania Professions Classification (ISCO-08 basis) for the international and national comparison of labour market's professional structure consisting of a constantly updated list of professions, descriptions of all professions and their links with the education and qualification levels, safeguarding and improvement of functionality.

<b>Common and specific output indicators for ESF</b>							
No	Indicator	Measurement units	Fund	Category of region	Target value (2013)	Source of data	Frequency of reporting
<i>Output indicators reflecting activities of specific objective 9.4.1:</i>							
1.	Newly developed or updated modular vocational training programmes using ESF resources under the Operational Programme	Number	ESF	Less developed	120	Project data	Annual
2.	Vocational training and non-formal adult training programmes with implemented interactive electronic learning tools	Number	ESF	Less developed	180	Project data	Annual
3.	Students who studied under modular vocational training programmes developed or updated using ESF resources under the Operational	Number	ESF	Less developed	17,900	Project data	Annual

<b><i>Common and specific output indicators for ESF</i></b>							
No	Indicator	Measurement units	Fund	Category of region	Target value (2013)	Source of data	Frequency of reporting
	Programme						
4.	Students who spent a part of their vocational training programme on-the-job using ESF resources under the Operational Programme	Number	ESF	Less developed	10,000	Project data	Annual
5.	Vocational training programmes subject to external evaluation using resources under the Operational Programme	Number	ESF	Less developed	50	Project data	Annual
6.	Persons who participated in ESF activities for career education	Number	ESF	Less developed	40,000	Project data	Annual
<b><i>Output indicators reflecting the activities of specific objective 9.4.2:</i></b>							
7.	Employees of educational institutions who participated in ESF activities for learning under non-formal education programmes	Number	ESF	Less developed	5,400	Project data	Annual
8.	Persons who participated in ESF supported activities for learning under formal education programmes or modules	Number	ESF	Less developed	5,500	Project data	Annual
9.	Persons who participated in ESF activities for non-formal education programmes	Number	ESF	Less developed	15,000	Project data	Annual
<b><i>Output indicators reflecting the activities of specific objective 9.4.3:</i></b>							
10.	Trained employees of supported micro, small and medium-sized enterprises	Number	ESF	Less developed	19,500	Project data	Annual
11.	The employed people who participated in ESF training awarding a qualification or competence	Number	ESF	Less developed	65,000	Project data	Annual
12.	Renewed parts of the system for monitoring and forecasting the labour market demand for human resources	Number	ESF	Less developed	3	Project data	Annual

### ***Guiding principles for selecting projects/actions***

Projects under investment priority 9.1 of the Operational Programme will be selected by way of tendering, state project planning procedure (direct grant) and regional project planning procedure (direct grant). If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.

Investments into the education infrastructure will be planned in the light of the lessons learnt and investments made in 2007-2013 as well as expected development needs and demographic trends in 2014-2020 to ensure the availability and effectiveness of education services and the sustainability of investments.

Projects under investment priorities 9.2, 9.3 and 9.4 of the Operational Programme will be selected by way of tendering and state project planning procedures (direct grant). If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.

Projects implementing specific objective 9.4.3, focused on training of company employees, will be selected by way of tendering and continuous project selection procedure. The skills voucher scheme will be implemented by way of global grant. The implementation of the said activities focused on the training of company employees will be based on the state aid principles in line with the requirements set by the General Block Exemption Regulation (GBER) and the *de minimis* regulation.

The quality of services provided under projects implementing investment priority 9.4 will be monitored and evaluated on a continuous basis. Based on the on-going expert study, the Minister of Economy will issue an order to approve criteria for the selection of high-quality training service providers and requirements for training programmes. In this way the Ministry of Economy will ensure the quality of training services and the compliance with transparent principles.

#### ***Financial instruments and their description***

The possibilities to apply financial instruments are being considered with regard to the objective "To improve the quality and access to the studies with a view to ensuring better consistency between the studies and the needs of the labour market and the society" (provision of preferential loans for the financing of tuition fees).

Application of financial instruments is not envisioned for the purpose of other objectives of this priority axis of the Operational Programme. However, financial instruments may be applied during the implementation stage, taking results of the ex ante evaluation into consideration.

#### ***Major projects***

Major projects are not envisioned for the purpose of this priority axis of the Operational Programme.

#### ***ESF-specific provisions***

Implementation of the objectives of this investment priority will contribute to ESF-specific provisions related to support of international cooperation.

- The activities in relation to the investment priority's objective "To improve the quality and access to the studies with a view to ensuring better consistency between the studies and the needs of the labour market and the society" will promote international mobility of students and lecturers, attracting of guest lecturers, student networking, participation by lecturers and students in international projects and activities, joint study programmes, improve access to international data bases and registries needed for studies. The activities of this objective will also contribute to increasing awareness and prestige of Lithuanian higher education institutions, reinforcing international image and cooperation of Lithuanian research and higher education institutions with lituanistic (Baltistic) centres abroad.

- The activities of the investment priority's specific objective "To reinforce monitoring, external evaluation and efficient management of the studies with a view to constant quality improvement" will aim at development of the system for recognition of qualifications acquired abroad. The activities of this objective will also contribute to the dissemination of evaluation and rating of Lithuanian higher education institutions at the international level.

- The activities of the investment priority's specific objective "To strengthen the skills and capacities of public sector researchers for engaging in high level R&D activities" will promote international cooperation between researchers and R&D staff, including attracting of foreign researchers (also from third countries) to work in Lithuanian research and higher education institutions or open access centres operated by the research and higher education institutions; incentives to foreigners (including persons from third countries) to come to Lithuania to study under doctoral programmes; traineeships of young researchers after their doctoral studies; traineeships of experienced researchers at research and higher education institutions abroad or at

science intensive companies; R&D projects undertaken by Lithuanian researchers in cooperation with foreign counterparts; exchanges of researchers; international cooperation of research and higher education institutions; establishment of partnerships.

- Priority axis 9 is linked to priority axis 1 on activities level. The activities of the investment priority 9.3 are aimed at enhancing qualification of scientists and other researchers through their participation in training courses, traineeships, activities of international research organisations. Priority axis 1 directly contributes to these activities through provision of access to electronic research data bases, bringing in and upgrading of research infrastructure. Researchers and scientists will engage in researches in the smart specialisation areas. Some of the students and doctoral students will be trained taking into consideration the identified smart specialisation areas, which constitutes a direct link with priority axis 1.

<b><i>Performance framework for the priority axis</i></b>								
<b>Indicator type (implementation steps, financial output and result indicators)</b>	<b>Indicator or implementation step</b>	<b>Measurement units</b>	<b>Fund</b>	<b>Region category</b>	<b>Milestone for 2018</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Explanation of relevance of indicator</b>
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	ERDF	Less developed	53,977,258	245,351,171	Project data	Binding indicator to monitor financial progress towards implementing the priority axis
Output indicator	Vocational training institutions improved using EUR 289,000 of the ERDF resources under the Operational Programme	Number	ERPF	Less developed	0	20	Project data	The indicator reflects the progress of implementation of the priority axis as 23% of ERDF allocation for this priority axis is attributed to the achievement of this indicator
Implementation step	The value of the indicator "Vocational training institutions improved using EUR 289,000 of the ERDF resources under the Operational Programme" planned in project financing and administration agreements	Number	ERPF	Less developed	16	-	Project data	The implementation step has been chosen since no project will be implemented by the end of 2018. This is due to the longer duration and later launching of projects necessitated by preparatory works in relation to the renovation of vocational training institutions. The value of the output indicator set in project financing and administration agreements will be a benchmark for assessing whether the projects will be implemented to the planned extent
Output indicator	Education and other education service providers that have at least one educational space created or renovated using ERDF resources under the Operational Programme	Number	ERDF	Less developed	0	180	Project data	The indicator reflects the progress of implementation of the priority axis as 41% of ERDF allocation for this priority axis is attributed to the achievement of this indicator
Implementation step	The value of the indicator "Education and other education service providers that have at least one educational space created or upgraded" envisioned in project financing and administration contracts	Number	ERDF	Less developed	90	-	Project data	The implementation step has been chosen since no project will be implemented by the end of 2018. This is due to the longer duration and later launching of projects necessitated by a longer selection procedure of regional planning projects and preparatory works in relation of drafting of technical documentation The value of the output indicator set in project financing and administration agreements will be a benchmark for assessing whether the projects will be implemented to the planned extent
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	ESF	Less developed	105,317,775	535,663,437	Project data	Binding indicator to monitor financial progress towards implementing the priority
Output indicator	Students who studied at least a part of their term-time abroad using ESF resources under the Operational	Persons	ESF	Less developed	612	3,600	Project data	The indicator reflects the progress of implementation of the priority as 5% of ERDF allocation for this priority is attributed to the achievement of this indicator

<b>Performance framework for the priority axis</b>								
<b>Indicator type (implementation steps, financial output and result indicators)</b>	<b>Indicator or implementation step</b>	<b>Measurement units</b>	<b>Fund</b>	<b>Region category</b>	<b>Milestone for 2018</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Explanation of relevance of indicator</b>
	Programme							
Output indicator	Researchers who participated in ESF activities for non-formal education programmes	Persons	ESF	Less developed	374	2,200	Project data	The indicator reflects the progress of implementation of the priority axis as 25% of ERDF allocation for this priority axis is attributed to the achievement of this indicator
Output indicator	The employed people who participated in ESF training awarding qualification or competence	Persons	ESF	Less developed	11,700	65,000	Project data	The indicator reflects the progress of implementation of the priority axis as 22% of ERDF allocation for this priority axis is attributed to the achievement of this indicator

The milestones and final targets of the ERDF indicators shown in the Performance Framework have been set by reference to the historical data of the absorption of funds and achievement of indicators in the past programming period, i.e. by reference to indicator values achieved by implementing similar interventions in the equivalent period, and by considering, at the same time, the envisaged volumes of investments and interventions in the current programming period. Setting of milestones was also based on sector's readiness to absorb EU funds, i.e. the need to prepare the plan for optimisation of vocational training institutions network, technical documentation for establishment and/or renovation of education spaces as well as specific aspects related to the implementation of some of the measures which resulted in decisions to apply a longer regional projects planning procedure.

The milestones and final targets for the ESF indicators shown in the Performance Framework have been set by reference to the historical data of the absorption of funds and achievement of indicators in the past programming period, i.e. by reference to indicator values achieved by implementing similar interventions in the equivalent period, and by considering, at the same time, the envisaged volumes of investment and interventions in the current programming period. Another reference used for the setting of the milestones was the readiness of the sector to absorb EU funds, i.e. the specific aspects of the measures and target groups, consistency with ERDF interventions as well as the need to forecast human resources considering the innovative profile of some of the initiatives, etc.

<b>Indicative breakdown of expenditure by category</b>									
<b>Breakdown of expenditure by priority axis</b>		<b>Breakdown of expenditure by type of funding</b>		<b>Breakdown of expenditure by type of territory</b>		<b>Breakdown of expenditure by territorial delivery</b>		<b>Breakdown of expenditure by ESF secondary theme</b>	
Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)	Code	Financial proportion (EUR)
049 (ERDF)	48,648,592	01 (ERDF)	208,548,495	07 (ERDF)	208,548,495	07 (ERDF)	208,548,495	03	106,863,623
050 (ERDF)	58,839,470	01 (ESF)	455,313,921	07 (ESF)	455,313,921	07 (ESF)	455,313,921	08	348,450,298
051 (ERDF)	82,430,821								

<b><i>Indicative breakdown of expenditure by category</i></b>									
<b>Breakdown of expenditure by priority axis</b>		<b>Breakdown of expenditure by type of funding</b>		<b>Breakdown of expenditure by type of territory</b>		<b>Breakdown of expenditure by territorial delivery</b>		<b>Breakdown of expenditure by ESF secondary theme</b>	
052 (ERDF)	18,629,612								
0115 (ESF)	77,774,079								
0116 (ESF)	186,209,989								
0117 (ESF)	134,640,611								
0118 (ESF)	56,689,242								

**PRIORITY AXIS 10. SOCIETY-ORIENTED SMART PUBLIC ADMINISTRATION**

<b>INVESTMENT PRIORITY 10.1</b>	<b>Investing in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance (11i)</b>
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<b>FUND</b>	<b>European Social Fund</b>
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<b>SPECIFIC OBJECTIVE 10.1.1.</b>	<b>Strengthen result-orientation of governance</b>
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Solutions of public administration are not always based on the information about the achieved governance results (evidence); public administration institutions lack systemic planning, monitoring, assessment and improvement of their performance. There is a need to enhance the functional efficiency of the public administration institutions, to properly plan and put into action systemic solutions aimed at improvement of the institutional structure and to implement national public administration reforms.

As part of implementing this objective public management institutions will be encouraged to apply evidence-based administration tools to a greater extent, launch different quality management systems, take initiatives to improve their internal administration related to analysis of general functions, evaluation, centralization, standardization. In order to achieve a more rational allocation and more efficient absorption of the resources earmarked for public administration well planned national public administration reforms are envisioned. Management of public investments is also going to be improved. The activities related to increasing the performance efficiency of public administration institutions, applying evidence-based management tools and implementing national public administration reforms will contribute to raising of the governance efficiency index (in 2011 – 21<sup>st</sup> position in the EU, target for 2020 – 15<sup>th</sup> position in the EU).

**Common and programme-specific result indicators for ESF**

No	Indicator	Region category	Measurement unit	Common output indicator used as the basis	Baseline value	measurement units	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Share of state and municipal institutions or agencies that use measures for the improvement of their management, implemented using ESF resources under the Operational Programme	Less developed	Institutions and agencies	-	27	%	2013	33	Project data	Annual

\*the baseline value was set after evaluating public administration institutions that by the end of 2013 implemented performance management improvement measures, using ESF resources, under priority 4 "Foreseeing administrative competences and increasing efficiency of public administration" of the Operational Programme for the Development of Human Resources 2007-2013 (hereinafter – "Priority 4 of the Operational Programme 2007-2013).

\*\*the target value was set after evaluating public administration institutions which will receive ESF investments into performance

management improvement under this Operational Programme; baseline value data was not used for the calculation of the target value.

<b>SPECIFIC OBJECTIVE 10.1.2.</b>	<b>Increase transparency and openness of the public administration processes</b>
<p>The corruption perception index in Lithuania is one of the lowest among EU Member States; the society's trust in public administration institutions is not high either. The society is insufficiently involved in public administration processes and lacks knowledge about the possibilities to participate in them, also information about activities and results of public administration institutions.</p> <p>With this in mind it is planned to engage in more active consultations with the society, communicate clear and understandable information on public administration, disseminate information about the possibilities and ways for the society to take part in the public administration processes. With regard to tackling corruption, the planned actions include development and implementation of anti-corruption measures in the public administration areas most susceptible to corruption (e.g. public procurement, health care, law enforcement, etc.); improvement of management of these measures; improvement of corruption developments monitoring processes; improvement of management of professional ethics in public administration institutions; and implementation of measures towards impeccable compliance with the standards of professional ethics. In addition to that, the plans also cover strengthening staff competencies of the public administration institutions in the areas of ethics, prevention and investigation of corruption, promotion of initiatives stimulating society's disapproval of corruption, etc. These activities should contribute to more active consultations with the society on national and municipal levels, increased number of people who have expressed their opinion on the issues important to them and received information about the operations, activities and results of the public administration institutions, less cases of corruptions in the most affected areas of public administration, better perception and deeper intolerance of corruption and violations of professional ethics among the staff of public administration institutions and society members.</p>	

<b>Common and programme-specific result indicators for ESF</b>										
No	Indicator	Region category	Measurement unit	Common output indicator used as the basis	Baseline value	measurement units	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Share of public procurements performed within the calendar year on the basis of the upgraded central public procurement information system that was upgraded using ESF resources under the Operational Programme	Less developed	Public procurement	-	87,1	%	2013	98	Public Procurement Service	Annual
2.	Share of persons who apply	Less	Persons	-	58.52	%	2013	75	Survey	3

the obtained knowledge and competences 6 months after participating in ESF activities for strengthening competences in prevention of corruption and professional ethics	developed									times per period
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<b>SPECIFIC OBJECTIVE 10.1.3</b>	<b>Improve the quality of services and make them more customer-oriented</b>
<p>Public administration institutions are not sufficiently active in terms of improving the services provided to the public; they lack integrated, coordinated actions whereby service quality matching the needs of the public. So far there have been no quality standards established, the services are provided without considering the most user-friendly methods of their provision, the delivery level of services in accordance with one-shop principle is insufficient. The implementation of this objective is expected to contribute to adoption of service quality standards, encouraging public administration institutions to issue citizen's charters (the target for 2020 is 90%), more actively engage them in measuring the public's satisfaction with the level of provided services, more efficiently apply one-shop principle. Staff competencies needed for a better provision of services and servicing of people will also be strengthened. The above mentioned actions for improvement of services quality are expected to help to raise the efficiency level of provision of administrative services and servicing (in 2011 – 0.85, target for 2020 – 0.95).</p>	

<i>Common and programme-specific result indicators for ESF</i>										
No	Indicator	Region category	Measurement unit	Common output indicator used as the basis	Baseline value	measurement units	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Share of public and municipal institutions and agencies that implemented measures to improve the quality of services and/or customer service by using ESF resources under the Operational Programme	Less developed	Institutions and agencies	-	4.8	%	2013	13	Project data	Annual

<b>SPECIFIC OBJECTIVE 10.1.4.</b>	<b>Improve business regulation environment</b>
<p>Due to overregulation, irrational and complicated legal rules businesses and people have to bear an unnecessary administrative and/or regulatory burden; there is a lack of sufficient and systemic administrative and/or regulatory burden assessments and reductions of this burden, other business environment promotion initiatives are progressing slowly. Given the above, it is planned to improve the quality of legislation, reduce the administrative and/or other regulatory burden, improve the quality of information about services available to businesses. The aim is to reach 13<sup>th</sup> position in the EU in terms of governance quality index (compared to 17<sup>th</sup> position in the EU in</p>	

2011).

The efficiency of business supervision system is not sufficient therefore planned interventions include continued reforms of the institutions engaged in the supervision of economic entities, reducing economic entities burden that result from supervisory functions, promoting consultations between the economic entities and their supervisory institutions with this raising businesses' satisfaction with the activities of the above institutions.

To develop a business friendly environment the planned measures will aim to improve the efficiency of the justice system by facilitating a simpler and more efficient litigation process, encouraging legal mediation and other alternative dispute resolution methods, and so forth. This will contribute to a stronger trust in judicial institutions by the society.

<b>Common and programme-specific result indicators for ESF</b>										
No	Indicator	Region category	Measurement unit	Common output indicator used as the basis	Baseline value	measurement units	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Reduced administrative/other regulatory burden due to better regulation initiatives implemented by using ESF resources under the Operational Programme	Less developed	mEUR	-	1.16	mEUR	2013	3	Project data	Annual
2.	Share of the institutions supervising entities and applying smart business supervision measures implemented by using ESF resources under the Operational Programme	Less developed	%	Institutions	93	%	2013	30	Project data	Annual
3.	Share of courts that implemented measures to improve the efficiency of justice by using ESF resources under the Operational Programme	Less developed	Courts	-	13	%	2013	75	Project data	Annual

#### **SPECIFIC**

#### **OBJECTIVE 10.1.5.**

#### **Improve management of human resources in the public service**

Lithuanian public service is still overly oriented towards processes and their legal regulation, it lacks result-orientation, innovativeness, flexibility, strategic capacities and efficient management of human resources. In 2009, OECD/ SIGMA report identified the lowest compliance of public service to the European public administration principles in senior public service areas, insufficient compliance in the employees' performance assessment area; payroll system was assessed as uncompetitive and insufficiently linked to the results of the employees.

To address these problems the public service needs immediate changes in the management of human resources and their competencies. The implementation of this objective will include

development and launching of qualitatively new management of senior civil servants, transparent and competitive payroll system, advanced motivation measures, improvement of the system for selection of public servants by orienting it towards assessment of skills and competencies. The interventions will include promotion of advanced personnel management instruments at the institutional level, strengthening of strategic competencies of the staff which are regarded as priority by the Government.

<b>Common and programme-specific result indicators for ESF</b>										
No	Indicator	Region category	Measurement unit	Common output indicator used as the basis	Baseline value	measurement units	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Share of senior managers participating in the senior management cooperation networks financed by ESF resources under the Operational Programme	Less developed	Persons		0	%	2013	100	Project data	Annual
2.	Share of staff at public and municipal institutions or agencies which apply competence-based civil service human resources management implemented by using ESF resources under the Operational Programme	Less developed	%		0	%	2013	90	Project data	Annual
3.	Share of persons who apply obtained knowledge and competences at work 6 months after participating in ESF activities for strengthening strategic competencies	Less developed	%		99	Number	2013	90	Project data	Annual

### **10.1. Actions to be supported under investment priority 9.4**

#### *Actions of specific objective 10.1.1:*

- Application of evidence-based management measures. Support will be provided to the activities related to assessment of programmes, revision of functions, impact assessment of decisions (e.g. application of cost-benefit analysis, extended impact assessment of decision making, quality assurance of impact assessment with regard to priority legislative initiatives), coordination of these actions, application of evidence-based management measures and strengthening of institutional capacities needed for coordination purposes (including staff competencies).
- Enhancing efficiency of the performance of public administration institutions. Support will be provided for different initiatives aimed at improvement of internal administration in relation to

increasing efficiency of general functions (administration of finances, documentation, assets, information technologies and other resources) (analysis, assessment, centralisation, standardization, launching and upgrading of the needed information systems, etc.). Support is envisioned for the activities related to the planning, monitoring and assessment of the activities (their results) of public administration institutions (e.g. by developing and launching the relevant institutional monitoring systems, improving national or municipal resource management systems, registries, etc.). Application of other performance improvement measures (launching of project/process management, quality management systems (in particular Common Assessment Framework), maintenance of these systems, etc.) will be promoted as well. Funding will be granted to the actions aimed at improvement of planning, designing, assessment, implementation and monitoring of public investment projects, promotion of use of different funding sources and methods (including public and private partnership) for public investments. Support is envisioned for the activities aimed at strengthening of inter-institutional cooperation (through establishment of competence networks/fora, testing new cooperation mechanisms, etc.). Support will also be provided for the strengthening of the institutional capacities (including staff competences) needed for the above actions to build up performance efficiency of public administration institutions.

- Implementation of national public administration reforms. Interventions will cover building up of institutional capacities (including staff competencies) needed for proper preparation and/or implementation and coordination of reforms in the relevant public administration areas (e.g. education, culture, health, taxes, institutional structure, pensions, state-governed companies, etc.). Support is also planned for the development and launch of systems to manage (monitor) changes/results/separate areas of public administration (other than institutional level) (e.g. system for collecting cultural statistics, system for monitoring municipal performance, management of state assets, management of the implementation of individual strategic programmes, etc.); activities in relation to analysis, assessment, forecasting of monitoring results with regard to changes in public administration.

*Actions of specific objective 10.1.2:*

- Promoting involvement of the society into the public administration processes. Funding will be provided for the improvement of the existing and testing of new public consultation mechanisms of the public administration institutions, launching of public consultations and building up of institutional capacities to perform such consultations. Support will be provided for communication of information to the society on the existing possibilities to participate in public administration processes (decision making, law enforcement), encouraging public, in particular NGOs and local communities, to participate in public administration processes and building up of the relevant capacities needed for such participation. Support will also be provided for the monitoring of the society's participation in public administration processes as well as for the activities related to assessment of relevance of the public information to the society and communication of such information.

- Strengthening efficiency of prevention and investigation of corruption. Support will be provided for the development and launching of anti-corruption measures in public administration areas identified in the National Anti-Corruption Programme as most affected (e.g. public procurements, health care, law enforcement, etc.), development and delivery of initiatives to increase intolerance for corruption within the society. Funding will be provided for studies and assessments of corruption developments; actions to strengthen monitoring and prevention of corruption; management of measures for corruption studies (planning, implementation, coordination, monitoring and evaluation); identification and management of corruption risks and factors. The planned interventions also include strengthening competencies of the staff of public administration institutions in the areas of prevention and investigation of corruption, communication of information related to prevention and studies of corruption to the society.

- Improvement of the public procurement system. Funding is envisioned with regard to the activities aimed at transparency and efficiency of public procurements, i.e. the activities in relation

to the development of electronic and centralized public procurements, improvement of public procurement risk management and monitoring, launching of all kinds of supportive methodological measures for the contracting authorities. Funding will be provided for the activities aimed at building institutional capacities of the participants of the public procurement system (including staff competencies), needed for the delivery of actions to improve the above mentioned public procurement system, etc.

- Strengthening integrity and professional ethics in public administration institutions. Support will be provided for the actions aimed at improvement of ethics management in public administration institutions (e.g. drafting, launching of standards, codes, registries of private interests, etc.); monitoring, assessment and risk management with regard to breaches of ethics (due to conflict of private and public interests or unethical behaviour of those working at public administration institutions); development and launching of consulting and training systems with regard to coordination of interests, avoiding of conflicts of interest, compliance with norms of ethics, strengthening competencies of the staff of public administration institutions in ethics areas, etc.

*Actions of specific objective 10.1.3:*

- Development and delivery of initiatives with regard to improving the quality of public services and servicing of individuals. Support will be provided for the activities related to analysis of services and their provision procedures, assessment of the relevance of services, optimisation of services and development of quality standards. Support is also envisioned for the issuing of citizen's charters and for the activities related to quality assessment and improvement of services and servicing of individuals; measuring consumer satisfaction with the provided services; more efficient application of one-shop principle; increasing accessibility of services, concentrating (centralising) provision of services in the relevant site/ territory (which is acceptable to the public or contains concentrated competencies); development and launching of other smart measures to improve the quality of services and servicing of individuals. The interventions will also cover building up of institutional capacities (including staff competences) as needed for the establishment, implementation and coordination of the initiatives aimed at improvement of services and servicing of individuals; strengthening client-orientation of the staff.

*Actions of specific objective 10.1.4:*

- Launching of better regulation measures. In order to implement better regulation principles improvement of law enforcement procedures and legal regulation will be sought. Support will be provided for the activities related to deregulation and regulatory simplification; improving the quality of legislation; impact assessment of draft decisions; development of measures to assess/monitor the impact of changes/results brought about by regulation reforms, etc. Funding will be granted for the assessment of administrative and/or other burden, drafting and delivery of measures aimed at reducing this burden. The capacities of public institutions needed for proper development, the implementation of aforementioned better regulation measures and the coordination of actions will be reinforced. Funding will also be provided for the actions aimed at improving quality of information that is provided to businesses about the services available and their legal regulation.

- Increasing the effectiveness of the business supervisory system. Support will be provided for the activities related to: launch of risk assessment and management systems by the supervisory institutions; development, launch and improvement of common consulting and inspecting systems; development of information technologies to ensure the quality and effectiveness of control actions; launch and improvement other advanced supervision measures, coordination and monitoring of the processes. Funding will be provided for the development and launch of a single information system of supervisory institutions as well as for the activities to reinforce cooperation between these institutions. Institutional capacities needed to improve the effectiveness of the business supervisory system (including improvement of competence of the supervisory staff), will be further strengthened.

- Improvement of the judicial system. Support will be provided for the activities aimed at promoting effectiveness of the judicial system, including activities contributing to increasing the openness and independence of courts (e.g. developing a strategy for improving public trust and confidence in courts and implementing the necessary measures, monitoring of the results, actions related to the involvement of members of the public in judicial activities). Financing will be allocated to launching alternative dispute resolution options, encouraging people to rely on these options more. Funding will also be channelled for the improvement of the judicial system, building up of institutional capacities (e.g. the competence of judges, and the staff of the Ministry of Justice) needed for coordination and monitoring of the process, etc.

*Actions of specific objective 10.1.5:*

- Improvement of human resources management at public service. Investments will be made into launching of smart human resource management strategies, promoting development and implementation of new personnel management standards, expanding of the existing and developing of new public service values within organisational culture, etc. On the system level, interventions related to the improvement of selection into public service, career planning, performance assessment, training, payroll and motivation systems will be supported; different mobility initiatives will be encouraged; capacities of state and municipal institutions and agencies in charge of personnel management will be reinforced; implementation and upgrading of information systems necessary for improving the efficiency of human resources management, etc. On the institutional level funding will be provided for the improvement of human resource management within state and municipal institutions or agencies (actions aimed at: improving the identification of the needed institutional competencies and positions, identification of lacking competencies and training needs, career planning; developing and launching smart institutional personnel management tools (e.g. organisational mentoring, remote training, non-financial motivation, ensuring of staff's feedback), as well as measures to improve institutional staff selection (competition) and performance evaluation processes. Priority will be given to projects that contribute to launching of competence-based human resources management model<sup>6</sup>. Support will be provided for the improvement of professional competencies of the staff at state and municipal institutions or agencies to the extent needed to ensure the staff competences that are required for the establishment of the necessary competence model in the institution.
- Strengthening capacities of the chain of senior public servants and public officials. Support will be provided for the activities aimed at developing and launching of smart management instruments for senior public servants (managers), mobility programmes, cooperation networks. Interventions will include efforts to facilitate spreading of inter-institutional cooperation culture by developing interactive information and communication measures necessary for the management of cooperation networks. Managerial (supervision and management) and leadership skills of the senior public servants and public officials will be strengthened, training projects will be implemented in cooperation with the administrations of EU countries, exchanges of experience will be promoted.
- Reinforcing strategic staff competencies<sup>7</sup> at state and municipal institutions or agencies. Support will be provided for the training of policy makers, judges, public officials, public servants (of political (personal) confidence, career, statutory), contractual staff<sup>8</sup> to ensure realisation of the

<sup>6</sup> Competence-based human resources management model refers to human resources management instrument whereby competences needed for the achievement of institutional goals and delivery of functions are identified and subsequently human resources are planned, selected, trained, educated, assessed and their careers are planned on the basis of the identified competences.

<sup>7</sup> Strategic competences refer to competencies significant to public service for the strengthening of which the Government identifies priority training targets in the Public Servants Training Strategy for the relevant period.

<sup>8</sup> Target group for strengthening strategic competences of the staff of public and municipal institutions and agencies refers to the staff of institutions and agencies that are subject to the Law on Civil Service and which are listed by Resolution No X-1511 of the Seimas of the Republic of Lithuania of 24 April 2008 "On Approval of the Grouped List of the Seimas of the Republic of Lithuania, the Office of the Seimas and Bodies Accountable to the Seimas, the Institution of the President of the Republic of Lithuania and Bodies Accountable to the President of the Republic, the

priority training targets important for the state in the relevant period (2014-2017 and 2018-2020), development of training programmes and innovative training measures for the purposes of the above training activities. The investments of the 2014-2017 period will be directed towards improvement of strategic staff competencies related to management, leadership and change management, strengthening of analytical and communication capacities and skills, development of other specific strategic competencies. To ensure efficiency of the trainings training participants will be selected on the basis of the mandatory competencies specified in job descriptions and the needs for staff training identified by institutions.

<b>Common and programme-specific output indicators for ESF</b>							
No	Indicator	measure ment units	Fund	Category of region	Target value (2013)	Source of data	Frequency of reporting
<b>Actions of specific objective 10.1.1:</b>							
1.	Public administration institutions that implemented measures for the improvement of their performance management by using ESF resources under the Operational Programme	Number	ESF	Less developed	55	Project data	Annual
2.	Evidence-based management measures (programme evaluation, function reviews, impact assessment of decisions) applied by public administration institutions by using ESF resources under the Operational Programme	Number	ESF	Less developed	80	Project data	Annual
3.	Staff of public administration institutions who participated in activities for strengthening competences required for the application of evidence-based management measures or the improvement of performance management, using ESF resources under the Operational Programme	Number	ESF	Less developed	3,000	Project data	Annual
<b>Indicators of specific objective 10.1.2:</b>							
4.	Upgraded central public procurements information system	Number	ESF	Less developed	1	Project data	Annual
5.	Staff of public administration institutions working in corruption-sensitive areas who participated in activities aimed at improving of the competences with regard to prevention of corruption or to integrity and professional ethics	Number	ESF	Less developed	4,000	Project data	Annual
6.	Persons who participated in activities for informing the public on public administration processes or encouraging to take part in them, implemented using ESF resources under the Operational Programme	Number	ESF	Less developed	15,000	Project data	Annual
<b>Indicators of specific objective 10.1.3:</b>							
7.	Public administration institutions that launched quality improvement measures with regard to services and servicing of individuals by using ESF resources under the Operational Programme	Number	ESF	Less developed	80	Project data	Annual
8.	Staff of public administration	Number	ESF	Less	4,000	Project data	Annual

National Courts Administration, Courts, the Office of the Prosecutor, Municipal Institutions and Bodies, which serves as a Basis for the Established of Categories of Harmonised Functions of Civil Servants” and by Resolution No 358 of the Government of the Republic of Lithuania of 24 April 2008 “On Approval of the Grouped List of Ministries, the Office of the Government, Government Agencies and Agencies under Ministries, other Public Institutions and Agencies, and Repealing of Certain Resolutions of the Government of the Republic of Lithuania”.

<b>Common and programme-specific output indicators for ESF</b>							
No	Indicator	measure ment units	Fund	Category of region	Target value (2013)	Source of data	Frequency of reporting
	institutions that participated in activities for strengthening competences required for improvement of quality of services and/or servicing, implemented using ESF resources under the Operational Programme			developed			
<b>Indicators of specific objective 10.1.4:</b>							
9.	Projects related to the introduction of better regulation implemented by using ESF resources under the Operational Programme	Number	ESF	Less developed	3	Project data	Annual
10.	Advanced measures for the supervision of business implemented or improved by supervisory institutions using ESF resources under the Operational Programme	Number	ESF	Less developed	18	Project data	Annual
11.	Staff of public administration institutions that participated in activities for strengthening competences required for the implementation of better regulation or the improvement of efficiency of supervision of economic operators, implemented using ESF resources under the Operational Programme	Number	ESF	Less developed	3,500	Project data	Annual
12.	Projects for the improvement of the justice system, implemented using ESF resources under the Operational Programme	Number	ESF	Less developed	3	Project data	Annual
<b>Indicators of specific objective 10.1.5:</b>							
13.	Senior management training programmes developed and implemented by using ESF resources under the Operational Programme	Number	ESF	Less developed	80	Project data	Annual
14.	Projects for the implementation of competence-based human resources management, implemented using ESF resources under the Operational Programme	Number	ESF	Less developed	3	Project data	Annual
15.	Public administration institutions that implemented measures for the improvement of their human resources management by using ESF resources under the Operational Programme	Number	ESF	Less developed	60	Project data	Annual
16.	Staff of public administrations institutions who participated in training for strengthening strategic competences by using ESF resources under the Operational Programme	Number	ESF	Less developed	5,000	Project data	Annual

**ESF-specific provisions**

This investment priority will contribute to the implementation of the investment priority 2.1 “Expanding broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy”. ESF financing will be used to assess appropriateness of shifting services into electronic environment, relevance of the services for consumer needs and optimisation of the service provision process. ESF funding will also be channelled into the initiatives contributing to encouragement of society’s involvement into public administration processes as well as active use of e-democracy solutions and measures to be developed and launched under investment priority 2.1.

This investment priority is expected to contribute to the implementation of the investment priority 5.1 “Promoting climate change adaptation, risk prevention and management”. ESF funds will be used for the improvement of operations by state and municipal institutions and agencies in relation to management of emergencies (including disasters resulting from climate change).

The implementation of this investment priority will promote social initiatives and international cooperation. Social initiatives will be relied on the purpose of the following activities: implementation of national public administration reforms; reinforcing efficiency of public administration institutions; promoting society’s participation in public administration processes; improvement of the quality of services provided to the society; applying smart human resource management measures, etc. International cooperation will be promoted by granting funding for the taking-over of the best cross-border practice (staff traineeships, study visits abroad, visits of foreign experts, etc.) and implementing other international cooperation measures directly related to the content of the relevant objectives.

#### ***Guiding principles for selection of projects/actions***

The majority of projects corresponding to this investment priority are going to be selected on the basis of state project planning procedure (direct grant), referring to the Programme 2012-2020 for the Improvement of Public Administration, National Anti-Corruption Programme and other national strategic planning documents and the provisions of implementing legislation. If it is decided that grants are awarded to a certain project directly, this procedure must meet the conditions established by Article 125.3(a)(ii) of the Common Provisions Regulation, requiring that the grant procedure must be non-discriminatory and transparent.

The selection of projects for the purpose of objective 3 of this priority axis “Improve the quality of services and make them more customer-oriented” will be coordinated with the planning of projects related to shifting of public and administrative services into electronic environment funded as part of the investment priority 2.1. This will allow ensuring quality transfer of services into the electronic environment.

Funding will be provided only to the projects dealing with building of staff competencies of state and municipal institutions or agencies and implemented on centralised or systemic level.

#### ***Financial instruments and their description***

Application of financial instruments is not envisioned for the purpose of this priority axis of the Operational Programme. However, financial instruments may be applied during the implementation stage, taking results of the ex ante evaluation into consideration

#### ***Major projects***

Major projects are not envisioned for the purpose of this priority axis of the Operational Programme.

<b><i>Performance framework for the priority axis</i></b>								
<b>Indicator type (implementation steps, financial output and result indicators)</b>	<b>Indicator or implementation step</b>	<b>Measurement units</b>	<b>Fund</b>	<b>Category of region</b>	<b>Milestone for 2018</b>	<b>Target value (2013)</b>	<b>Source of data</b>	<b>Explanation of relevance of indicator</b>
Financial indicator	Total eligible expenditure recognised as declarable to the EC	EUR	ESF	Less developed	46,699,794	176,893,158	Project data	Binding indicator to monitor financial progress towards implementing the priority
Output indicator	Public administration institutions and agencies that implemented measures for the improvement of their performance management by using ESF resources under the Operational Programme	Number	ESF	Less developed	0	55	Project data	The indicator reflects the progress of implementation of the priority as 34% of ESF allocation for this priority is attributed to the achievement of this indicator
Implementation step	Value of the output indicator "Public administration institutions and agencies that implemented measures for the improvement of their performance management by using ESF resources under the Operational Programme" set by the project financing and administration agreements	Number	ESF	Less developed	33	-	Project data	This implementation step has been chosen with consideration into methodology for computing output indicator whereby the achievements are to be counted at the end of project implementation. No projects will be completed by the end of 2018 since this indicator will be pursued through projects of systemic nature which as a rule have longer than 3 years implementation period The value of the indicator envisioned in project financing and administration contract will signal whether the project implementation progress is sufficient.
Output indicator	Public administration institutions that launched quality improvement measures with regard to services and/or servicing by using ESF resources under the Operational Programme	Number	ESF	Less developed	0	80	Project data	The indicator reflects the progress of implementation of the priority as 26% of ERDF allocation for this priority is attributed to the achievement of this indicator
Implementation step	Value of the output indicator "Public administration institutions that launched quality improvement measures with regard to services and/or servicing by using ESF resources under the Operational Programme" planned in project	Number	ESF	Less developed	40	-	Project data	This implementation step has been chosen with consideration into methodology for computing output indicator whereby the achievements are to be counted at the end of project implementation. No projects will be completed by the end of 2018 since this indicator will be pursued through projects of systemic nature which as a rule have longer than 3 years implementation period.

<b><i>Performance framework for the priority axis</i></b>								
<b>Indicator type (implementation steps, financial output and result indicators)</b>	<b>Indicator or implementation step</b>	<b>Measurement units</b>	<b>Fund</b>	<b>Category of region</b>	<b>Milestone for 2018</b>	<b>Target value (2013)</b>	<b>Source of data</b>	<b>Explanation of relevance of indicator</b>
	financing and administration agreements							The value of the indicator envisioned in project financing and administration contract will signal whether the project implementation progress is sufficient.

The milestones and final targets of the ESF indicators shown in the Performance Framework have been set by reference to the historical data of the absorption of funds and achievement of indicators in the past programming period, i.e. by reference to indicator values achieved by implementing similar interventions in the equivalent period, and by considering, at the same time, the envisaged volumes of investments and interventions in the current programming period.

Another reference used for the setting of the milestones was the readiness of the sector to absorb EU funds, i.e. later launch of the measures and the specific aspects of the measures, the systemic nature of projects to be funded and their implementation period which is usually longer than 3 years. These projects will in majority of cases be started in 2015 at the earliest because the majority of institutions will still be implementing the projects funded in the framework of 2007-2013 Operational Programmes. The target indicators have been chosen with consideration of methodology for counting output indicators whereby the achievements are to be counted at the end of project implementation.

<b><i>Indicative breakdown of expenditure by category</i></b>									
<b>Breakdown of expenditure by priority axis</b>		<b>Breakdown of expenditure by type of funding</b>		<b>Breakdown of expenditure by type of territory</b>		<b>Breakdown of expenditure by territorial delivery</b>		<b>Breakdown of expenditure by ESF secondary theme</b>	
<b>Code</b>	<b>Financial proportion (EUR)</b>	<b>Code</b>	<b>Financial proportion (EUR)</b>	<b>Code</b>	<b>Financial proportion (EUR)</b>	<b>Code</b>	<b>Financial proportion (EUR)</b>	<b>Code</b>	<b>Financial proportion (EUR)</b>
119	150,359,184	01	150,359,184	07	150,359,184	07	150,359,184	08	150,359,184

**PRIORITY AXIS 11. TECHNICAL ASSISTANCE FOR THE ADMINISTRATION OF THE OPERATIONAL PROGRAMME**

<b>SPECIFIC OBJECTIVE 11.1</b>	<b>Ensure efficient administration of the Operational Programme</b>
<p>In the framework of the 2007-2013 programming period, technical assistance envelope was used to develop an efficient, adequate, functioning EU funds administration system based on sound financial management principles. Further challenges in terms of improving the system are related to further simplifications to project promoters and harnessing of workforce turnover in the system.</p> <p>As concerns the development of the administrative system for the 2014-2020 programming period, efforts will be focused on ensuring system's continuity; maintaining administrative capacities and skills generated in institutions within the management and control system (MCS) by developing and improving competence enhancement and motivation system. Efforts will also be focused on improvements to the institutional MCS structure, reinforcement of inter-institutional cooperation, standardisation of the applicable administrative practices and cutting administrative burden by developing proportionate project requirements and improving the IT system. This should render the system clearer, better understandable to the applicants, project promoters and control authorities. The system will also include authorities outside MCS whose competence areas are important for higher efficiency of the EU funds administration. Involvement of new authorities will allow ensuring that their administrative capacities meet the requirements applicable with regard to the assigned functions.</p> <p>A better transparency of the system will be safeguarded through adequate functional separation, supervision of the assigned tasks, transparency of support, anti-fraud measures.</p> <p>Salaries of the staff employed within the system and other costs in relation to administration of the Operational Programme will be funded from the technical assistance envelope.</p> <p>With the view to promoting a closer partnership, social economic partners will be actively involved into the EU funds administration processes, while in order to ensure better quality of partnerships, skills of social economic partners will be further developed.</p>	

***Programme-specific result indicators for CF***

No	Indicator	measurement units	Baseline value	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Proportion of costs funded on the basis of simplified approaches in ESF projects to the total funded ESF project costs	%	9.7*	2013	20	Study by the Ministry of Finance	Annual
2.	Proportion of costs funded on the basis of simplified approaches in ERDF projects to the total funded ERDF project costs	%	0.4*	2013	4	Study by the Ministry of Finance	Annual
3.	Proportion of costs funded on the basis of simplified approaches in CF projects the total funded CF project costs	%	0**	2013	1	Study by the Ministry of Finance	Annual
4.	Turnover of staff in charge of EU funds administration	%	13	2013	10	Project data	Annual

\* the data underlying baseline value is taken from projects of the 2007-2013 programming period

No simplifications have been applicable to CF projects in the 2007-2013 programming period.

***Actions to be supported under the Technical Assistance priority axis***

- Preparation, implementation, supervision, control, audit of the Operational Programme and

other activities in relation to delivery of the Operational Programme. Funding will also be provided for the activities related to transition between programming periods (i.e. closing and preparations for the coming period) and the implementation of the Partnership Agreement. Support will be provided to the authorities involved in management of the Operational Programme, in particular, to MCS authorities. Support will also be provided to other authorities whose functions are related to the delivery of the Operational Programme. Technical assistance will be used to finance institutional payroll costs, mission costs, work place equipment and maintenance costs, costs in relation to organisation of meetings and events, purchasing consulting services and other costs in relation to delivery of the Operational Programme. In order to tighten fraud prevention in line with the national anti-corruption and anti-fraud regulations as well as EC recommendations, preventive corruption and anti-fraud risk mitigation measures will be applied.

- Building up of administrative capacities, competences and strengthening motivation of the staff within the administration system; interventions of the 2014-2020 period will be focused on maintaining the administrative capacities and competencies generated in the system. Efforts will cover more active exchanges of good experience; development of a tool for information exchange within the information systems; reinforcement of institutional cooperation. As indicated in the provisions of the Partnership Agreement in relation to strengthening of administrative capacities, interventions of the 2014-2020 programming period will further target implementation of centralised training system, which has been improved to reflect the new requirements applicable to the system. In order to tackle high staff turnover in the system, a framework for reinforcing motivation will be launched covering *inter alia* measures aimed at implementation performance related incentives and other motivational measures.

- Activities to cut administrative burden will be implemented through electronisation of support administration processes and differentiation of requirements to projects. As part of expanding the use of information system focus will be placed on standardization and electronisation of different processes: DMS functionalities will be expanded adapting them to both project promoters and applicants; the extent of electronic (automated) forms will be more actively used in support administration processes; electronic exchange of documents will be ensured desisting submission of information in paper format; reinforcing integration of SFMIS and other data bases of state institutions ensuring automated data exchange.

- Involvement of social economic partners into support administration processes and development of their capacities; in 2014-2020 programming period social economic partners will be actively involved into programming, implementation, monitoring and other administrative stages of the EU fund investments. Partners will also be involved into the activities of the Monitoring Committee. In the framework of strengthening administrative capacities of the social economic partners they will be invited into training organised by the managing authority; organisation of meetings and sittings which would contribute to better delivery of the Operational Programme will also be facilitated. The above mentioned activities will be financed from technical assistance envelope.

<b>Programme-specific output indicator for CF</b>				
No	Indicator	measurement units	Target value (2013)	Source of data
1.	Public servants and staff trained	Number	8,938***	Project data
2.	Social economic partners trained	Number	400***	Project data
3.	Computerised information management and monitoring system in line with EU Regulations in place	Number	1	Project data
4.	Number of staff administering EU funds administration	Number	1,227	Project data

\*\*\*- Non-unique participants

<b>Indicative breakdown of expenditure by category</b>		
Breakdown of expenditure by priority	Breakdown of expenditure by type of	Breakdown of expenditure by type of

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

<b>axis</b>		<b>funding</b>		<b>territory</b>	
<b>Code</b>	<b>Financial proportion (EUR)</b>	<b>Code</b>	<b>Financial proportion (EUR)</b>	<b>Code</b>	<b>Financial proportion (EUR)</b>
0121	187,543,198	01	187,543,198	07	187,543,198

**PRIORITY AXIS 12. TECHNICAL ASSISTANCE FOR COMMUNICATION AND EVALUATION OF THE OPERATIONAL PROGRAMME**

<b>SPECIFIC OBJECTIVE 12.1.</b>	<b>Ensure provision of information about EU funds' investments</b>
<p>As indicated by the most recent surveys of public opinion and of potential applicants and project promoters, the level of awareness about financing from EU funds is rather high, while satisfaction in terms of simplicity, clarity and efficiency of information has fallen; over 2014-2020 programming period efforts will focus on timeliness, simplicity, clarity and efficiency of information, i.e. qualitative aspects. It has also been noted that during the recent years the number of people ignoring information about EU funds has increased; however, this is more attributable to their satisfaction with the already available information on the subject rather than to their indifference as the majority of interviewed individuals stated they find information about EU funds sufficient and feel the benefits rendered by EU funds. Some people claim that they are interested in information about benefits of EU funds, specific projects undertaken in their region wherein they would be able to participate; people lack information about the EU funds in terms of purposes, efficiency and transparency of support. It should also be noted that in 2014-2020 programming period much efforts will be concentrated on the involvement of social, economic, regional partners, project promoters, local communities, non-governmental sector into the EU funds communication process. It is expected that more active participation by partners, local communities and non-governmental sector directly linked to project implementation results would foster confidence in efficiency and transparency of the EU funds system.</p> <p>Results of information and communication activities will be assessed on the basis of annual surveys of potential applicants, project promoters and public opinion.</p> <p>The implementation of information and communication activities are expected to increase the public understanding of EU investments in Lithuania so that people could understand and see how EU investments help stimulate important social and economic changes in the country and contribute to the European quality of life.</p>	

<i>Programme-specific result indicators for ESF</i>							
No	Indicator	measurement units	Baseline value	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Share of the potential applicants who are satisfied with the available information*	%	30	2009	65	Studies of potential applicants	Annual
2.	Share of project promoters who find the information on how projects have to be properly implemented sufficient**	%	18	2009	65	Studies of project promoters	Annual
3.	Share of people who appreciate that EU investments help stimulate important social and economic changes in the country and contribute to the better quality of life	%	50	2008	60	Studies of public opinion	Annual

<b>SPECIFIC OBJECTIVE 12.2</b>	<b>Ensure evaluation of EU funds' investments</b>
<p>The purpose of the evaluation in 2014-2020 programming period is to improve the content and implementation quality of the Operational Programme, assess the performance, efficiency and impact of the EU funds. This objective will be pursued on the basis of the experience gained and lessons learnt in 2007-2013 programming period. As part of the EU funds evaluation process in the</p>	

framework of the 2007-2013 programming period a EU funds evaluation plan for the 2007-2013 programming period defining evaluation goals and objectives, envisioned measures and financial resources for the implementation of the goals and objectives was adopted. For the implementation of the evaluation plan over the 2008-2013 period six annual integral evaluation plans were drawn up. Taking into consideration social economic situation of Lithuania, delivery progress of operational programmes and evaluation issues raised by the European Commission the annual evaluation plans had certain priority themes for evaluation of the EU funds identified. The annual plans of 2008-2013 cover total 67 evaluations (including 3 projects for reinforcing of evaluation capacities).

In order to improve the quality of evaluations and applicability of their results assessment of evaluation quality and applicability of results was conducted in 2013 which revealed that about 60% of all recommendations provided by evaluations were implemented. A conclusion was also made that one of the main issues in relation to planning and organisation of evaluation is insufficient institutional and personal capacities which result in weak demand for evaluation and insufficient quality assurance or adequate applicability of evaluation results.

To deliver the evaluation objective of the 2014-2020 programming period a strategic document Plan for evaluation of EU funds absorption in 2014-2020 (hereinafter – the “Evaluation Plan”) will be prepared; the Evaluation Plan will contain a list of planned evaluations; budget for the implementation of the plan and any other relevant information. Following the evaluation plan the following evaluations will be performed:

- Final (*ex post*) evaluations of the 2007-2013 Operational Programmes;
- Evaluations of implementation and impact of the Operational Programme (or a part of it);
- *Ex ante* evaluation of the future programming period.

The implementation of the Evaluation Plan will be based on annual evaluation plans prepared for that purpose.

Evaluation quality will be pursued by ensuring availability and adequacy of the required data; for the purposes of the evaluations the following data will be used: monitoring data (data about financial, output and result indicators of the Operational Programme will be kept within the Computerised EU funds Management and Monitoring Information System); administrative data and registries; EU and national statistics; data generated as part of different surveys.

The quality of planning, implementing and applicability of results will be ensured by following EU structural assistance evaluation standards.

Particular focus will be placed on applicability of the evaluation results: evaluation results (evaluation reports, developed methodologies, computing models) will be adequately communicated to all target groups and posted on the website of the EU funds' investments; recommendations and results of evaluations will be used for the purpose of improving the programmes and their reporting as well as for the decision making.

#### ***Programme-specific result indicators for ESF***

No	Indicator	measurement units	Baseline value	Baseline year	Target value (2013)	Source of data	Frequency of reporting
1.	Recommendations implemented	%	60	2014	70	Project data	Annual

#### ***Actions to be supported under technical assistance priority axis***

##### *Actions of specific objective 12.1:*

The support plans of the 2014-2020 programming period include funding of communication activities to implement Communication Strategy. The undertaken activities will ensure provision of quality information to potential applicants and project promoters about the opportunities offered by

the Operational Programme and the requirements for applying for the EU financing. Funding will also be provided for communication activities whereby the public and its individual groups will be informed about the planned projects, results of completed and ongoing projects by emphasizing their benefit and added value.

The following communication activities are planned for the 2014-2020 programming period: a wide information campaign to inform about the launching of the Operational Programme; annual information activities on TV, radio, internet, etc. to promote funding opportunities, introduce the results already achieved in the framework of the Operational Programme, inform about major projects, organise information events for potential applicants and project promoters, conferences, seminars, training, elections of best projects, awards, etc.

The information about funding opportunities offered by EU funds, about project promoters, etc. will be published on the EU funds website. This will ensure accessibility, timeliness of the information and contribute to the transparency of the EU funds. In line with equal opportunities and non-discrimination principles, information material for potential applicants and beneficiaries will be presented in forms friendly to the disabled people.

To ensure better quality of the information, its orientation towards the needs of the target auditory and the efficiency of communication activities, surveys of opinions of the target groups and efficiency evaluations of the communication activities will be periodically conducted.

It is expected that the majority of the EU funds communication activities will be conducted by the authorities administering the EU funds' investments and service providers selected by them through public procurement. Where appropriate, for the purposes of activities to be implemented on the basis of tenders, the help of social, economic, regional partners, non-governmental organisations, etc. can be used.

*Actions of specific objective 12.2:*

In the programming period the following evaluations will be carried out in line with EU regulations and national evaluation needs:

- impact assessments to identify impact of interventions, i.e. the outcome of the interventions and the extent the interventions contributed to the changes, will be performed. These evaluations will be directed towards 2014-2020 National Progress Programme, Operational Programme (or its part). Impact assessments are planned with regard to all priority axes of the Operational Programme; the evaluations also include assessments to define impact of the EU funds' investments on the implementation of EU or national strategic objectives at the levels of Lithuanian economy, individual industries, (investment areas) and regions.
- implementation assessments will be conducted to determine the progress in the implementation of priority axes or specific objectives of the Operational Programme and measure the quality of administration of the Operational Programme, The aim of implementation progress reports (interim evaluations) is to assess the effectiveness of the use of the EU funds, the implementation of measures and projects, the level of achievement of objectives and monitoring indicators, the likelihood of achieving the monitoring indicators, effects of external factors, taking innovation in the EU funds, implementation problems and risks into consideration in order to make timely decisions on the logic, content and implementation of interventions funded. Evaluation of the administration process will aim at improving the programme management and control system.
- evaluations with regard to the implementation of EU horizontal policy priorities and national priorities; other evaluations the need for which will be identified on the basis of results and recommends of the *ex-ante* evaluation, experience in relation to programme preparation and results of negotiations with EC, changing social and economic situation, strategic documents, implementation progress of the Operational Programme and other information.

- evaluation capacity building measures. The evaluation capacity building measures will include trainings (lectures, seminars, study visits to the counterpart institutions in other countries), experience exchange events, preparation and revision of methodological material (guidelines, manuals, rules), different measures to communicate evaluation results, expanding of partnership.

<b>Programme-specific output indicators for ESF</b>				
<b>No</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Data source</b>
1.	A wide information campaign implemented to inform about the launching of the Operational Programme	Number	1	Project data
2.	Implemented information and communication campaigns	Number	57	Project data
3.	Annual average number of unique visitors of the EU funds website	Number	200,000	Data from Website Visiting Analysis System
4.	Completed evaluations	Number	70	Project data

<b>Breakdown of expenditure by priority axis</b>		<b>Breakdown of expenditure by type of funding</b>		<b>Breakdown of expenditure by type of territory</b>	
<b>Code</b>	<b>Financial proportion (EUR)</b>	<b>Code</b>	<b>Financial proportion (EUR)</b>	<b>Code</b>	<b>Financial proportion (EUR)</b>
0122 (ESF)	5,792,400	01 (ESF)	25.812.183	07 (ESF)	25,812,183
0123(ESF)	20,019,783				

## SECTION 3. FINANCIAL PLAN OF THE OPERATIONAL PROGRAMME

Table 3. Total amount of financial appropriations from each fund (EUR)

Fund	Category of region	2014		2015		2016		2017	
		Main allocation	Performance reserve						
<i>ERDF</i>	Less developed	414,198,561	26,438,206	433,022,012	27,639,703	452,675,572	28,894,185	470,517,148	30,033,010
<i>ESF</i>	Less developed	134,423,094	8,271,833	140,247,637	8,063,005	145,739,493	9,302,521	151,483,611	9,669,167
<i>YEI (specific allocation)</i>	Not applicable	17,855,411	0	13,927,222	0	0		0	
<i>CF</i>	Not applicable	241,229,143	15,397,605	252,993,465	16,148,519	265,199,897	16,927,653	275,894,142	17,610,265
<b>Total</b>		<b>807,706,209</b>	<b>49,276,301</b>	<b>840,190,336</b>	<b>51,851,227</b>	<b>863,614,962</b>	<b>55,124,359</b>	<b>897,894,901</b>	<b>57,312,442</b>

Table 3 (continued). Total amount of financial appropriations from each fund (EUR)

Fund	Category of region	2018		2019		2020		Total	
		Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve
<i>ERDF</i>	Less developed	488,602,525	31,187,395	506,907,105	32,355,773	525,404,138	33,536,434	3,291,327,061	210,084,706
<i>ESF</i>	Less developed	157,306,223	10,040,823	163,199,407	10,416,983	169,154,551	10,797,099	1,061,554,016	65,730,088
<i>YEI (specific allocation)</i>	Not applicable	0		0		0		31,782,633	
<i>CF</i>	Not applicable	286,232,590	18,270,165	297,223,984	18,971,744	307,209,347	19,609,107	1,925,982,568	122,935,058
<b>Total</b>		<b>932,141,338</b>	<b>59,498,383</b>	<b>967,330,496</b>	<b>61,744,500</b>	<b>1,001,768,036</b>	<b>63,942,640</b>	<b>6,310,646,278</b>	<b>398,749,852</b>

Table 4. Financial plan of the Operational Programme (EUR)

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

Priority axis		Basis for calculation of Union support (total eligible cost or public eligible cost)	Community support	National counterpart	Indicative breakdown of national counterpart		Total funding	Co-financing rate	EIB contribution	Main allocation (total funding less performance reserve)		Performance reserve		Proportion of performance reserve as %
			(a)	(b) = (c) + (d)	National public funding	National private funding	(e) = (a) + (b)	(f) = (a)/(e)		Community support	National counterpart	Community support	National counterpart	
					(c)	(d)				(h)=(a)-(j)	(i) = (b) – (k)	(j)	(k)= (b) * ((j)/(a))	
1. Strengthening R&D&I	ERDF	Total eligible costs	678,878,835	119,802,148	0	119,802,148	798,680,983	85.00%		638,146,105	112,614,019.14	40,732,730	7,188,128.86	6.00%
2. Promoting information society	ERDF	Total eligible costs	244,037,284	43,065,404	42,437,630	627,774	287,102,688	85.00%		229,395,047	40,481,479.77	14,642,237	2,583,924.23	6.00%
3. Promoting the competitiveness of SMEs	ERDF	Total eligible costs	531,603,253	93,812,339	0	93,812,339	625,415,592	85.00%		499,707,058	88,183,598.69	31,896,195	5,628,740.31	6.00%
4. Promoting energy efficiency, and production and consumption of RES	ERDF	Total eligible costs	517,201,697	91,270,888	7,666,4128	83,604,476	608,472,585	85.00%		486,169,595	85,794,634.69	31,032,102	5,476,253.31	6.00%
	CF	Total eligible costs	454,118,432	80,138,547	1,411,723	78,726,824	534,256,979	85.00%		424,126,038	74,845,771.58	29,992,394	5,292,775.42	6.60%
5. Environment, sustainable use of natural resources and adaptation to climate change	ERDF	Public Total eligible costs	193,677,709	34,178,420	32,645,770	1,532,650	227,856,129	85.00%		182,057,047	32,127,714.90	11,620,662	2,050,705.10	6.00%
	CF	Total eligible costs	644,099,887	113,664,686	36,947,414	76,717,272	757,764,573	85.00%		601,560,108	106,157,666.17	42,539,779	7,507,019.89	6.60%
6. Developing sustainable transport and key network infrastructures	ERDF	Total eligible costs	390,625,213	68,933,862	9,650,087	59,283,775	459,559,075	85.00%		367,187,700	64,797,830.24	23,437,513	4,136,031.76	6.00%
	CF	Total eligible costs	763,156,109	134,674,608	68,634,680	66,039,928	897,830,717	85.00%		712,753,224	125,779,981.20	50,402,885	8,894,626.80	6.60%
7. Promoting quality employment	ERDF	Public eligible costs	421,299,136	74,346,907	74,346,907	0	495,646,043	85.00%		396,021,188	69,886,092.61	25,277,948	4,460,814.39	6.00%

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

Priority axis		Basis for calculation of Union support (total eligible cost or public eligible cost)	Community support	National counterpart	Indicative breakdown of national counterpart		Total funding	Co-financing rate	EIB contribution	Main allocation (total funding less performance reserve)		Performance reserve		Proportion of performance reserve as %
			(a)	(b) = (c) + (d)	National public funding	National private funding	(e) = (a) + (b)	(f) = (a)/(e)		Community support	National counterpart	Community support	National counterpart	
					(c)	(d)				(h)=(a)-(j)	(i) = (b) – (k)	(j)	(k)= (b) * (j)/(a)	
and participation in the labour market	ESF	Total eligible costs	243,721,797	43,009,729	43,006,833	2,896	286,731,526	85.00%		228,745,621	40,366,874.40	14,976,176	2,642,854.60	6.14%
	YEI	Public eligible costs	63,565,266	5,608,700	5,608,700	0	69,173,966	91.89%		63,565,266	5,608,700.00	0	0	0.00%
8. Promoting social inclusion and combating poverty	ERDF	Public eligible costs	315,540,145	55,683,555	55,683,555	0	371,223,700	85.00%		296,607,736	52,342,541.65	18,932,409	3,341,013.35	6.00%
	ESF	Total eligible costs	220,294,386	38,875,480	34,767,388 34,974,128	4,108,092 4,120,370	259,169,866	85.00%		206,757,774	36,486,665.93	13,536,613	2,388,814.07	6.14%
9. Educating the society and strengthening the potential of human resources	ERDF	Total eligible costs	208,548,495	36,802,676	36,513,056	289,620	245,351,171	85.00%		196,035,585	34,594,515.39	12,512,910	2,208,160.61	6.00%
	ESF	Total eligible costs	455,313,921	80,349,516	3,879,742	76,469,774	535,663,437	85.00%		427,335,868	75,412,212.50	27,978,053	4,937,303.50	6.14%
10. Society-oriented smart public administration	ESF	Public eligible costs	150,359,184	26,533,974	26,533,974	0	176,893,158	85.00%		141,119,938	24,903,518.80	9,239,246	1,630,455.20	6.14%
11. Technical assistance for the administration of the Operational Programme	CF	Public eligible costs	187,543,198	33,095,859	33,095,859	0	220,639,057	85.00%		187,543,198	33,095,859.00	0	0	0.00%
12. Technical assistance for communication and evaluation of	ESF	Public eligible costs	25,812,183	4,555,092	4,555,092	0	30,367,275	85.00%		25,812,183	4,555,092.00	0	0	0.00%

Priority axis		Basis for calculation of Union support (total eligible cost or public eligible cost)	Community support	National counterpart	Indicative breakdown of national counterpart		Total funding	Co-financing rate	EIB contribution	Main allocation (total funding less performance reserve)		Performance reserve		Proportion of performance reserve as %
			(a)	(b) = (c) + (d)	National public funding	National private funding	(e) = (a) + (b)	(f) = (a)/(e)		Community support	National counterpart	Community support	National counterpart	
					(c)	(d)				(h)=(a)-(j)	(i) = (b) – (k)	(j)	(k)= (b) * ((j)/(a))	
<i>the Operational Programme</i>														
Total	ERDF		3,501,411,767	617,896,199	258,943,417	358,952,782	4,119,307,965	85.00%		3,291,327,061	580,822,427.08	210,084,706	37,073,771.92	6.00%
Total	ESF		1,095,501,471	193,323,791	112,743,029	80,580,762 82.317.608	1,288,825,262	85.00%		1,029,771,383	181,724,363.63	65,730,088	11,599,427.37	6.00%
Total	YEI		63,565,266	5,608,700	5,608,700	0	69,173,966	91.89%		63,565,266	5,608,700.00	0	0	0.00%
Total	CF		2,048,917,626	361,573,700	140,089,676	221,484,024	2,410,491,326	85.00%		1,925,982,568	339,879,277.95	122,935,058	21,694,422.05	6.00%
Total			6,709,396,130	1,178,402,390	517,372,544	661,029,846	7,887,798,520	85.06%		6,310,646,278	1,108,034,768.66	398,749,852	70,367,621.34	5.94%

Table 5. Allocations for the Youth Guarantee (EUR)

Fund	Category of region	Basis for calculation of Community support (total eligible costs or public eligible costs)	Union support (a)	National counterpart (b)=(c)+(d)	Indicative breakdown of national counterpart		Total funding (e)=(a)+(b)	Co-financing rate, % (f)=(a)/(e)	EIB contribution (for information)
					National public funding (c)	National private funding (d)			
YEI	Not applicable		31,782,633	0	0	0	31,782,633	100	
ESF	Less developed		31,782,633	5,608,700	5,608,700	0	37,391,333	85	
Total			63,565,266	5,608,700	5,608,700	0	69,173,966	91.89	

**Table 6. Breakdown of financial plan by priority axis (EUR)**

Priority axis	Fund	Category of region	Thematic objective	Community support	National counterpart	Total funding
5. Environment, sustainable use of natural resources and adaptation to climate change	ERDF	Less developed	5. Promoting climate change adaptation, risk prevention and management;	4,064,010	717,178	4,781,188
	CF			104,842,447	18,501,608	123,344,055
	ERDF		6. Protecting the environment and promoting resource efficiency	189,613,699	33,461,242	223,074,941
	CF			539,257,440	95,163,078	634,420,518
<b>Total</b>				<b>837,777,596</b>	<b>147,843,106</b>	<b>985,620,702</b>

**Table 7. Indicative allocations for the climate change related objectives (EUR)**

Priority	Planned allocations for the climate change objectives, EUR	Percentage from the total allocation for the Operational Programme
3. Promoting competitiveness of small and medium businesses	72,984,244.4	1.09
4. Promoting energy efficiency and production and consumption of RES	924,401,686	13.78
5. Environmental protection, sustainable consumption of natural resources and adapting to climate change	195,149,284.60	2.91
6. Developing sustainable transport and key network infrastructures	212,849,214	3.17

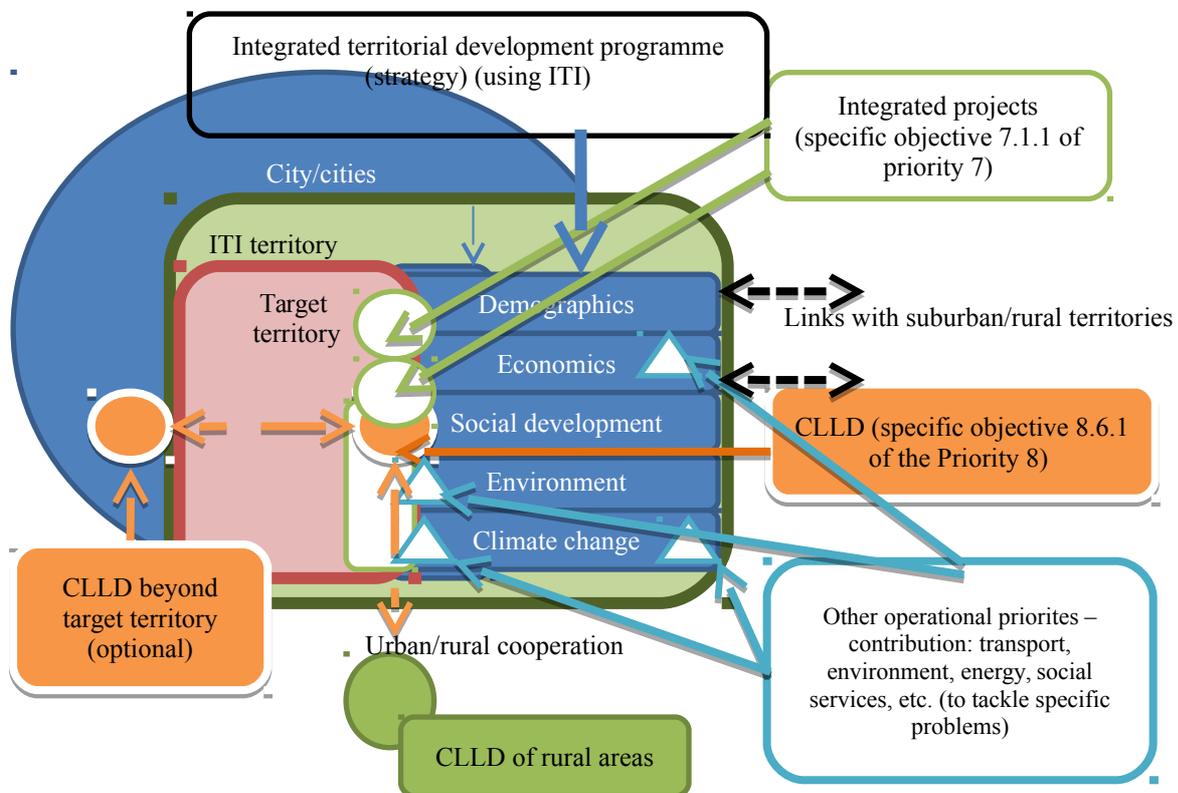
## SECTION 4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

The key addressed problems and challenges are described in Section 1.1 of the Partnership Agreement (Territorial Development and Regional Policy), integrated approach is also described in Section 3.1 of the Partnership Agreement.

Integrated approach to territorial development will be ensured by applying ITI mechanism in urban areas (including urban areas with supported integrated sustainable urban development actions):

- ITI will be used for the purpose of sustainable urban development actions (URBAN) indicated in Article 7 of the ERDF Regulation in the five major cities and for the tackling of territorial development issues faced by small and medium-sized towns.
- Some of the ESF actions related to social problems in urban areas will be implemented through bottom-up approach (CLLD in urban areas may be undertaken as one of elements).

**Figure 1.** ITI implementation scheme



It is expected that the integrated territorial development based on ITI (including CLLD based investments) will allow to contribute to the implementation of all priority axes of the Operational Programme (by ensuring synergy of investments) and will directly contribute to the implementation (achievement of the defined results) of priority axes 7 and 8 of the Operational Programme. Promoting quality employment and participation in labour market, social inclusion and combating poverty. Investments will be channelled into infrastructure contributing to better quality of life, promoting attractiveness of the territory for investments, business development, new jobs, enabling local partners and communities to contribute to addressing social problems (combating unemployment and poverty).

With regard to ITI, the majority of investments are expected to be funded from ERDF: EUR 316 million on the basis of investment priority 7.1 *Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, specific natural and cultural resources*) to support integrated projects for social and economic urban restoration (of which at least EUR 204.7 million are to be designated for the implementation of integrated sustainable urban development actions in the five major cities) and on the basis of investment priority 8.6 *Implementing CLLD strategies* to support LAGs implementing local development strategies aimed at increasing of employment and reducing of social divide in urban areas.

These investments will be complemented by related ERDF, CF and ESF activities (sectoral measures) to be identified for each integrated territorial development programme taking into consideration specific territorial problems and focusing on tackling of problems related to sustainable mobility, reduction of pollution, efficient energy consumption, SMEs, social inclusion problems (including social integration of Roma community).

It should be noted that the attribution of funds of the Operational Programme to specific expenditure categories will be revised after adopting ITI plans and other regional projects or measures.

<b>4.1.</b>	<b>The approach to the use of CLLD instruments and the principles for identifying the areas where they will be implemented</b>
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Drawing on the LEADER approach implementation experience some of the ESF supported interventions directly related to local issues in urban areas can be implemented through CLLD to tackle such challenges as social exclusion and poverty in isolated urban territories; integrated urban revitalization (promoting employment in small and medium-sized towns). The implementation provisions are described in Section 3.1.1 of the Partnership Agreement.

Areas in which CLLD instruments are to be applied will be chosen taking into consideration the challenges mentioned in the Partnership Agreement as well as potential synergy with sustainable urban development actions based on ITI. The supported actions will be aimed at inclusion of inactive social groups (individuals not seeking jobs and not in training or education, long-term unemployed, etc.) into labour market (with the help of the community, NGOs, social partners). The aim is encourage project participants of working age to actively seek a job, engage in training, education or start working; companies and associated business structures participating in projects – provide better employability opportunities; NGOs and local authorities – seek larger contribution to addressing social problems from the community itself.

CLLD will be implemented as an integral part of ITI and sustainable urban development actions provided that LAGs are established and active in the ITI territory and contribute to the implementation of integrated territorial development programme.

CLLD is a mandatory element of ITI in target territories identified in the five major cities. Guidelines for local development strategies are set by preparing integrated territorial development programmes (setting challenges and objectives to the implementation of which LAGs will contribute through preparation and implementation of their local development strategies). Integrated territorial development programmes aimed at target territories of the five major cities will be implemented alongside local development strategies. This means that during public discussions of integrated territorial development programmes major community organisations, local social and economic partners active in the territory will be identified; the objectives to be jointly pursued with such organisations and partners discussed; joint actions and input by each of the parties agreed.

In this case a LAG will be institutionalised (a legal person will be established) and will prepare local development strategy in line with the discussed guidelines set in the integrated

territorial development programme. Such local development strategies are selected as part of planning process and are subject to administrative and eligibility assessment as well as assessment of compliance with integrated territorial development programmes.

Other groups of territories: in target territories covering cities with 6 to 10 thousand population and smaller municipal centres (other than the five major cities), as well as cities or their parts not constituting target territories CLLD will be implemented as additional (optional) ITI element or independently from ITI. In such cases local development strategies are to be selected through public tenders with additional (priority) score given to strategies that contribute to the implementation of the ongoing integrated territorial development programmes.

The suitability of LAGs established in urban territories to prepare local development strategies shall be assessed by the Ministry of the Interior. For the purpose of preparation of local development strategies preparatory support will be granted after assessing the suitability of LAGs to prepare such strategies.

Local development strategies will be selected by Joint Selection Committee made of the Ministry of Interior, Ministry of Agriculture, Ministry of Social Security and Labour, Ministry of Finance (Managing Authority) and intermediate bodies involved in the implementation of ITI.

The list of selected local development strategies will be approved by the Ministry of the Interior.

#### **4.2. Support for sustainable urban development**

Sustainable urban development is supported on the basis of ITI implementation mechanism (through integrated development programmes).

At least 5% of ERDF envelope will be allocated to support integrated urban development actions in certain problem-facing parts of the five major cities (Vilnius, Kaunas, Klaipėda, Šiauliai and Panevėžys), i.e. target territories (to address social, economic, demographic, environmental and climate change challenges).

Following the provisions of Article 7 of the ERDF Regulation concerning involvement of urban authorities, selection functions of the target territories and actions shall be delegated to the municipality responsible for the relevant urban territory. Municipalities of the five major cities

- identify target territories. Decisions regarding identification of target and related territories shall be taken by municipal council by reference to the Partnership Agreement and Operational Programme.
- Municipalities only prepare integrated territorial development programmes of the target territories to address social, economic, demographic, environmental and climate change challenges.
- There shall be 5 programmes aimed at target territories of the five major cities prepared and implemented as ITI.
- In the integrated territorial development programmes municipalities shall identify specific measures and projects (actions) (to be implemented on the basis of national or regional project planning process), needed for the implementation of sustainable urban development actions in the specific territory, and milestones (established as objectives) to which LAGs are invited to contribute through local development strategies; proposals to companies, NGO or public entities operating in the target territory and eligible to receive support under measures delivered through tenders or financial instruments.

Provisions concerning involvement of municipalities and other additional information are also provided in Section 3.1.2 of the Partnership Agreement.

**Table 8.** Indicative breakdown of ERDF support for integrated sustainable urban development actions, and of ESF for integrated actions (EUR)

Fund	Indicative breakdown of ERDF support for ITI in accordance with Article 7(2) of the ERDF Regulation by priorities and indicative breakdown of ESF support for integrated actions	Percentage of Fund's total allocations to Operational programme
Total ERDF	204,700,000	5.85
Total ESF	6,001,000	0.53
Total (ERDF+ESF)	210,701,000	4.55

Indicative breakdown for priority axes 7 and 8 of the Operational Programme: *Promoting quality employment and participation in the labour market* (specific objective: *Diversify economic activities and improve conditions for investment in support of job creation in target territories (urban areas)*) and *Promoting social inclusion and combating poverty* (specific objective: *Improve local employability and enhance social integration of communities, by making use of relationship among local communities, businesses and local governments*) in five major cities (Vilnius, Kaunas, Klaipėda, Šiauliai and Panevėžys).

#### 4.3. Approach to the use of Integrated Territorial Investments (ITI)

ITI shall be used as the implementing mechanism to support sustainable urban development actions in the five major cities as indicated in Section 3.1.2 of the Partnership Agreement as well as to address territorial development challenges characteristic to small and medium-sized towns.

Therefore ITI strategies (integrated territorial development programmes) are drawn and implemented in the following territories:

Five major cities in which sustainable urban development actions are implemented. These cities are identified in the NPP: Vilnius, Kaunas, Klaipėda, Šiauliai and Panevėžys. Target territories (parts of these cities) shall be identified by municipalities of the cities in accordance with the principles set in Section 3.1.3 of the Partnership Agreement.

Problems faced by target territories in small and medium-sized towns are mainly related to negative demographic processes, low economic participation and unbalanced economic structure (resulting in poor diversity of jobs). Target territories of these areas shall be identified by ITI coordination authority (Ministry of the Interior) on the basis of pre-defined quantitative criteria.

Transition target territories (towns) are regional economic growth centres (7 towns) and municipal centres of problem territories (14 towns), as identified in the 2007-2013 programming period, where investments into urban infrastructure (similar to supported sustainable urban development actions in terms of their content) were made in 2007-2013, but additional actions are needed to ensure the sustainability of the results. Transition, phasing out measures will be applied in these territories.

It is expected to support up to 15 integrated territorial development programmes targeting specific aspects of the territories and based on ITI approach:

- strategies programmes of the five major cities by focusing investments on the problems faced by target territories with 20-40 thou population and implementing sustainable urban development actions.
- 10 regional level programmes aimed at target territories identified in small and medium-sized towns and at transition target territories (for single or a multiple towns on the region).

Based on the dividing lines drawn in the NPP, the group of small and medium-sized towns includes towns with at least 6 thou population (except for the five major cities attributed to a separate group) and smaller municipal centres.

Criteria for identification of target territories in small and medium-sized towns group shall be set referring to the territorial development challenges defined in the Partnership Agreement as characteristic to the particular towns. The criteria of the target territories: change in the number of population in the long run (in towns, from the census of 2011); low economic activity (newly registered companies per 1,000 urban residents) and unbalanced workforce structure in companies (economic activities from primary or secondary sectors – processing industry, construction, forestry and fishery are dominating while services are poorly developed).

These criteria have been discussed with regional development councils and approved by National Regional Development Council (by decision of 19 November 2013). These criteria are not applied to transition target territories.

ITI may additionally cover:

territories linked with the target territories: major objects of attraction outside the target territory; transport bottlenecks limiting accessibility of the target territory; centres of ESF supported activities outside the target territory which render benefit to the population of the target territory; territories needed for development and reinforcement of relations between urban and rural areas or target territories, etc.

All ITI strategies will be implemented following the principles of support to sustainable urban development and implementation provisions as set in Section 4.2, except for the provisions regarding identification of target territories (which are not applicable to small and medium-sized towns group).

**Table 9.** Indicative breakdown of support for ITI, except for that specified in Section 4.2 (total amount in EUR)

Priority	Fund	Indicative amount (Community support)
Strengthening competitiveness of SMEs	ERDF	25,000,000
Promoting energy efficiency, and production and consumption of RES	ERDPF, CF	ERDF: 85,000,000 SaF: 5,000,000
Environment, sustainable use of natural resources and adaptation to climate change	ERDF, CF	ERPF: 25,000,000 SaF: 50,000,000
Developing sustainable transport and key network infrastructures	ERDF, CF	ERPF: 30,000,000 SaF: 30,000,000
Promoting quality employment and participation in the labour market	ERDF	ERPF: 116,427,000*
Promoting social inclusion and combating poverty	ERDF ESF	ERPF: 30,000,000 ESF: 8,480,000**
Education of the society and strengthening of the potential of human resources	ERDPF ESF	ERPF: 35,000,000 ESF: 5,000,000
Total		489,907,000

\* For ITI implementation in small and medium-sized towns (with the population between 6,000 and 100,000, and smaller municipal centres).

\*\* For CLLD ITI implementation in small and medium-sized towns (with the population between 6,000 and 100,000, and smaller municipal centres), also other ESF-supported actions of thematic objective 9 under integrated territorial development programmes (healthy ageing, promotion of public health, assistance to marginalised groups).

<b>4.4.</b>	<b>The arrangements to ensure coordination with cooperation activities, macroregional and Baltic Sea strategies</b>
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Issues, such as arrangements to ensure coordination between actions financed by the ESI funds and the EUSBSR, also the contribution of the Operational Programme to the implementation

of the EUSBSR, including the setting of a priority project selection criterion, at the level of Operational Programme's measures, to prioritise projects contributing to the implementation of the EUSBSR, the possibility, together with other countries, to organise joint calls for project proposals contributing to the implementation of the EUSBSR, also the possibility to use Article 70 of the Common Provisions Regulation, providing for the use of a certain part of funds outside the area of the EU funds' Operational Programme, etc., are described by Section 3.1.4 of the Partnership Agreement.

Monitoring of the implementation of the EUSBSR will use the existing indicators of the Operational Programmes, in particular those set by priority axes that are most conducive to strategic objectives and indicators of the EUSBSR: promoting research, development and innovations; promoting energy efficiency and production and use of renewable energy; environmental protection, sustainable use of natural resources and adaptation to climate change; developing sustainable transport and key network infrastructures, etc. The use of the priority criterion for the selection of projects and the implementation of projects contributing to the implementation of the EUSBSR as well as data recorded in the information monitoring system will allow collecting information on the contribution of projects financed under the Operational Programme to the implementation of the EUSBSR.

**SECTION 5. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS MOST AFFECTED BY POVERTY OR TARGET GROUPS AT HIGHEST RISK OF DISCRIMINATION OR SOCIAL EXCLUSION WITH PARTICULAR FOCUS ON MARGINAL COMMUNITIES AND THE DISABLED**

Not applicable.

**SECTION 6. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS WHICH SUFFER FROM SEVERE AND PERMANENT NATURAL OR DEMOGRAPHIC HANDICAPS**

Not applicable.

**SECTION 7. AUTHORITIES AND BODIES RESPONSIBLE FOR MANAGEMENT, CONTROL AND AUDIT AND COOPERATION WITH RELEVANT PARTNERS**

**7.1. Identification of the responsible authorities**

**Table 10. Responsible authorities and contact persons**

<b>Authority</b>	<b>Title of the Authority/Department</b>	<b>Head of the authority/department</b>
<b>Managing Authority</b>	European Union Structural Assistance Management Department, Ministry of Finance	Mrs Loreta Maskaliovienė, Director of the department
<b>Certifying Authority</b>	National Fund Department, Ministry of Finance	Mrs Aušra Baliukonienė, Director of the department
<b>Audit Authority</b>	Audit Department No 8, National Audit Office of Lithuania	Mr Arūnas Dulkys, Director of the department
<b>Paying Authority</b>	State Treasury Department,	Mr Audrius Želionis, Director of

	Ministry of Finance	the department
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## **7.2. Actions taken to involve relevant partners into the preparation of the Operational Programme and the role of those partners in the implementation, monitoring and evaluation of the Programme**

### **7.2.1. Participation of relevant partners in implementation, monitoring and evaluation of the Operational Programme**

Partners were increasingly interested in participation in the preparation and implementation process as the preparations for the 2014-2020 programming period progressed. Considering the increased participation and following Article 5 of the Common Provisions Regulation, partnership was promoted through new initiatives, in particular those covering development of methodological documents in this area and organisation of public discussions with partners.

A Partnership Standard was prepared in April 2012, laying down minimum requirements for the application of the partnership principle in the context of planning and implementation of programmes financed by the EU funds and the Cohesion Fund in Lithuania. It defines levels, scope, forms of partnership, the selection of partners, their rights and responsibilities, deadlines for consultations and forms of communicating the outcomes, and the efficiency evaluation of the partnership principle.

To present and clarify the requirements set by the *Partnership Standard* as well as to provide advice concerning the application of the Standard in practice, the Managing Authority of the EU funds and the Cohesion Fund in July 2012 initiated a more extensive document called the Guidelines on the Application of the Partnership Principle in the EU Structural Assistance Process (hereinafter – the “Guidelines”). The document is published on the website at [www.esparama.lt](http://www.esparama.lt) and is available to everyone concerned.

To draft the Partnership Agreement and the Operational Programme for the EU Funds' Investments in 2014-2020, in 2010 a Commission for the EU funds 2014-2020 (the Commission) was established from representatives of ministries, implementing authorities, socio-economic and regional partners. 23 of 52 members of the Commission represent socio-economic and regional partners. The Commission was formed and partners were selected on the basis of their target groups, i.e. it was important to ensure that the partners involved in the Commission have as wide representative role as possible. The selection of partners is carried out by competent authorities within their relevant limits of competence (for instance, the selection of partners for the purpose of sectoral partnership was carried out by sectoral ministries). Potential partners willing to participate in the EU funds process can send their motivated applications to competent staff of relevant authorities for involvement into a relevant partnership structure (committee, commission, etc.).

The selection of partners was based on the following criteria:

- *relevance*: partners must be clearly related either with the issue to be addressed or with its solution. Relevant partners may differ subject to the stage of the EU funds process and the issue being addressed;
- *proportionality*: representation of all relevant partners (territorial, socio-economic, NGOs) must be ensured, there shall be no domination by any of the groups;
- *scope of representation*: partners representing wider rather than narrower individual interests shall be involved.

Public discussion of national strategic documents, namely the Partnership Agreement and the Operational Programme for the EU Funds' Investments in 2014-2020, was launched and continued from June to September 2013. It included around 170 representatives from scientific, business, cultural organisations, NGOs, social economic and regional partners. All interested persons were

allowed to provide their remarks and proposals in relation to these draft documents at [www.esparama.lt](http://www.esparama.lt).

The Operational Programme for the EU Funds' Investments in 2014-2020 was revised according to the proposals received from socio-economic partners. It was complemented by actions for the promotion of equality between men and women and respective indicators (e.g. share of persons participating in events to promote equality between men and women and anti-discrimination in the labour market, claiming that they will apply the acquired knowledge and skills in practice) for measuring the changes, also by activities linking the renovation of public buildings and multi-apartment buildings with energy efficiency, a project to be financed to liquidate radioactive waste storage facility in Maišiagala.

Taking into consideration available methodological documents in the area of partnership and the needs indicated in the course of the discussions held, the promotion of partnership will continue in future, ensuring possibilities for partners to be involved in the implementation, monitoring and evaluation of the EU funds and the Cohesion Fund for the 2014-2020 programming period. For this purpose, the following initiatives of the Managing Authority of the EU funds and the Cohesion Fund will be pursued:

- 1) A new partner-oriented column is introduced on the EU assistance website at [www.esinvesticijos.lt](http://www.esinvesticijos.lt), which serves as a platform to post all information of concern to partners (methodological guidelines, information about events, draft legal acts for consultation). Partners must register on this column (thereby data about the partners interested in the EU funds' investment process will be generated) to be able to comment on the posted draft legal acts (for instance, draft descriptions or regulations).
- 2) Administrative capacities of partners will be further strengthened (see Section 7.2.3 of the Operational Programme).
- 3) Partners will have the possibility to initiate and organise meetings, discussions and sittings which will contribute to a better implementation of the Operational Programme for the EU Funds' Investments in 2014-2020, while financing for these events will be granted from the technical assistance envelope.

These initiatives are expected to facilitate closer cooperation with regional, local, municipal authorities as well as with economic and social partners and entities representing the civil society, including environmental partners, NGOs and bodies dealing with gender equality and non-discrimination.

A more detailed description on how the partners are being involved into the preparation, monitoring and evaluation of the 2014-2020 Operational Programme is provided in Section 1.5.1 of the Partnership Agreement.

### **7.2.2. ESF: Global grants**

Such mechanism is not envisioned.

### **7.2.3. ESF, where applicable: resources allocated for capacity building**

Capacity building of social partners, NGOs and public sector organisations is a horizontal area which will be promoted by combining investment under different investment priorities. Much focus on this area is placed under investment priority *Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment* (priority axis 8). The planned interventions include promoting of partnership between public, private and third sector (on national and local levels) with regard to delivery of employment and social policy by also involving NGOs, training institutions and local community. Participation in decision making and implementation processes will expand

organisational, cooperation and professional competences of social partners and NGOs. Similarly, the investment priority *Access to employment for job-seekers and inactive people, including the long-term unemployed and persons distant from the labour market, through local employment initiatives and support for labour mobility* (thematic objective 8) covers initiatives whereby public awareness of equal opportunities will be developed. One of the activities corresponding to this objective will be aimed at strengthening of capacities of organisations engaged in gender equality and equal opportunities areas.

Investment priorities aimed at development of social services and their infrastructure will also contribute to building capacities of social partners and NGOs. Implementation of investment priorities under thematic objective 9 *Investments in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion, improving access to social, cultural and recreational services, and transition from institutional to community-based services* and *Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest* will cover support for activities aimed at development of social services infrastructure, development of community social services and services to deprived families. It is envisioned that social partners and NGOs will be involved in both planning and delivery of these activities: discussions regarding provision of social services, decision making and implementation of projects. Support will be provided for promotion of cooperation between budget institutions and NGOs in particular for the purpose of coordination of social services at municipal level. Support will be provided for the initiatives promoting inter-sectoral, inter-institutional cooperation, cooperation between national and local levels with regard to rendering and developing of social services.

A few individual priorities envisage capacity building of the employees providing social and employment services. In particular, the planned interventions corresponding to the above mentioned investment priorities dealing with development of social services and their infrastructure will include reinforcement of competences of the staff providing/ administrating social services (both at budget institutions and NGOs). Secondly, the activities that will be implemented as part of investment priority *Access to employment for job-seekers and inactive people* <...> should contribute to better efficiency of state employment service by building staff competencies and capacities to render quality tailored services.

## **SECTION 8. COORDINATION BETWEEN THE EU FUNDS, EAFRD, EMFF AND OTHER EU AND NATIONAL FUNDING INSTRUMENTS AND EIB**

Please see Section 2.1.1 of the Partnership Agreement.

## **SECTION 9. EX ANTE CONDITIONALITIES**

Please see Annexes 1&2 to the Operational Programme.

## **SECTION 10. REDUCING ADMINISTRATIVE BURDEN FOR BENEFICIARIES**

Please see Section 2.6 of the Partnership Agreement.

## **SECTION 11. HORIZONTAL PRINCIPLES**

### **11.1. Sustainable development**

To ensure optimal living conditions for the current and next generations, the Lithuanian Sustainable Development Strategy puts an emphasis on the need to combine environmental, economic and social development aspects.

As regards climate change mitigation and adaptability, protection of biologic variety and ecosystems, resistance with regard to disasters, risk prevention and management objectives, the interventions will include improvement of information, data collection and communication system; provision of possibilities to use common information resources therefore a more quality information at national, regional and local levels will enable to identify main problems and most suitable and efficient solutions.

Drawing on the existing experience with regard to monitoring of impact by certain activities on environment, human society and economy investments will be channelled to the areas that signal most significant needs for development of new, background infrastructure and a potential for most efficient tackling of environmental problems.

Development of new products and technologies oriented towards mitigation of environmental impact and reinforcing of social inclusion will be promoted. Measures dealing with promotion of demand for innovations will contribute to the delivery of sustainable development objectives by implementing the commissioned R&Ds related to reducing of environmental pollution.

An efficient environmental measure such as certification of environmental quality of products covering both industrial products (goods) and services will be applied. Efforts will be focused on encouraging companies to seek environmental certification as a result of which they will obtain the right to use environmental sign on labels or documentation of the organisation.

Renovation of public buildings should be implemented through ESCO providing, as much as possible, pre-conditions to increase energy efficiency and reduce heating costs of the buildings. Replacing of inefficient bio-fuel combustion facilities for household purposes with modern, highly efficient and low pollution equipment will also be encouraged.

Innovative technologies and methods will be launched to enable re-using larger portions of waste for new production purposes. Projects of industrial symbiosis, cooperation with regard to waste management and provision of raw materials will be promoted by concentrating resources and taking into consideration all applicable environmental requirements.

Launching of ecological innovations (environment-friendly technologies) will help to meet the environmental requirements in all phases of choosing and consuming raw materials, production, packing and transportation. Industries will be using essential technological elements consistent with environmental requirements which can be adapted to many projects and used by developing low-carbon energy technologies, promoting greater energy and resource efficiency.

Financing will be ensured only for those urban public transport measures that use alternative or renewable energy, namely electric transport, including electric buses, hybrid buses, hybrid trolleybuses, buses propelled by compressed natural gas, liquefied petroleum gas and biogas.

As part of the implementation of the resource efficiency objective, the aim in 2014-2020 is to cut drinking water losses in water supply and wastewater systems through renovation.

A priority will be given to projects carried out in line with sustainable and/or green public procurement procedures, thus promoting a sustainable use of natural resources, reuse and recycling of products, wider use of RES, development of environmental technology in industries, the increasing supply of environment-friendly goods, services and works.

Projects that will cut CO<sub>2</sub> emissions and projects focused on replacing fossil fuel with biofuel, using additional bioenergy production and use sustainability principles and criteria, covering such aspects as preservation of biodiversity, energy efficiency, resource efficiency, social and economic factors, will receive higher scores.

During project selection procedures projects will be assessed in terms of their compliance with regard to resource efficiency, protection of biologic variety and ecosystems, climate change mitigation and adaptability, implementation of environmental requirements, risk prevention and

management, disaster resistance, granting the needs of consumers with different functional capacities and “polluter pays” principle.

Monitoring of sustainable development principles will be integrated into the overall project monitoring system. Project implementation reports will also include descriptions on the implementation of this horizontal principle. The managing authority will include information about implementation of the horizontal principles into its annual implementation and progress reports of the Operational Programme.

In the 2014-2020 EU programming period, the terms of project financing envision obligations to applicants to identify measures that would help to ensure contribution of their projects to the achievement of sustainable development objectives.

## **11.2. Equal opportunities and non-discrimination**

The principle of gender quality and non-discrimination will be integrated as established by Article 7 of the Common Provisions Regulation through the implementation of the Partnership Agreement.

This horizontal principle is understood both as ensuring equal opportunities and prohibiting restriction of human rights or granting of privileges to any person based on their sex, nationality, racial or ethnic background, language, religion, beliefs, views and opinions, disability, social status, age or sexual orientation.

The disabled, older people and other individuals with different functional capabilities should have equal access to physical infrastructure, transport, ICT, other means and services. There are still major obstacles in this regard. Accessibility to all is the primary condition for participation in social and economic life, but much needs to be done to achieve this goal.

The horizontal principle of equal opportunities and non-discrimination is actively pursued by:

- ensuring accessibility of integrated services (social, health care, education and others) for children and families and improving the quality of the services;
- implementing targeted preventive measures to reduce social exclusion;
- developing motivation of the most vulnerable groups of the society and their ability to participate in social activities and labour market;
- providing social, professional rehabilitation and other relevant services to the most vulnerable groups of the society and improving quality of the services;
- developing targeted measures for the most vulnerable social groups of the society for the purpose of improving their health and preventing diseases;
- using of non-formal education possibilities and e-learning tools to reduce social and digital exclusion;
- increasing accessibility of public services infrastructure (on the basis of global design principle);
- increasing accessibility of housing for vulnerable groups of the society;
- implementing initiatives in relation to active and healthy ageing, enabling older people to remain in the labour market;
- developing socio-cultural services for the Roma communities on the basis of the current infrastructure;
- strengthening inclusion of the disabled and other socially vulnerable groups into the education process;
- promoting inclusion and integration of ethnic minorities, ensuring ethnic identity, participation in social life and harmony of ethnic relations;

- facilitating participation of the communities in the discussions of local issues and integrating socially excluded people;
- raising awareness of the society, engaging in education and consulting about discrimination phenomenon and ways to solutions of the problem;
- modernisation of museum expositions enabling to use them for learning and training purposes, implementation of interactive creative solutions and adapting to different needs of social and age groups.

It should be noted that the arrangements for the implementation of horizontal principles of the EU funds and the Cohesion Fund, made in the 2007-2013 programming period, will be further implemented in the new programming period, improving the functioning of its certain elements. For the purpose of coordination of the horizontal principles, in the 2007-2013 programming period a Working Group for the Monitoring of Horizontal Principles was established to analyse the related information and issue proposals for the implementation of the principles. The Working Group includes institutions involved in the implementation of the Operational Programme, social, economic and regional partners as well as institutions in charge of equality between men and women and non-discrimination. The Working Group will continue its work in the 2014-2020 programming period as well.

In the 2014-2020 programming period all applicants seeking for support will have to ensure that their projects are in line with equal opportunities and non-discrimination principles. All beneficiaries and members of different target groups, irrespective of their sex, will be allowed to take part in project activities and benefit from their results. This aspect will be assessed on the basis of the common selection criteria approved by the Monitoring Committee "*Project is in line with equal opportunities and non-discrimination principles*". In the cases specifically mentioned in the documentation of the calls for applications the applicants will have to specify the target activities and the results whereby they are planning to contribute to the implementation of this horizontal principle.

The project implementation monitoring will also include monitoring as to whether the granted support is being used in line with the gender equality and non-discrimination principles. In the 2014-2020 programming period coordination of horizontal principles will be entrusted to Horizontal Priorities *Implementation* Monitoring Group which will analyse the related information and provide recommendations concerning implementation of the priorities. The working group will be made of institutions involved in the implementation of the Operational Programme, social, economic and regional partners as well as institutions in charge of gender equality and non-discrimination.

### 11.3. Equality of men and women

The Law on Equality of Men and Women obliges state and municipal institutions and agencies to develop and implement measures whereby equality of men and women would be ensured. The above legislative provisions are a legal precondition for mainstreaming equality of men and women as a horizontal priority. Equality of men and women includes equal rights, responsibilities and opportunities for both genders. The implementation of this principle should focus on knowledge, interests, experiences and roles of women and men so that both genders could have equal access to benefits offered by the 2014-2020 programming period.

Equal opportunities of men and women are being pursued in a consistent, integrated and systemic way in all areas as part of delivery of the National Programme for Equality of Men and Women 2010-2014 as approved by Government Resolution No 530 of 4 May 2010. As a horizontal priority equality of men and women is actively sought by:

- **Employment:**

- reinforcing the possibilities for men and women returning to work after child care holidays as well as for elder women to be reintegrated into and remain in the labour market;
- providing more opportunities for women, in particular in rural areas, to start and develop business, promoting economic participation of rural population, both men and women;
- providing better conditions for rural population, both men and women, to improve their professional skills;
- ensuring better conditions for men and women to combine family and professional responsibilities: promoting development of family-friendly work places, dialog between men and women, relations based on respect and understanding;
- focusing on reducing of differences between men's and women's remuneration, promoting equal treatment of men and women on the labour market, equal recognition and evaluation, reducing gender-based sectoral and professional exclusion;
- mainstreaming the issues in relation to ensuring equal opportunities of men and women on the labour market into social partnership and social dialog.
- **Education and training:**
  - ensuring monitoring of the principle of equal opportunities of men and women in education and research institutions;
  - encouraging women to seek highest scientific degrees; encouraging men to obtain higher education background.
- **Decision making:**
  - ensuring that men's and women's interest are equally represented in economic and political decisions;
  - encouraging men and women, in particular in rural areas, to actively participate in social life through local initiatives and community projects; their active partnership in adopting decisions that are important to the community; cooperating with business and municipalities.
- **Health care:**
  - promote addressing of specific health problems of men and women;
  - ensuring ongoing awareness raising and information about the impact of health promoting behaviour on life expectancy and the consequences of health damaging behaviour in order to reduce the gap between average life expectancy of men and women;
  - ensuring the possibility of health checks for cervical cancer, breast cancer or prostate cancer and provision of information about such checks;
  - reducing morbidity with cardiovascular diseases, disability and mortality of patients caused by such diseases.
- **Environmental protection:**
  - mainstreaming gender equality issues into environmental projects undertaken by national institutions providing equal opportunities to benefit from project results;
  - promoting cooperation between NGOs, mainstreaming issues in relation to equality of men and women into environmental protection projects.
- **Defence and security:**
  - identifying factors which lead to different status of men and women in national defence system in order to reduce the differences between women and men in service;
  - improving qualification of public servants, soldiers and staff in national defence system with regard to the status of men and women in the society and gender equality issues.
- **Development of implementation mechanisms and methods:**
  - promoting cooperation between state and municipal institutions and agencies, research and higher education institutions, NGOs ensuring equal treatment and equal opportunities of men and women;

- encouraging municipalities to take actions to safeguard equal opportunities of men and women;
- enhancing qualification of civil servants and contractual staff at public authorities and institutions in the areas of equality of men and women;
- raising awareness helping to prevent violations of equal rights of men and women and to strengthen the capacity to address issues related to equality of men and women;
- ensuring systemic comparative assessment of changes with regard to the treatment of men and women;
- collecting statistics about population with breakdown by gender in a data base;
- preparing good quality statistics which is required for justified analysis of differences in treatment of men and women, decision making processes and providing the statistics to the users; encouraging discussions on the subject; improving provision of statistics with breakdown of information by gender to the users.

At all programming, delivery and monitoring stages of the EU funds and the Cohesion Fund, as well as by engaging in specific activities to ensure equality of men and women. These requirements must be a part of general requirements to projects.

The measures to promote equality of men and women may take the form of educational, consulting, training activities, information campaigns or other forms suitable for the achievement of the above mentioned objectives. The contents of the measures must be clearly and specifically oriented towards the contents of the above mentioned objectives.