

EU investments: results achieved and possibilities for the future

Ministry of Finance

January 2015



Kuriame
Lietuvos ateitį

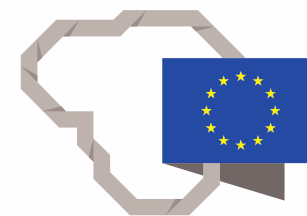
2014–2020 metų
Europos Sąjungos
fondų investicijų
veiksmų programa

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1. Results achieved in 2007–2013
2. Implementation of 2014–2020
3. Discussions about the period post-2020



Results achieved in 2007–2013



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2007–2013 Operational Programmes

National EU Structural Assistance Strategy

Human Resources Development OP

- promotion of employment and social inclusion
- life long learning
- improvement of capacities of researchers
- public administration capacities
- technical assistance

14,0 %
949 MEUR

Economic Growth OP

- R&D
- business support
- transport infrastructure
- energy networks
- information society
- technical assistance

45,7 %
3.009 MEUR

Promotion of Cohesion OP

- regional development
- health care, education and social services infrastructure
- environment
- energy efficiency and renewable energy
- tourism
- technical assistance

39,1 %
2.648 MEUR

Technical Assistance OP

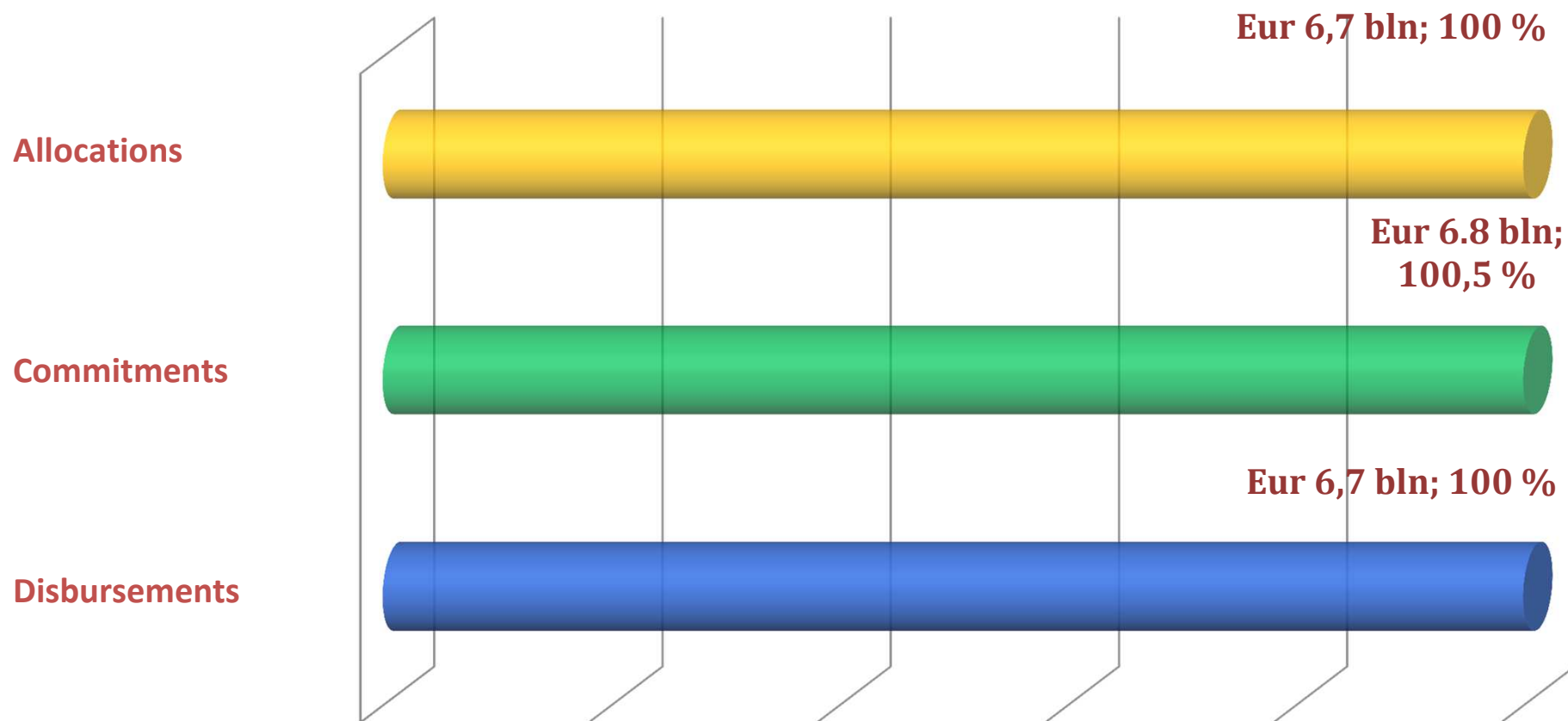
- administration of OP's
- evaluation
- publicity

1,2 %
79 MEUR



Total assistance – 6.775 MEUR

Successful use of 2007–2013 funds



More than 8 300 projects were implemented. We expect to get back all EU funds allocated to Lithuania from the European Commission.

01.12.2015 data in MEUR, EU contribution



What is the impact of 2007–2013 EU funds?

Objectives and directions

- Competitive economy (investment in R&D, SME's, energy)
- Productive human resources (Employment and social area)
- Quality of life and cohesion

Impact

- Private investments in to the „sectors of breakthrough“ have been encouraged, access to finance for SME's have been improved;
- Solutions of unemployment problem, new initiatives, approaches, methods;
- Transport, communal, social and education services have been improved

- ✓ The annual growth of real GDP has been higher by **1,57 %** (2004–2013 y.) compared with „scenario without EU assistance“.
- ✓ **1 EUR** invested will bring the nominal return **1,97 EUR** (2004–2015 y.);
- ✓ Unemployment has been reduced by **4,6 %** points (2004–2015 y.) compared with „scenario without EU assistance“.

Results Achieved During Implementation of 2007–2013 OPs

- Increased **possibilities for SMEs** to get financing (11 thousands of SMEs used financial instruments),
- 2,4 thousands of private companies used EU assistance for **development of innovations**,
- Ratio of **foreign direct investment** is 16% higher compared to the situation without the funds in 2007–2015,
- Share of **researchers in business** increased from 10.71 per cent in 2006 to 21.21 per cent in 2013,
- 40 thousand **unemployed** obtained professional qualification,
- 245 thousands of unemployed participated in EU funded employment programme,
- **Better services in the sectors of education, health and transport:**
 - More than 700 **educational institutions** were modernised,
 - More than 350 **health care institutions** were renewed,
 - 1,7 thousand km of **roads** were laid down or reconstructed.
- Fulfilment of demands of **local communities:**
 - More than 115 **local infrastructure** projects implemented (squares of towns, recreation zones etc.),
 - **Broadband internet** reached 700 thousand of inhabitants,
- 2/3 of people state, that they **feel personal benefit from EU funded projects.**



Main Factors for Efficient Fund's Use

1. Centralised management and control system

- one managing authority for all Operational Programmes,
- clear division of responsibility, small changes to institutional arrangement from previous period, maintaining experience,
- standardised common rules and procedures,

2. Prepared pipeline of projects

- timely preparation of national strategic documents for detailed planning of investments.
- timely preparation of projects by beneficiaries,

3. Simplified administrative procedures

- more flexible payment methods, project evaluation and selection,
- shortening of projects applications verification and payment claims checking period
- use of payments on simplified costs basis (flat rate, lump sums, fixed unit costs),

4. Use of financial instruments

- repayable forms of support to achieve high leverage of EU funds,

5. Use of IT systems

- introduction of electronic forms (payment claims, reports),
- IT system used in all standardised administrative procedures as everyday tool for the management of EU funds.



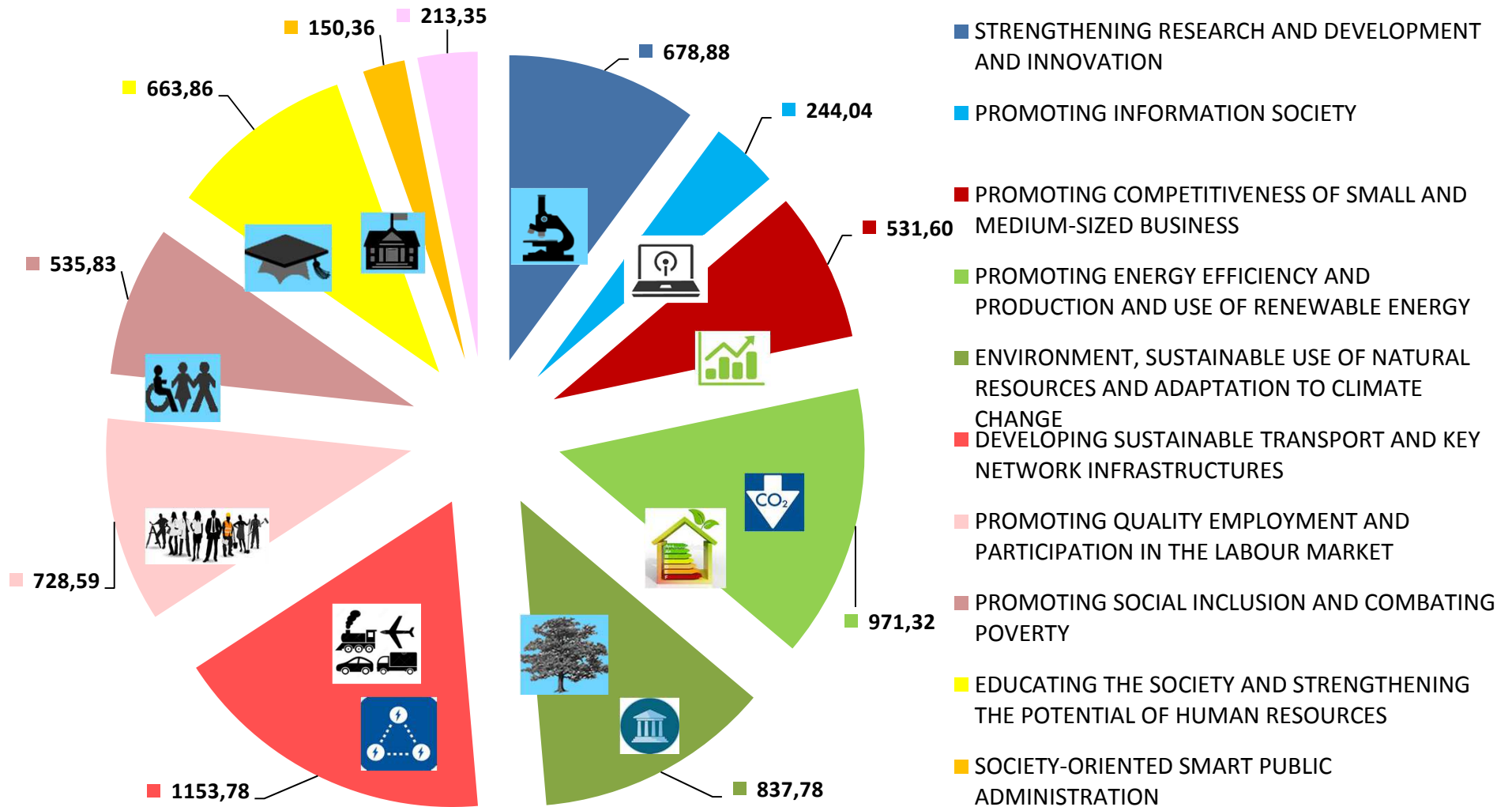
Implementation of 2014–2020



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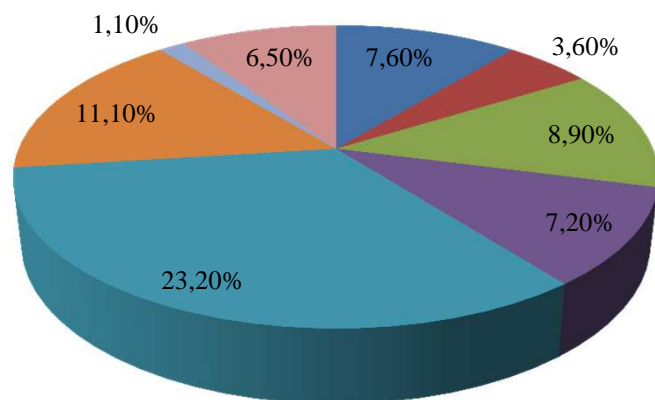
Distribution of EU Cohesion Policy Funds by OP Priority Axes



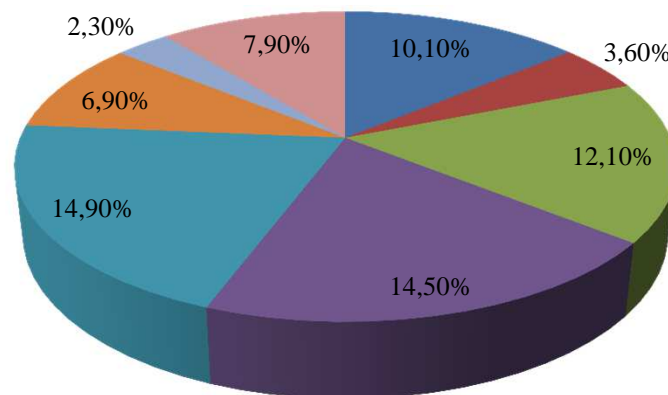
Critical mass of EU funding for a long-term impact on growth and jobs, will be delivered through R&D and Innovations, Information technologies, SME's, Energy efficiency sectors.

Comparison of 2007-2013 and 2014-2020 Investment Priorities

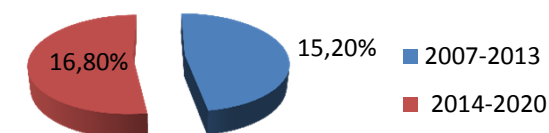
Main areas of EU funds investments in 2007–2013



Main areas of EU funds investments in 2007–2013



European social fund (finances human recourses)

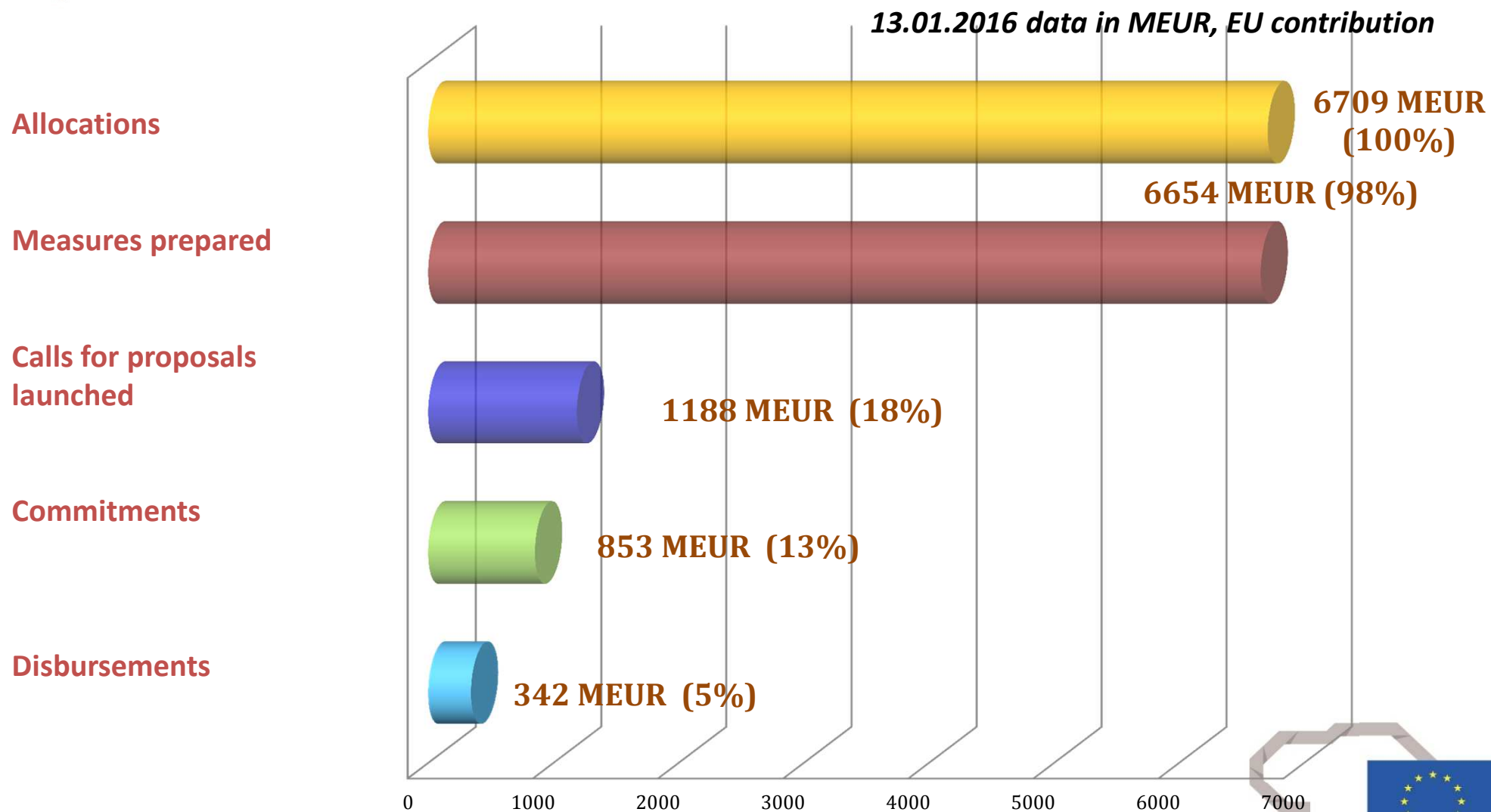


Main areas of EU funds investments	Change
Research and development and innovation	2,50%
Information society (IT)	0,1%
Competitiveness of small and medium-sized business*	3,2%
Energy efficiency and production and use of renewable energy (related to low-carbon economy)	7,30%
Transport sector (roads, railways, airports etc.)	-8,30%
Environment sector (water supply, waste management etc.)	-4,20%
Energy sector (electricity, gas links)	1,20%
Employment and social inclusion (European social fund)	1,40%
European social fund (which finances human recourses: employment, social inclusion, life-long learning, education, administrative capacities etc.)	1,60%

* Taking into account the funds allocated to financial instruments in 2007–2013 V

Directions for change	Main indicators
Long-term growth	<ul style="list-style-type: none"> - Share of innovative enterprises cooperating with partners in the total number of innovation-related enterprises – 12,79 % (9,79 % in 2010) - R&D expenditure per capita in the business sector – 60,70 EUR (24,10 EUR in 2011) - Share of households covered by broadband access of at least 30Mbps – 100 % (73 % in 2012.)
Sustainable growth	<ul style="list-style-type: none"> - Level of entrepreneurship: number of enterprises and natural persons per 1,000 residents – 48 % (39 % in 2010) - Value-added in production costs, created by SMEs, per employee 17726 EUR per year (12432 EUR per year in 2011) - Share of renewable energy in the final energy balance – 23 % (21,72 % in 2012) - Final energy consumption in the service and household sectors– 1680 thou. toe (2109,6 thou. toe in 2011)
Inclusive growth	<ul style="list-style-type: none"> - Average length of time to fill a vacancy – 8,7 working days (13,7 working days in 2011) - Share of disabled people receiving community-based social services, of the total number of disabled people receiving social services – 80 % (73 % in 2012) - Share of population from regions with largest disparities in terms of health status and healthcare accessibility engaged in preventive programmes – 35 %. (15 % in 2014)
Basic infrastructure	<ul style="list-style-type: none"> - Herfindahl-Hirschman index for energy imports in Lithuanian natural gas market – 5 000 HHI index (10 000 HHI index in 2013) - Duration of road trips (except TEN-T roads) – 1,55 Mln. hrs. (1,61 Mln. hrs. in 2013) - Share of municipal waste disposed in landfills – 78 % (35 % in 2011)

Use of 2014–2020 funds



The total allocations to Lithuania from EU funds for 7-years period amount 6,709 billion Eur.

13 % are allocated to projects under implementation, 5 % paid to the beneficiaries.

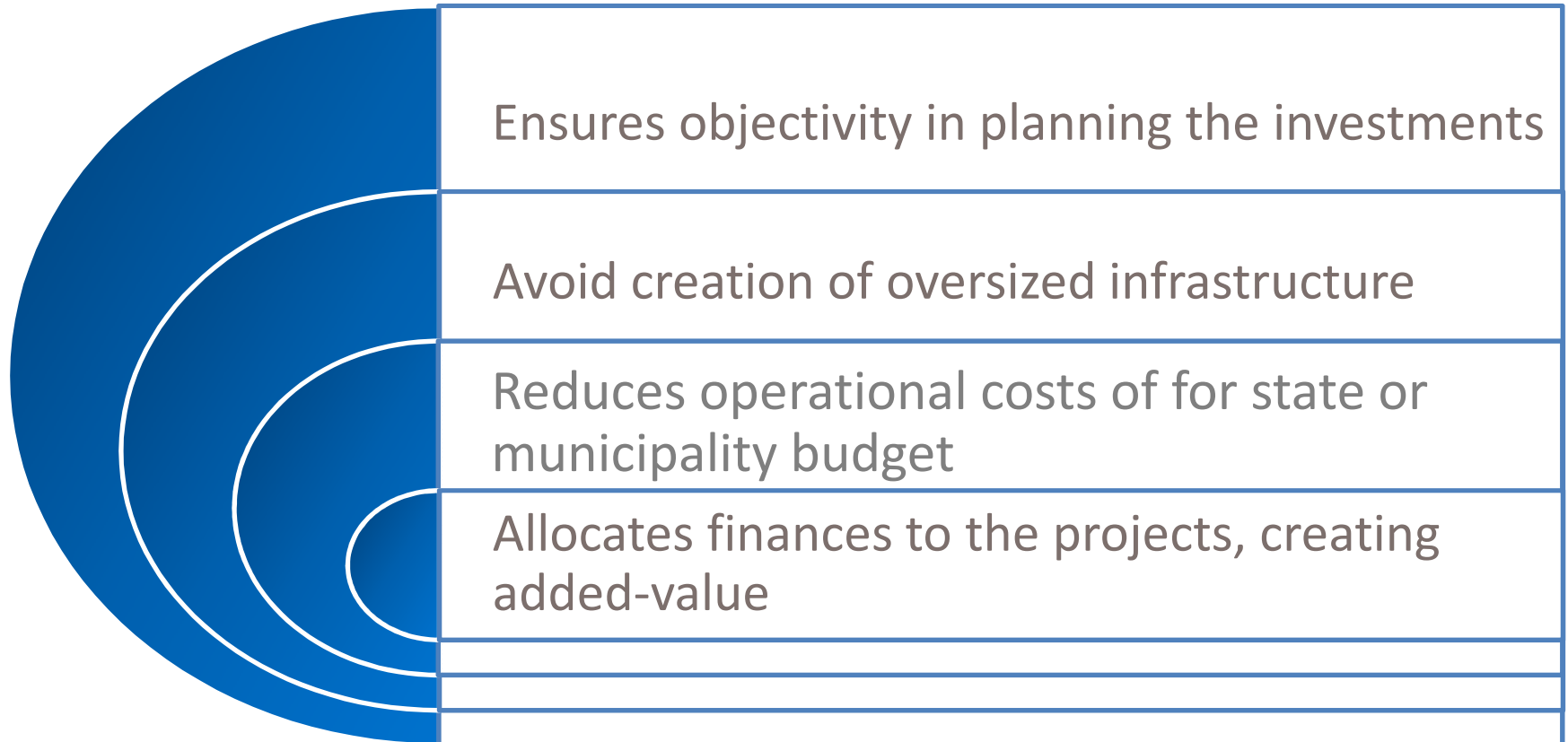
More Attention to the Final Results



- Clear indicators stated in the Operational Programme,
- Permanent monitoring and evaluation of the results is ongoing,
- The performance reserve of 6 per cent. stated to be used only after intermediate results achieved;
- Financial corrections applied then the results are not reached



Methodology for Selection of Optimal Project Implementation Alternative



The methodology provides recommendations and requirements on the number and content of possible alternatives for the implementation of public infrastructure projects co-financed by EU structural funds.

It is applicable for investment objects when expenditure exceeds 300 000 Eur.

Financial instruments: achieving more results with limited recourses

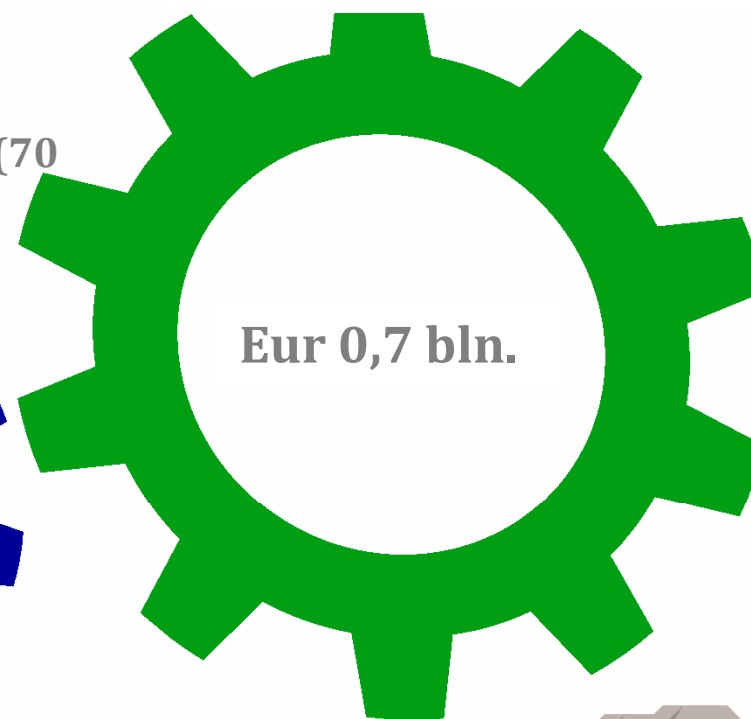
2007-2013 EU funds
(418 MEUR)



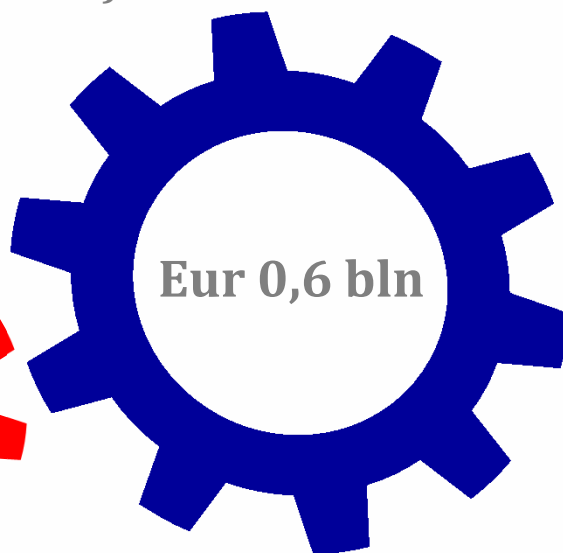
2014-2020 EU funds:

- Business support financial instruments (208,5 MEUR);
- Energy efficiency financial instruments (303,6 MEUR);
- Financial instruments for improving of water systems (70 MEUR)

It is planned to attract 715 MEUR of investment from private and international institutions



2007-2013
returning funds
(64 MEUR)



In total it is planned to allocate up to **1 billion of EU funds** for financial instruments and finance projects in the sectors of environment, transport, energy and cultural infrastructure.

Discussions about the period post 2020



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Preparation for post-2020

Differences between regions remain significant.

Lithuanian Government adopted the decision to divide the territory of the country in two NUTS 2 level statistical regions – Capital region and Middle and West Lithuanian region.

GDP per capita (purchasing power standart) % of EU-28 average

