

SUMMARY

OF THE 2020 IMPLEMENTATION REPORT

OF THE OPERATIONAL PROGRAMME OF THE EUROPEAN UNION FUNDS' INVESTMENTS 2014-2020

When implementing the European Union (hereinafter – the EU) investment operational programmes, the EU Member States must annually submit to the European Commission (hereinafter - the EC) annual implementation reports on of the operational programmes. The reports review the progress in the implementation of the operational programme considering the main achievements of financial and physical indicators, changes in the context of implementation, and analyse the public benefit of the results achieved as well as the benefit for the development of the national economy.

The **annual report** of the Operational Programme of the EU Funds' Investments 2014-2020 (hereinafter - the Operational Programme) submitted to the EC covers **the implementation of the Operational Programme in 2020**.

Focus on a timely solution to the challenges posed by COVID-19

The emergency caused by the COVID-19 pandemic had a significant impact on the progress of the implementation of projects and the content of planned activities. In response to the pandemic, the investments have been reviewed and specifically redeployed, EUR 265 million unplanned EU Funds' assistance has been reallocated in order to ensure health, employment and business liquidity, and the offered over-contracting possibility enabled to use this assistance immediately.

In order to speed up the market access processes for the EU funds, the investment conditions have been facilitated: more flexibility in investments in the areas most affected by COVID-19 (removal of the majority of coordination procedures, the requirement to prepare/adjust investment projects to tackle the public health crisis), increased working capital (at the request of the project promoter the advance is granted even if it is not foreseen in the project contract, the maximum advance on the project is increased up to 50 %, the circle of entities not subject to an advance guarantee has been extended), faster payments on projects (reduced payment deadline, payment requests can be submitted more frequently than before), project activities and checks may be performed remotely and etc.

EUR 265 million of the EU Funds' assistance has been reallocated to sectors most affected by COVID-19: health, promotion of employment, and business, also the investment conditions for investing the EU funds have been facilitated.

Progress made in implementing the Operational Programme by sector

When as a result of the COVID-19 pandemic, employers declared downtime and employees faced the threat of losing jobs, the EU funds have been reallocated and EUR 169.5 million has been consolidated **to safeguard jobs**. All funds allocated have been invested in 2020.

In the field of health, all contracts of geriatric services development projects have been concluded and the projects for the provision of innovative services to multi-disease patients at primary stage have been launched. Investments in the development of outpatient care models and telemedicine in the field of emergency medical care were started. In response to the consequences of the pandemic, part of the funds was allocated for the acquisition of equipment for the diagnosis and treatment of COVID-19 and personal protective supplies.

In the business sector, implemented project activities have slowed down as priority was given to ensuring the support to activities of companies rather than to additional development. Nevertheless, it is projected that most projects will be completed in full, albeit slightly later than planned. Moreover, in 2020 an additional EUR 31 million was allocated to the business sector for the production of anti-pandemic products in order to contribute to the fight against COVID-19 and to support SMEs' activities.

In the research, experimental development and innovation (hereinafter - R&D) sector, investments in the development of R&D infrastructure have been accelerated, thus the risk of delays in the implementation of projects diminished. The financing has been launched for new/significantly modified initiatives related to the activities promoting commercialisation and internationalisation of R&D results, development of digital innovation centres, R&D activities of the companies aimed at developing new technologies and products necessary to solve the problems caused by COVID-19.

In the education sector, the reform of higher education and studies continued in 2020 by optimising the network of higher education institutions, reorganising universities, optimising their resources and study programmes. A special attention was paid to the modernisation of educational institutions and the elimination of the consequences of COVID-19 (EUR 13.6 million has been allocated to ensure the computer equipment for remote training). Investments were made to improve the system of teachers' training. A significant change in the field of vocational training is related to the implementation of projects aimed at practical training in the workplace and sectoral practical training centres, as well as the creation of opportunities to acquire a profession already at school/gymnasium.

By accelerating the investments **in the field of energy efficiency**, more attractive and flexible financing schemes for measures of renovation of state-owned buildings (repayable assistance is combined with loans provided by the Energy Efficiency Fund) and modernisation of street lighting have been developed, which received interest from the applicants. A bilateral agreement was signed between the European Investment Bank (EIB) and Šiaulių bankas AB, on the basis of which EUR 50 million of the ERDF assistance is invested into the Investment Platform (IP). A preliminary value of IP is EUR 250 million, which will contribute to the renovation (modernisation) of 22 thousand multi-apartment buildings across the country.

In 2020 2 pilot projects were launched in the regions (Tauragė+ and Šalčininkai+) which combine ERDF and ESF assistance and activities of 4 OP priorities with financing of joint operational strategies developed by several municipalities, instead of projects in one area of an individual municipality. The activities of these projects (strategies) aim to solve the problems specific to functional zones and to enhance a complex development of functional zones based on municipal cooperation. The principle of such functional zones will be applied to the **regional development** investment planning during the 2021-2027 programming period.

In 2020 **in the field of environmental protection**, the contracts were signed for the amount of EUR 10 million with drinking water suppliers and waste water managers, which are important for the implementation of the Urban Waste Water Directive. A particular attention is also paid to the analysis of drifting, not implemented projects and the selection of concrete actions in order to ensure that all projects are implemented in a timely manner.

All contracts have been signed with municipalities concerning the infrastructure necessary **for the child care reform** in the communities (allocation of EUR 14 million). The reform of institutional care of people with disabilities was launched and the projects aimed at the development of infrastructure for children with disabilities, special needs and their families are under evaluation.

In the field of information society development, the contracts for modernisation of information systems have been signed. The ICT infrastructure required for the provision of public cloud services has also been implemented and services have been launched, the project partners' data has been opened on the open data portal, an inclusive interface with the EU open data portal has been created.

The following 3 strategic projects were implemented by the end of 2020 as part of the infrastructure development of **sustainable transport and core networks** in order to enhance interoperability between the

country's multimodal transport system and trans-European transport networks:

- Development of Via Baltica between Kaunas and Marijampolė;
- Construction of the second road in Vilnius bypass section Pušynas-Paneriai;
- Deepening of the bay of Malkai up to 14.5 m, including the construction of the environmentally friendly seawall.

In the field of public administration, all planned financing contracts for projects aimed at solving public administration problems have been signed and projects aimed at improving the strategic management system, epidemiological monitoring of communicable diseases and their agents, establishing a system of the management of consolidated accounts of the State Treasury were signed by the end of 2020.

High investment growth rate

In total, implementing the activities covered by the Operational Programme from the start of the funding period to the end of 2020, EUR 9.1 billion (116 % of the funds allocated) has been contracted, and nearly EUR 4.15 billion (61.8 % of the funds allocated) has been certified eligible expenditure.

According to the EC disbursements, Lithuania ranks 5th among all Member States and exceeds the EU average.

To the end of 2020, EUR 9.1 billion (116 % of the funds allocated) has been contracted

Major achievements by the end of 2020:

- the employment of more than 46,6 thousand employees, who were in downtime, was subsidised;
- the share of the population using public and administrative services provided electronically increased up to 57.7 % (in 2014 it constituted 41.5 %).
- 789.4 km of district heating networks have been modernised (where 327.3 km were modernised in 2020);
- 141 new clean public transport vehicles (of which – 36 in 2020) have been acquired;
- 123 ambient air monitoring and early warning, hydrological and meteorological observation stations (of which - 96 in 2020) have been installed or updated;
- 76 sites and territories of natural and cultural heritage have been cleaned, equipped and adapted for visiting;
- 304.8 km of water supply and waste water collection networks have been reconstructed;
- the average total nitrogen concentration in the territorial waters of the Baltic Sea of Lithuania has been reduced down to 0.42 mg/l;
- more than 2.8 thousand people with disabilities participated in the vocational rehabilitation programme supported by the ESF;
- the share of fostering (caring) children receiving social care services in the community from total number of fostering (caring) children has increased up to 85.7 %;
- 1, 453 social housing units have been newly built or acquired (of which – 178 in 2020);

- the share of persons (families), who have been rented a municipal social housing, from total number of persons (families) awaiting for rent of social housing has increased up to 27.24 % (in 2014 this figure was only 10.84 %);
 - at least one educational space have been established or renewed with the funds from the Operational Programme in 827 education institutions and other institutions of education providers.
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