

Lithuania closer to citizens

Priority N° 5

Ministry of the Interior of Lithuania

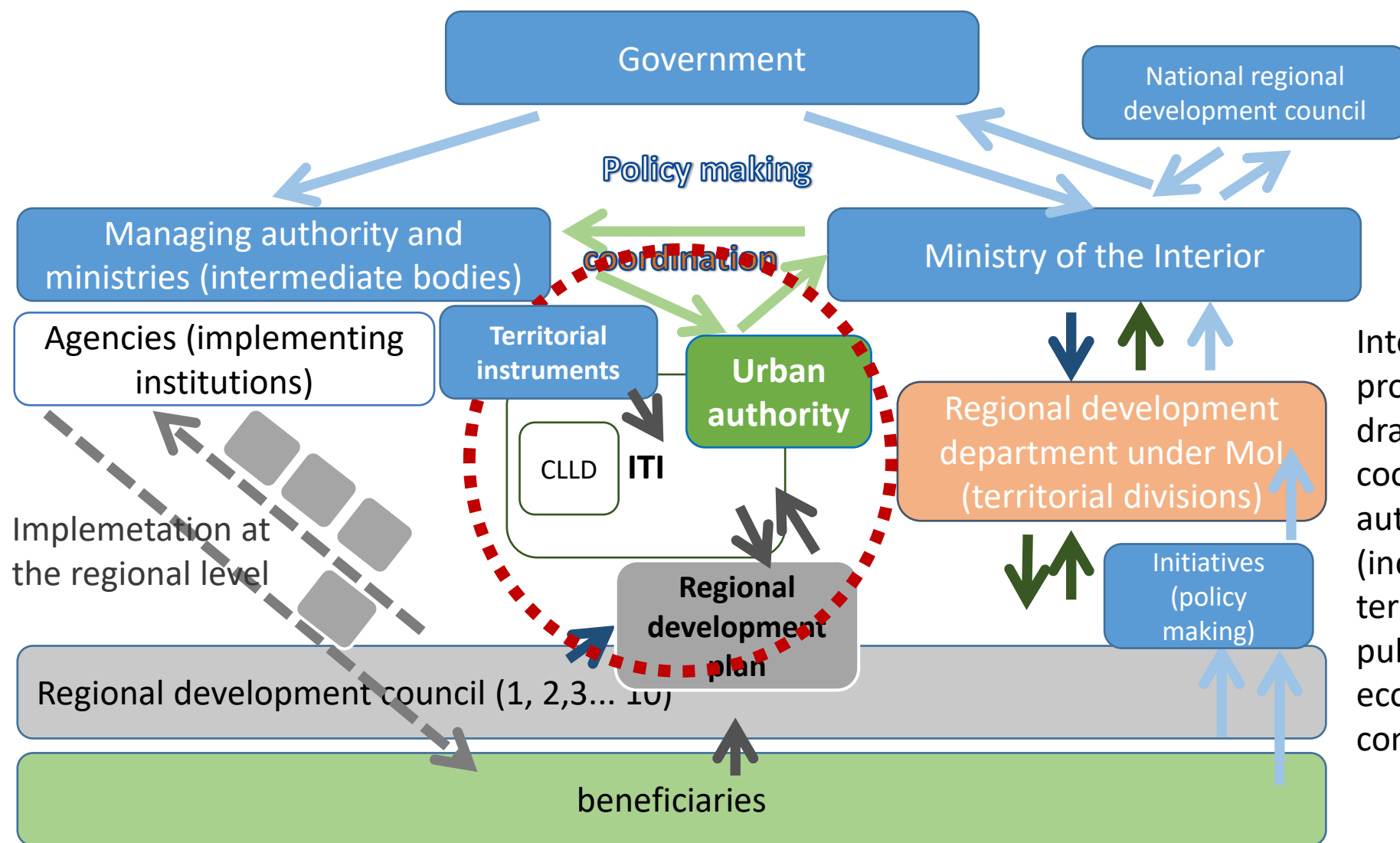
Ministry of Culture of Lithuania

Ministry of Environment of Lithuania

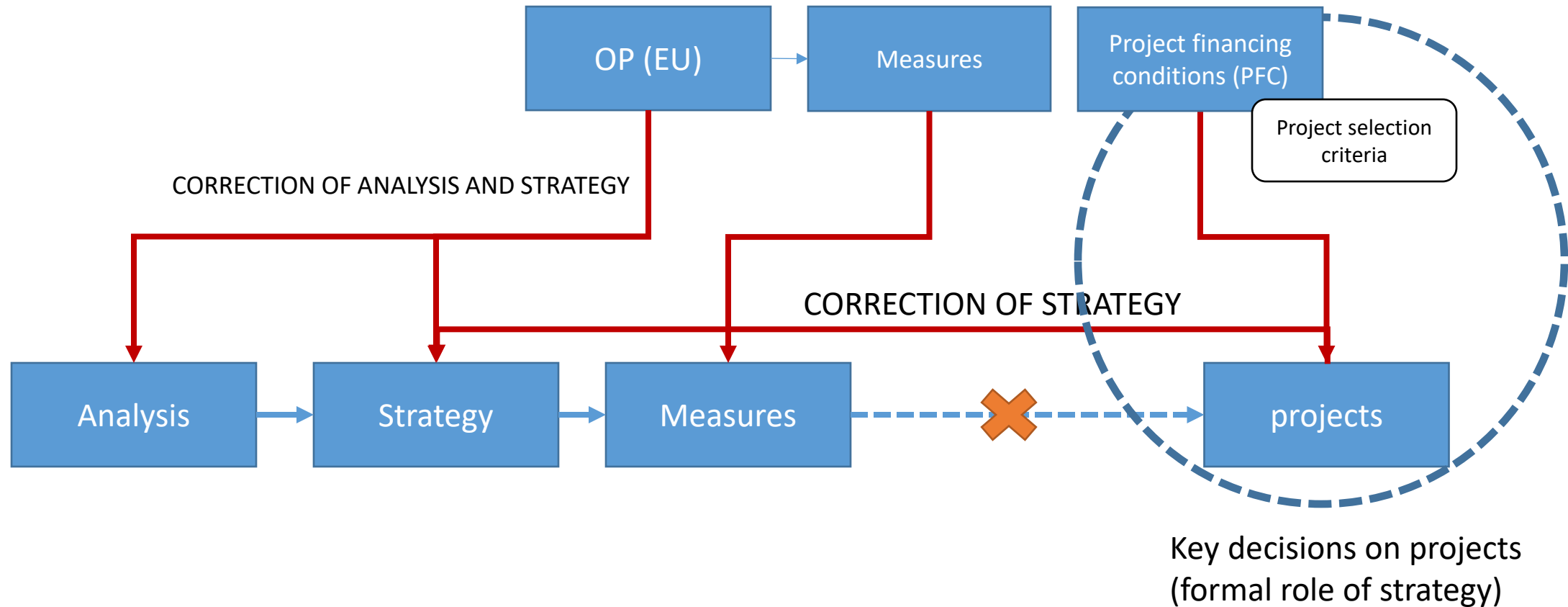
State of play

2014-2020

Regional policy 2014-2020 (and EU SF regional dimension) implemetation scheme



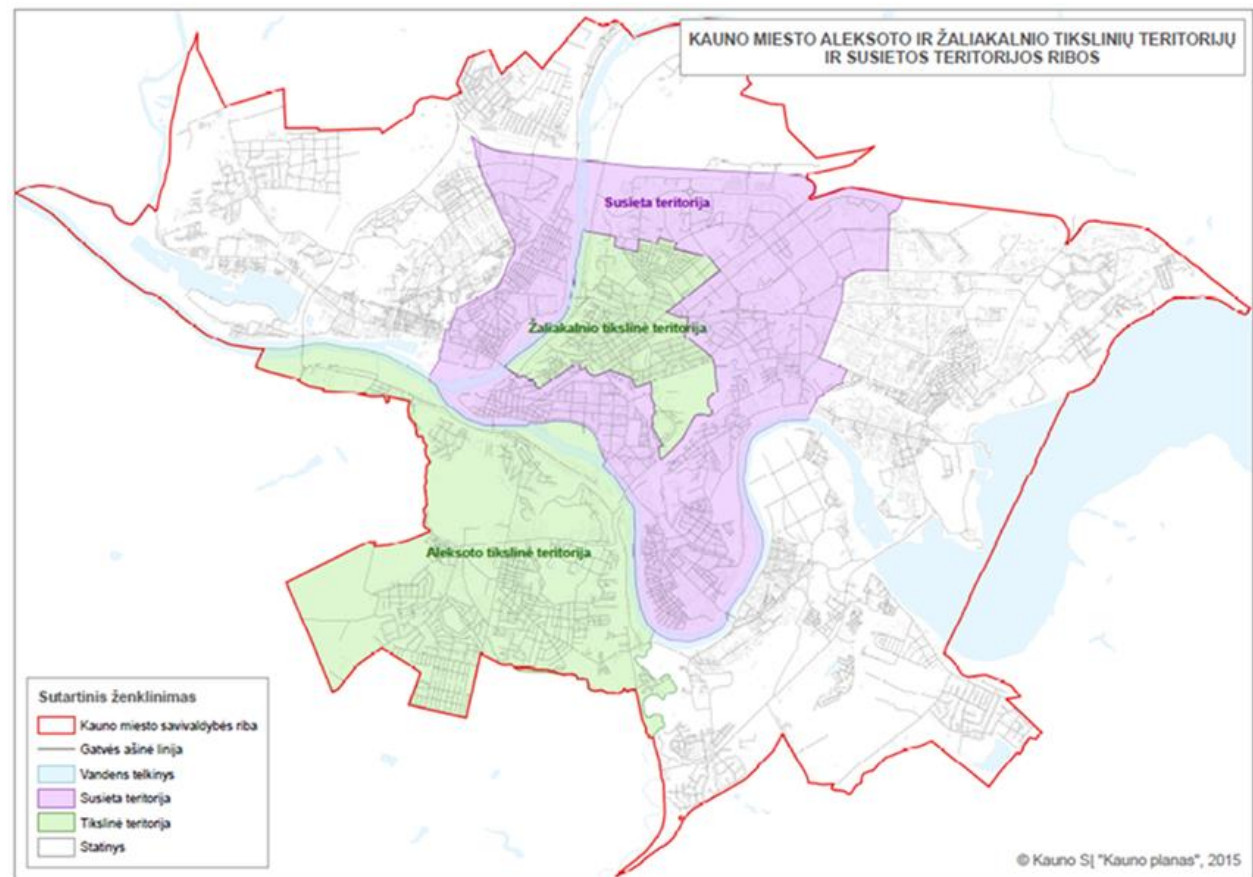
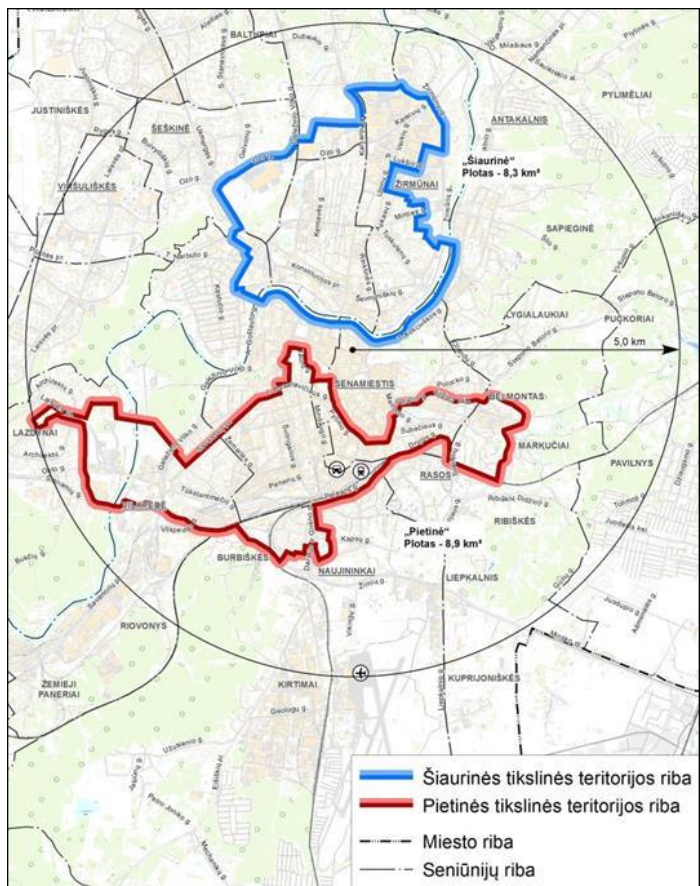
Implementation of the regional development plan (status quo)



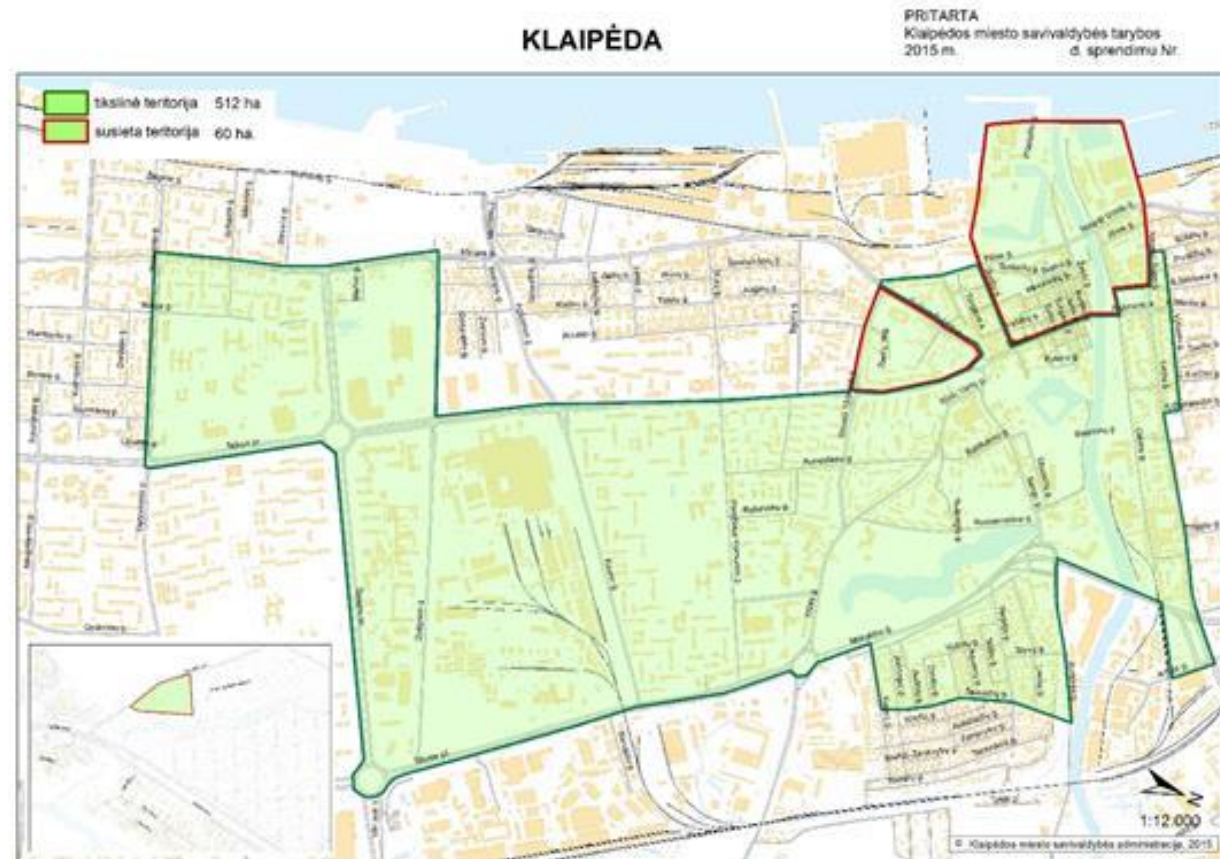
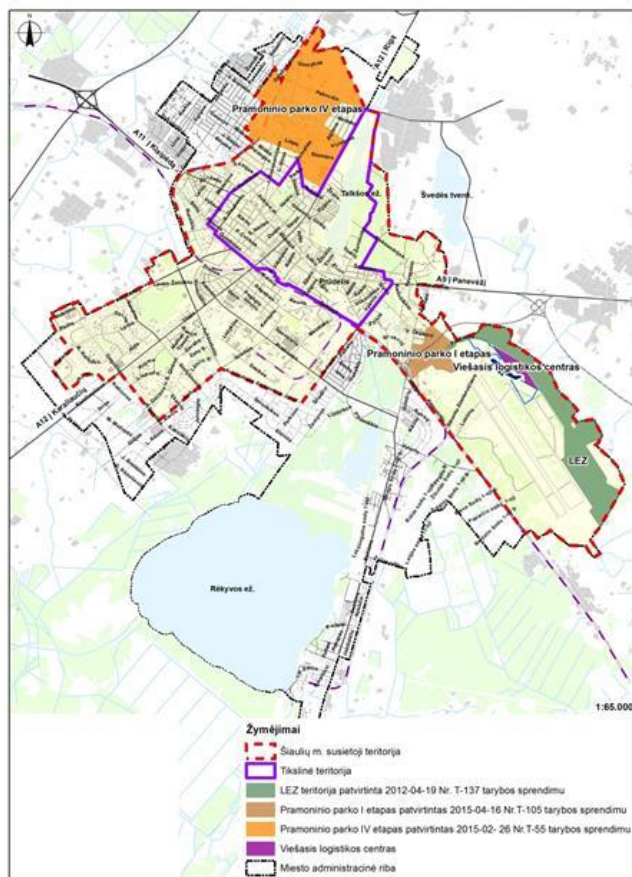
Target territories – 2014-2020

- Urban areas (SUD);
- Medium sized and small cities (NON-SUD);
- Cultural heritage – optional part of ITI programmes.

Target territories (Vilnius, Kaunas)



Target territories (Šiauliai, Klaipėda)



Target territories (Panevėžys)



Total budget of the
programmes

Of which – IP 7.1; 6.2

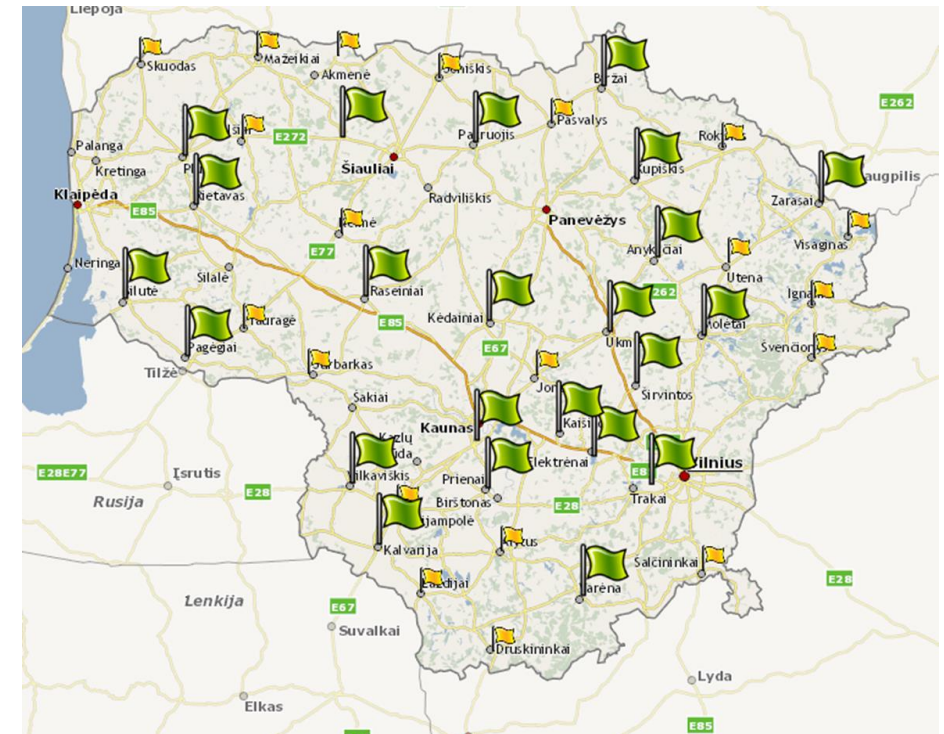


Target territories (small and medium cities)

23 target territories (small and medium towns) were selected by Ministry of Interior according to criteria:

- low economic activity;
- imbalanced economic structure (high dependence on raw materials or manufacturing) and low economic diversity (which does not allow for sufficient employment in the city or regional territory);
- significant depopulation due to migration or insufficient demographical change.

20 transition (phasing out) territories.





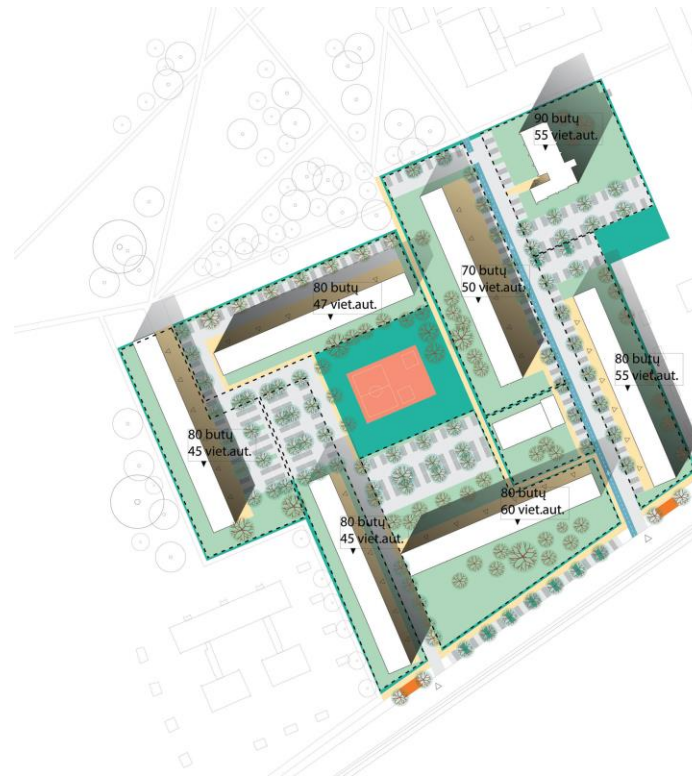
329,98
MEUR

Of which – I.P. 7.1; 6.2



175,30
MEUR

Types of projects – district renovation (Klaipėda city ITI)



Types of projects – public spaces (Elektrėnai (Vilnius region ITI, Plungė, Telšiai region ITI)



Types of projects – conversion

Architecture park
(Vilnius city ITI,
Southern target
territory)



Types of projects – regeneration (industrial brownfields)

(Visaginas SMART park, Utena region ITI)



Visaginas SMART park, Utena region ITI

- success story

- Visaginas is a satellite town of Ignalina Nuclear Power Plant, previously its primary employer, which no longer operating.
- As part of restructuring process, a new industrial park is being created to generate innovative technology solutions and jobs in manufacturing.
- The SMART PARK Visaginas project aims to adapt a former military base for industrial park: The project is cleaning up the site, and removing or reorganising derelict buildings and infrastructure. EUR 2.9 million has been allocated for implementation of the project, with almost EUR 2.3 million provided by the EU.
- SMART PARK Visaginas already attracted Europe's leading manufacturer of medical devices for respiratory support, which is investing EUR 10 million to build its second production plant in Lithuania. The company intends to recruit about 200 engineering, manufacturing and research and development specialists in the first stage of development.
- The Visaginas branch of the company plans to increase the number of employees to 1 000 over the next 10 years. The company is already developing partnerships with Visaginas, Since 2016, it has been providing apprenticeships for mechatronics students from the local vocational school.



LIETUVOS RESPUBLIKOS
KULTŪROS MINISTERIJA

SUCCESS STORY

RESTORED PANEMUNĖ CASTLE



PANEMUNĖ CASTLE

- success story

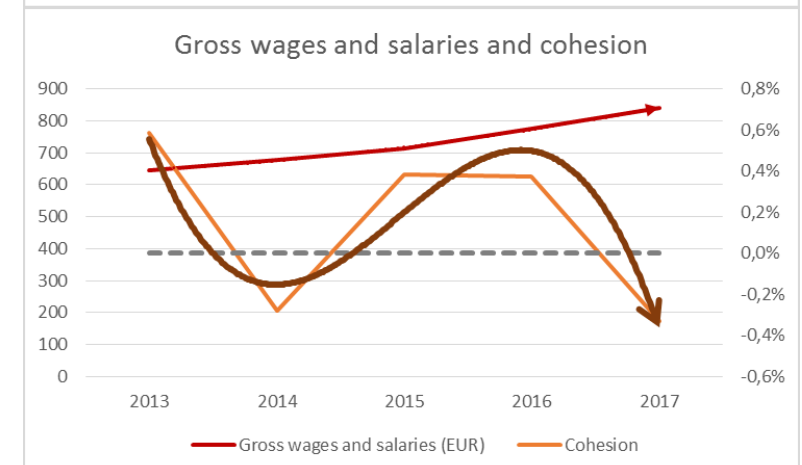
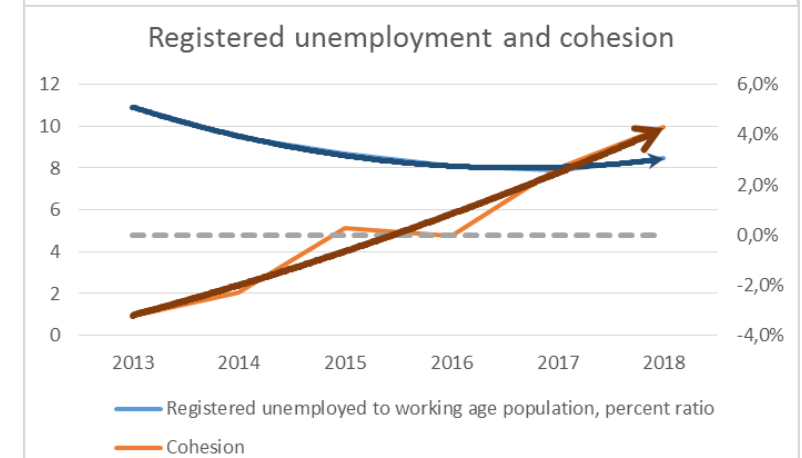
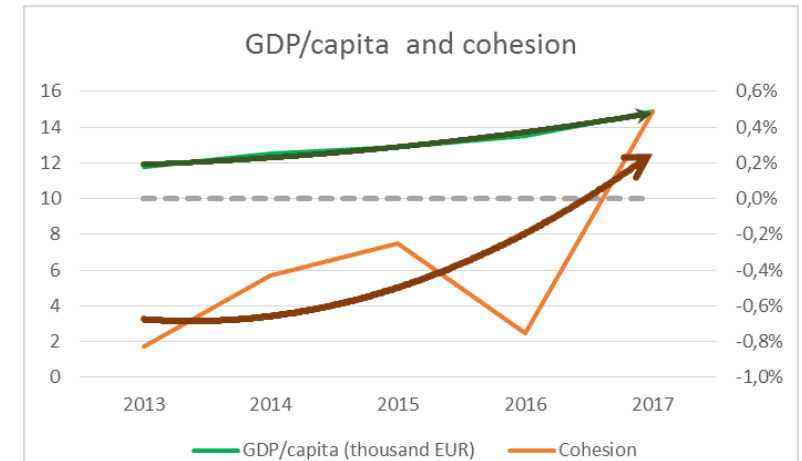
- Panemunės castle located in southwestern part of Lithuania – 17 kilometers from Jurbarkas city (population - 11000 residents).
- Currently attracts 37,000 visitors per year (before restoration – up to 19 000).
- Activities: museum, concerts, exhibitions, festivals, conferences, educational programs, theatrical guided tours, local crafts market every weekend.
- New local businesses: In the castle: restaurant, hotel, conference center, stud farm, medieval entertainment; Nearby: cafes; tourist boating company.
- Approx. 3-4 times more customers at local shops during high season.
- Number of tourists, visiting Jurbarkas district municipality increased by 56 percent.

Targeted territories and culture (results)

- 32,5 thousand new jobs in targeted small and medium cities (by 2018);
- ~6 billion additional (private) investments attracted to target territories (public to private ratio: 1/50);
- 900 638 additional visits in restored cultural heritage objects;
- ~650 million Eur of additional social-economic value, generated from cultural activities (projected) (social-economic value/investment ratio: 3,25).

Social and economic disparities (context indicators)

- GDP / per capita. Trend: increasing disparities.
- Unemployment. Trend: decreasing disparities.
- Gross wages and salaries. No clear trend.



Some spatial patterns and disparities

Basic services: geographical reach – perfect (99%), problematic areas at municipal borders (two opposite problems – lack of demand or lack of capacity).

Jobs: geographical reach – OK (95%), although only a few centres can serve all demand (ensure 75% employment in functional area).

Basic economic infrastructure: moderate. Some territorial bottlenecks.

Public transportation: bad. 23% of population with no commuting possibilities (to-work and from-work routes).

Demographics: new demographically ageing areas are emerging.

- <https://arcg.is/vzHqX> (jobs and schools)
- <https://arcg.is/0uqbHu> (hotspot)
- <https://arcg.is/1ruWXO> (public transportation)
- <https://arcg.is/1LC5Km> (municipalities, links)
- <https://arcg.is/aDnjT> (supply-demand jobs)

<https://arcg.is/040qy9> (and more)

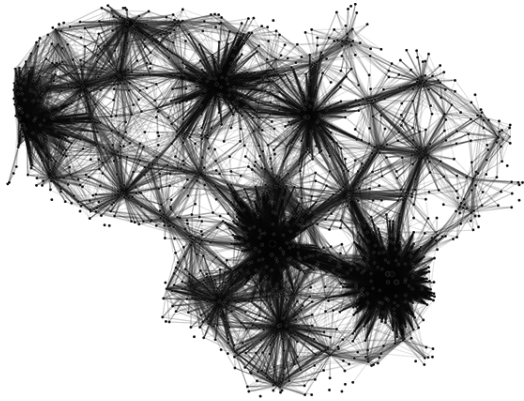
Challenges

- ... income and opportunities are very unevenly distributed and regional disparities increase (EC Country Report, 2019);
- 87% According to respondents, Lithuanian cities are not developed in a sustainable way (problem areas: planning culture, quality education, health and well-being, decent jobs and economic growth) (Expert Survey, 2018)
- 89% Respondents state that resources and capabilities of Regional Development Councils are inadequate for making purposeful and relevant decisions (survey of Regional Development Council members, ministries, Government representatives, social and economic partners, 2019);
- Systematic problem of regional development planning is the incompatibility of objectives and interventions: planning documents set relevant and appropriate objectives, but the planned interventions are not sufficient to achieve it (evaluation of financing of Lithuanian economic sectors after 2020).

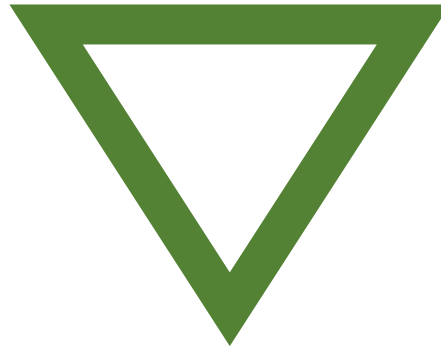
Policy changes
Regional development reform

The White Paper on Regional Policy 2017–2030 has identified fundamental priorities for Lithuanian regional policy.

Economics



Economic growth is not a value in itself. However, regions and municipalities must take responsibility for attracting investment and creating jobs in order to ensure dignified living conditions for all.



Governance



Without a strong, competent and responsible regional level, nothing will work

Cohesion



People cannot be divided according to where they live. Quality services and workplaces must be accessible everywhere. The task of regional policy is to do it at optimal cost.

Regional Policy White Paper (shift in philosophy)

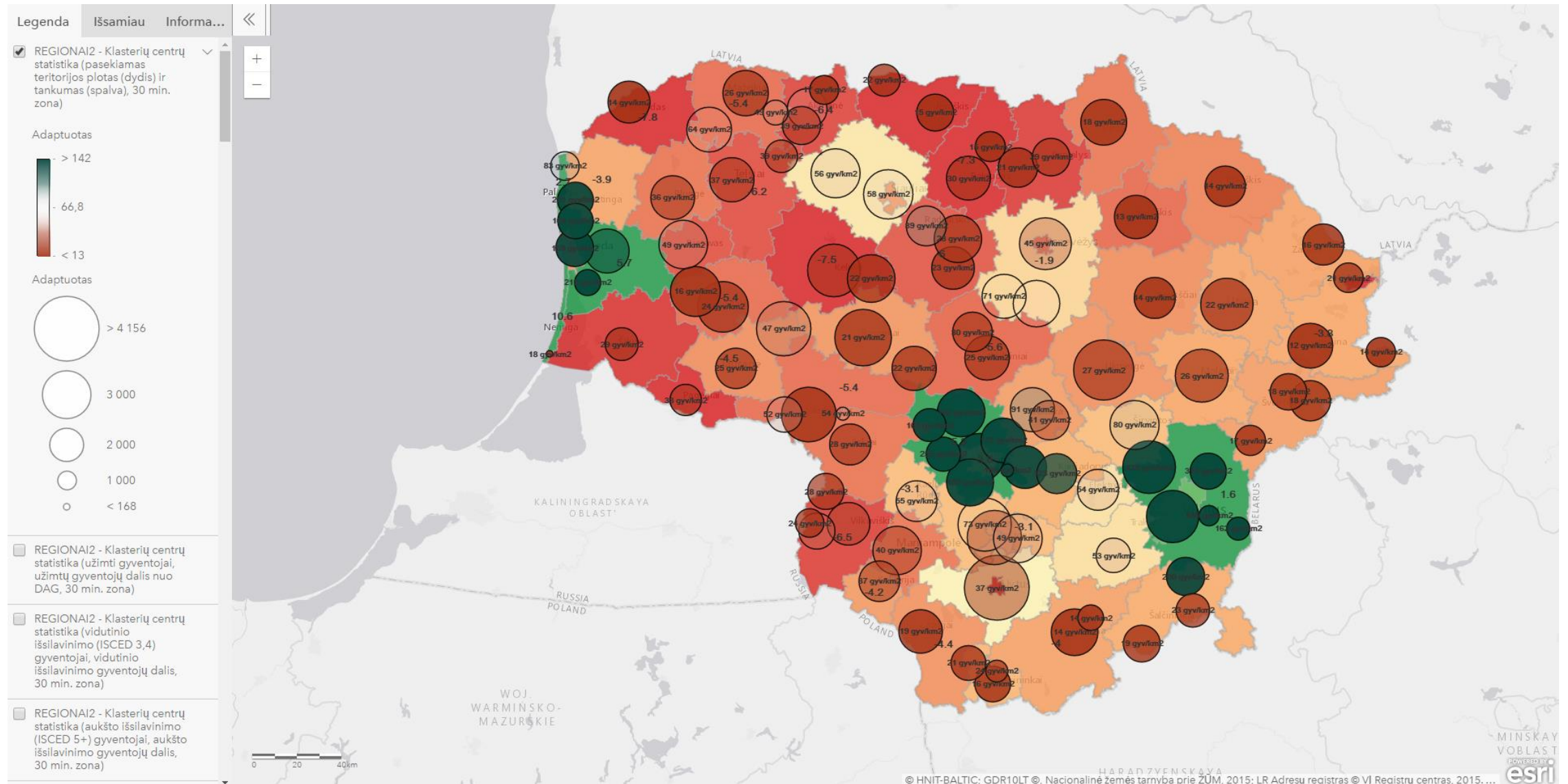
- Functional approach to building linkages between richer and poorer territories (functional urban areas and inner peripheries);
- Regulatory and fiscal incentives for regional and local bodies to attract investments and create jobs;
- Extending functions of regional development councils from (mostly EU funds related) regional planning and regional project selection procedures to comprehensive social and economic policies and management of regional public service delivery systems;
- Designing business development and innovation support incentives which target regions outside of national hubs (development of regional specialization);
- Stronger focus on administrative capacity and competences of regional and local actors (regional competence hubs)
- Stronger focus on evidence-based management, including spatial and big data analysis and pilot initiatives.
- **More territorial cohesion**



Territorial cohesion problem

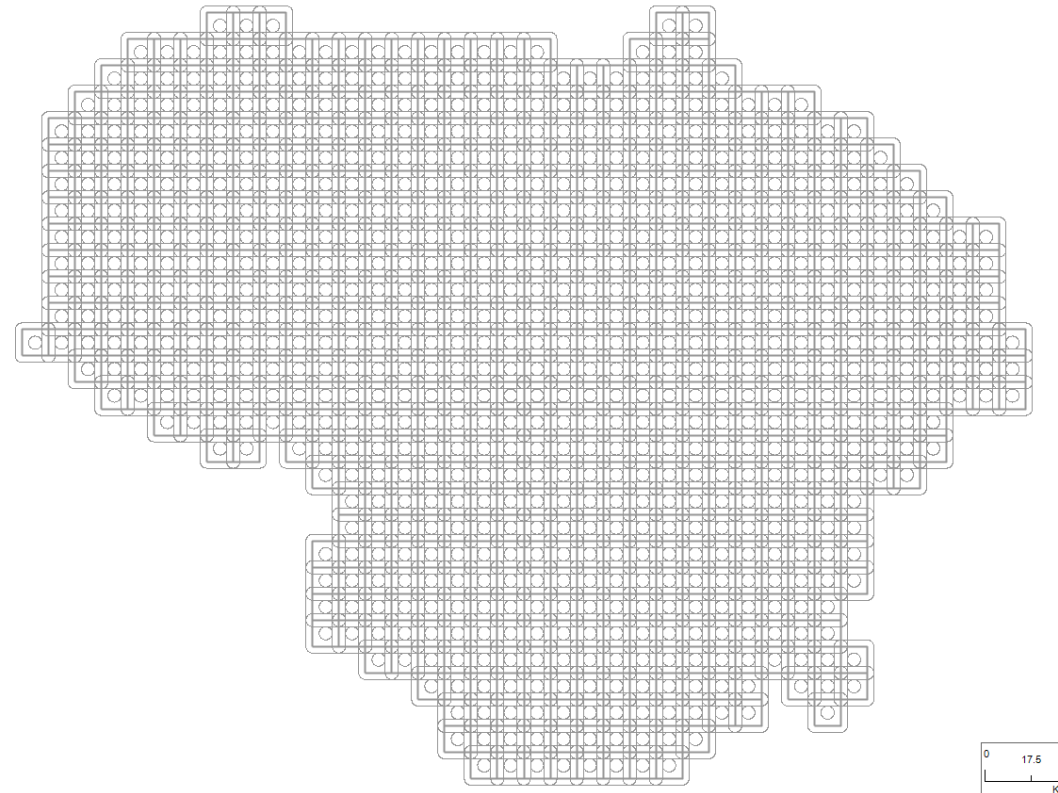
- People should be able to live wherever they want, with access to public services, efficient transport, reliable energy networks and broadband internet throughout the territory (European Commission).

People want to live where they want: in low density high accessibility areas (urban sprawl)



Ideal territorial cohesion

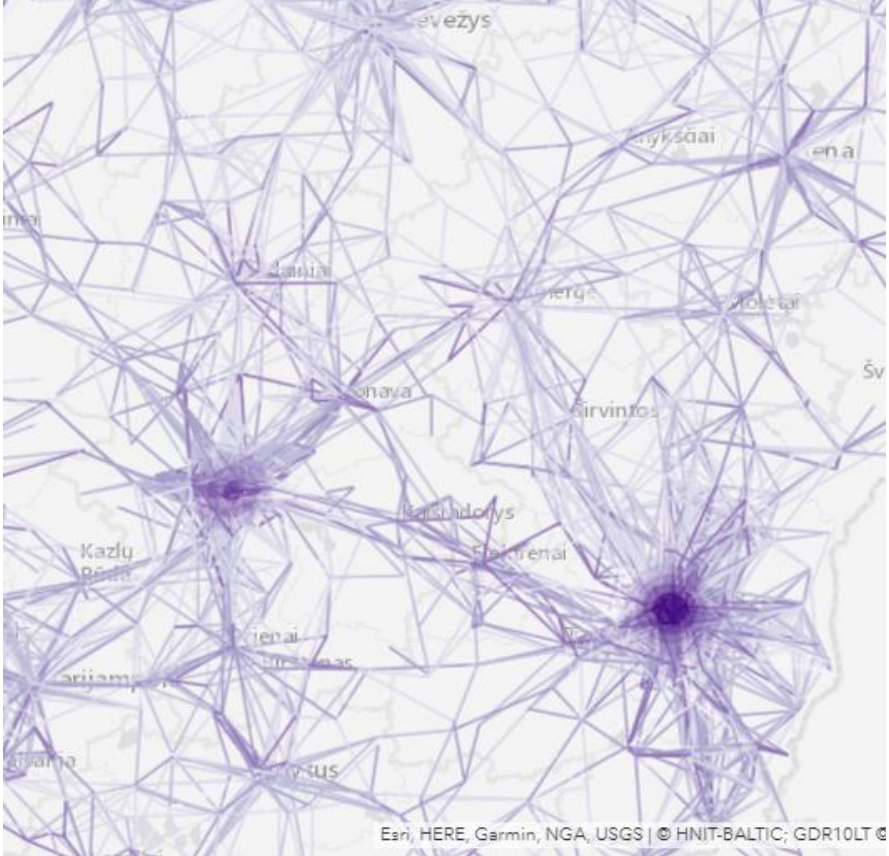
- **For people, who live wherever they want**
- **we need equal services (and a population of 16 million)**



understand the patterns (define functional areas)

Standardize

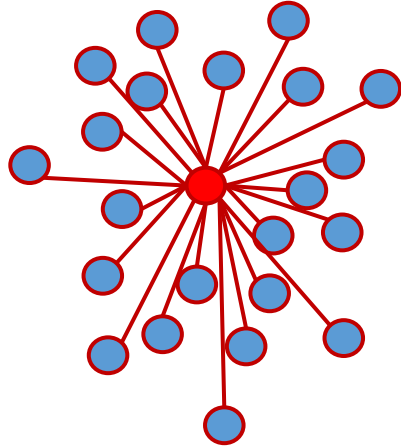
Apply policy instruments



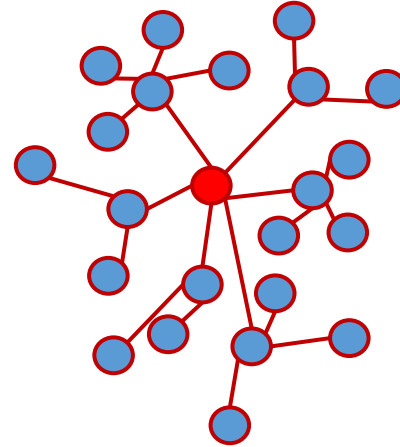
Policy instruments

- 1. Decentralization.** Municipalities and regions can manage their goals responsibly.
- 2. Functional areas.** Urban development instruments should apply to functional areas (and go beyond the boundaries of the municipality).
- 3. Accessibility as a critical factor.** In this case, physical distance is not as important as the time.

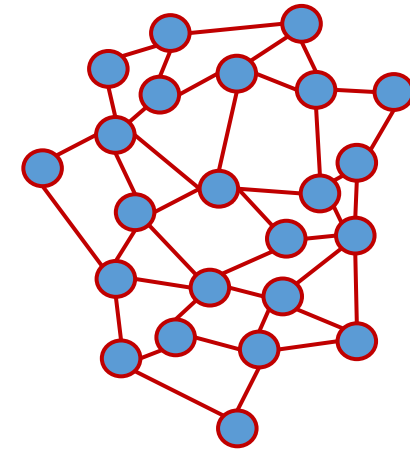
Key elements of regional development reform



Status quo
Centralized
institutional
system and
implementation



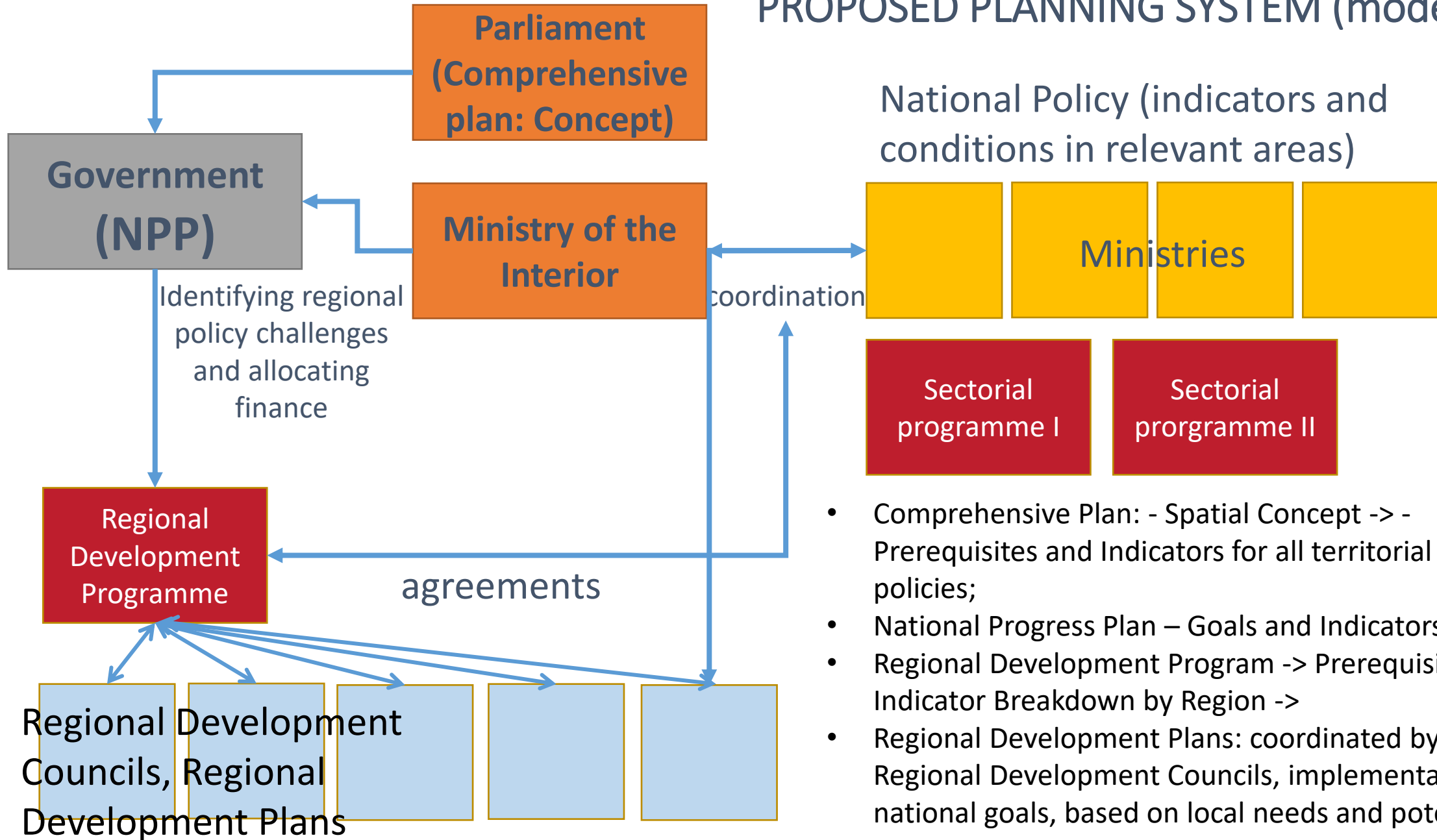
Decentralized
institutional system
New regional
development
councils



Distributed
implementation
Functional areas



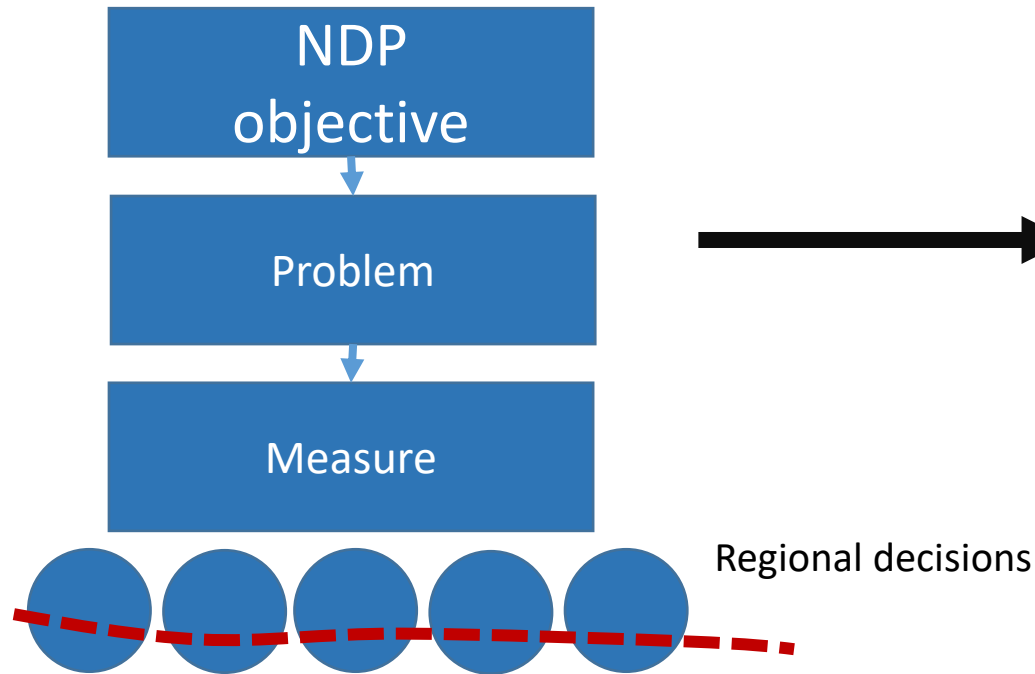
PROPOSED PLANNING SYSTEM (model)



- Comprehensive Plan: - Spatial Concept -> - Prerequisites and Indicators for all territorial policies;
- National Progress Plan – Goals and Indicators ->
- Regional Development Program -> Prerequisites and Indicator Breakdown by Region ->
- Regional Development Plans: coordinated by Regional Development Councils, implementation of national goals, based on local needs and potential.

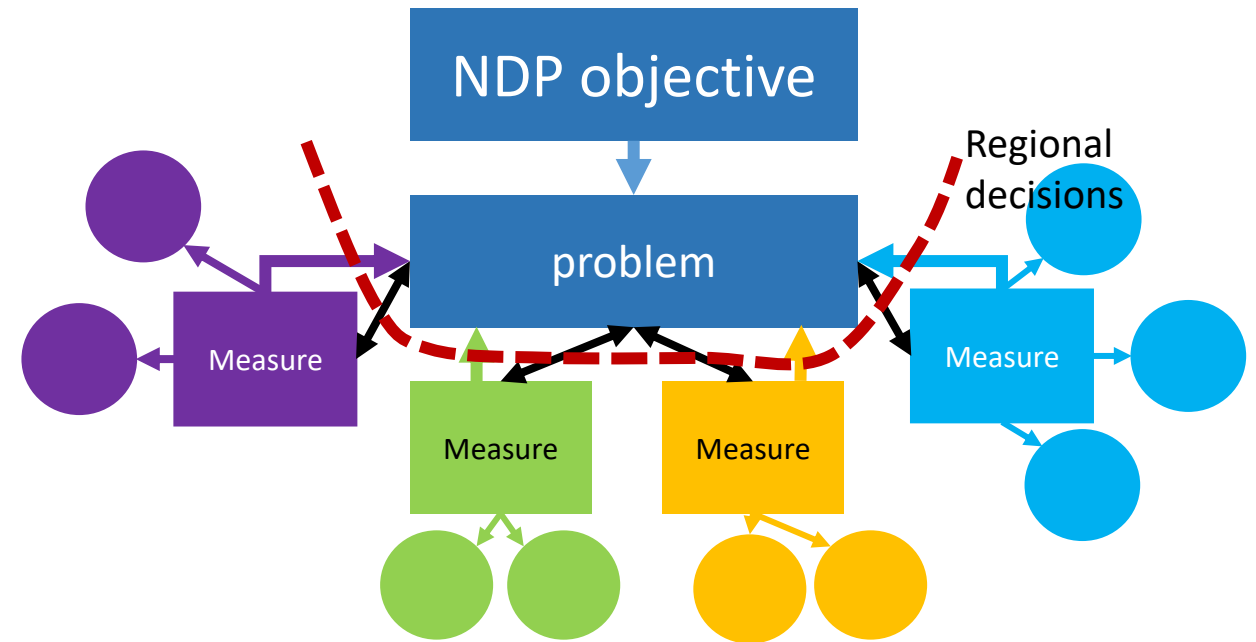
Changes in planning principles

Status quo: top down



- Problem solutions (measures) are determined from the top;
- The same measure applies to all regions

Proposed system: bottom up

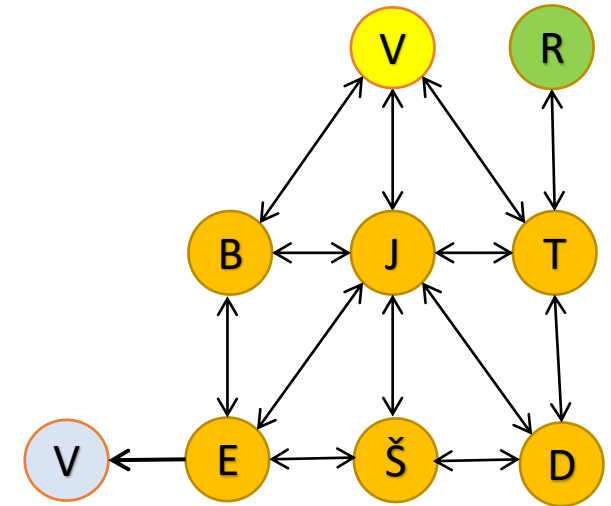


- The state identifies problems to be solved (results to be achieved);
- Problem solving comes from the bottom;
- The measures in each region are different;

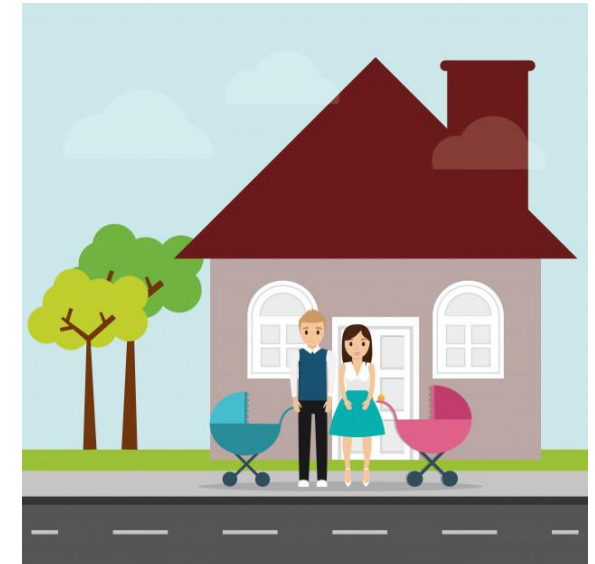
Functional areas (Šalčininkai+; Tauragė+ pilots)

- Taking advantage of the natural systems;
- Focusing on interaction of centres for the polycentric growth of the region, mobility of the labour force and linkages of service providers and recipients;
- Reducing regional internal imbalances and enabling municipalities to jointly organize public services (beyond administrative boundaries of municipalities).

System of cores and linkages



Resulting in strategy

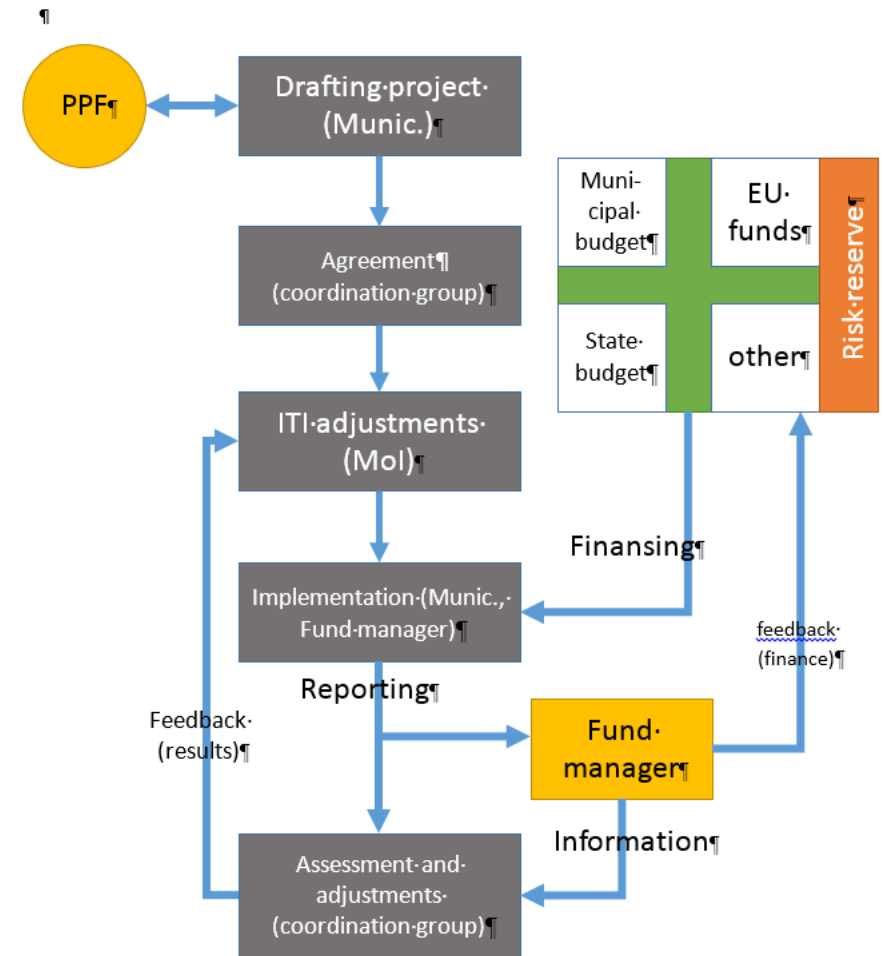


Local development facility (Šalčininkai+; Tauragė+ pilots):

New planning and financing mechanism:

- broad partnership platforms, mobilizing capacity of all development actors
- better access to all types of financial support (subsidies, financing, crediting, etc.),
- better access to knowledge

Ongoing: analysis and drafting for regional strategies (2019-2021)



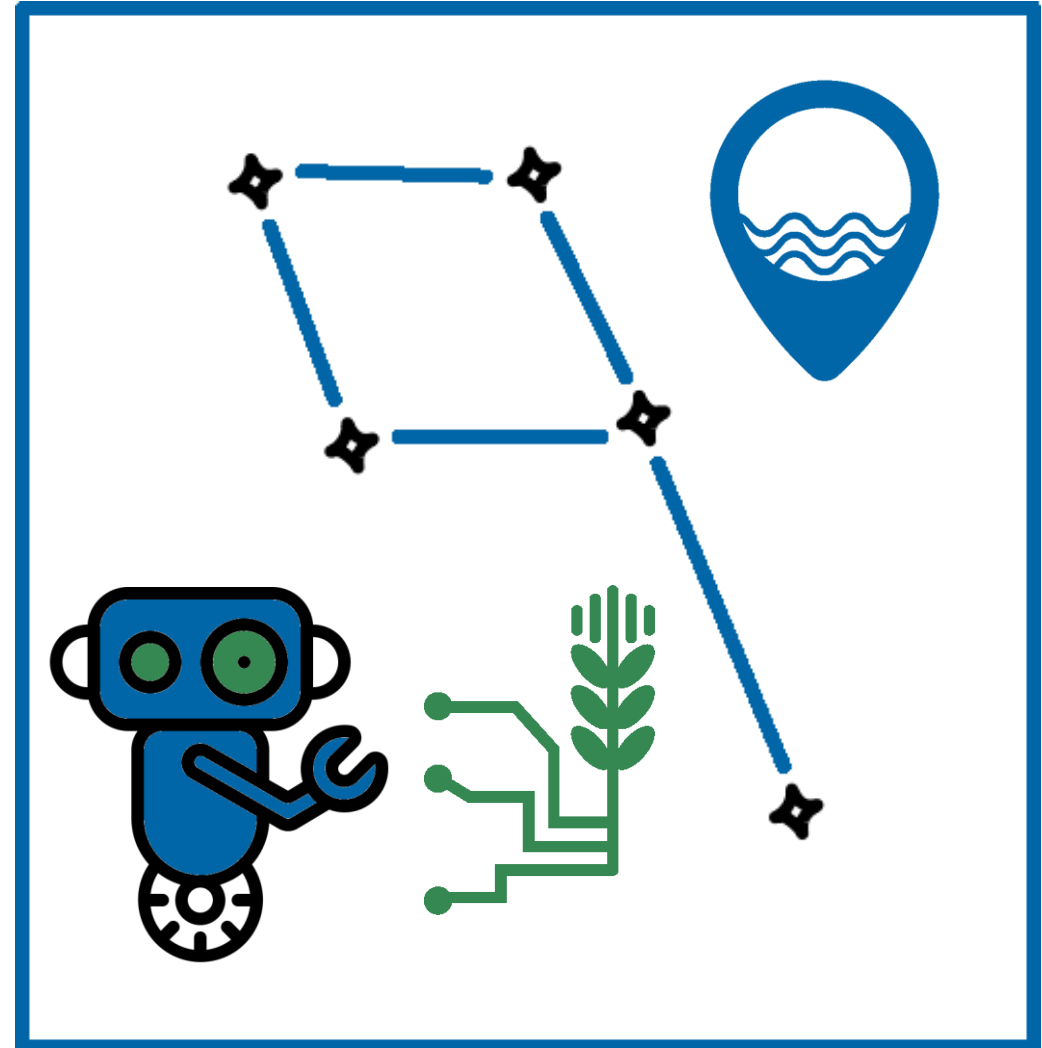
Horizontal principle: regional specialization

new generation of Regional development plans shall primary focus on:

- Economic strategy at regional level
- Concentration and marketing of on-site resources
- Coordination with labour market and education policies (vocational, college);
- All types on policy interventions (not limited to public funding);

Status:

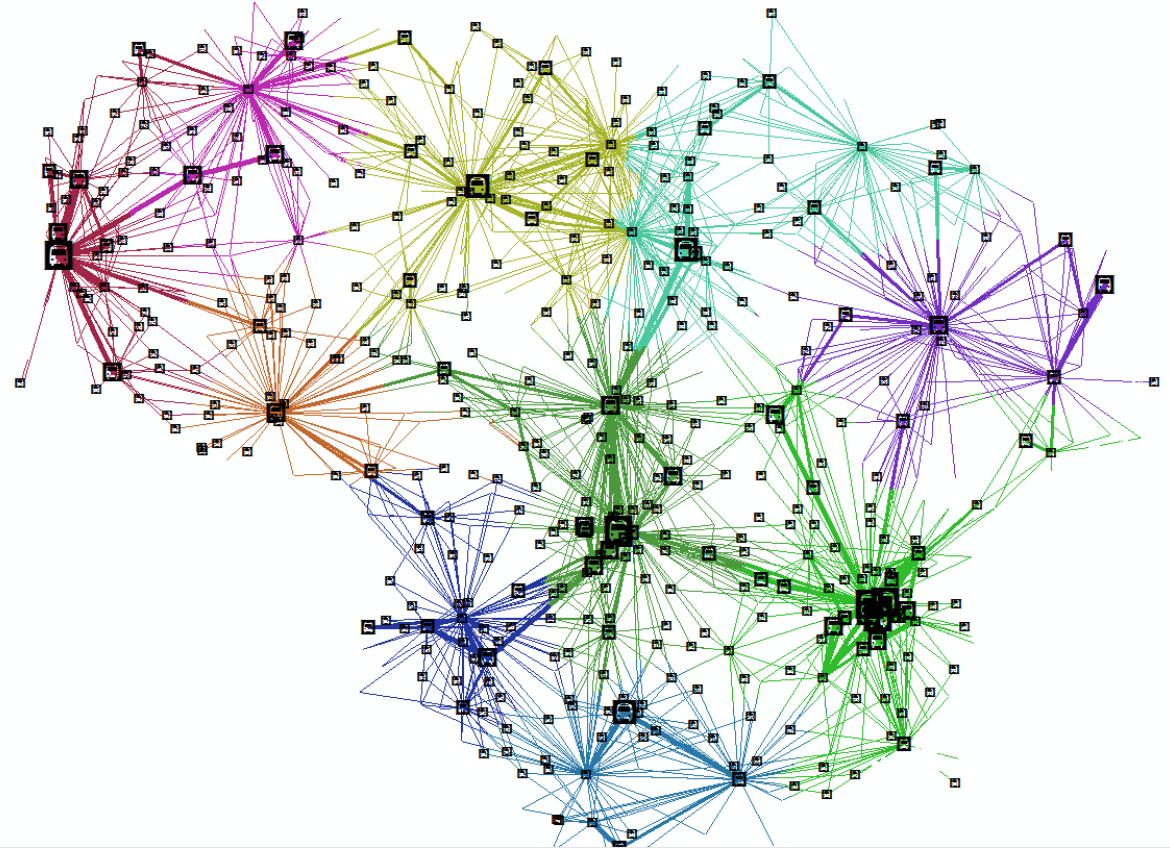
Ongoing: Preliminary concepts and proposals from regions



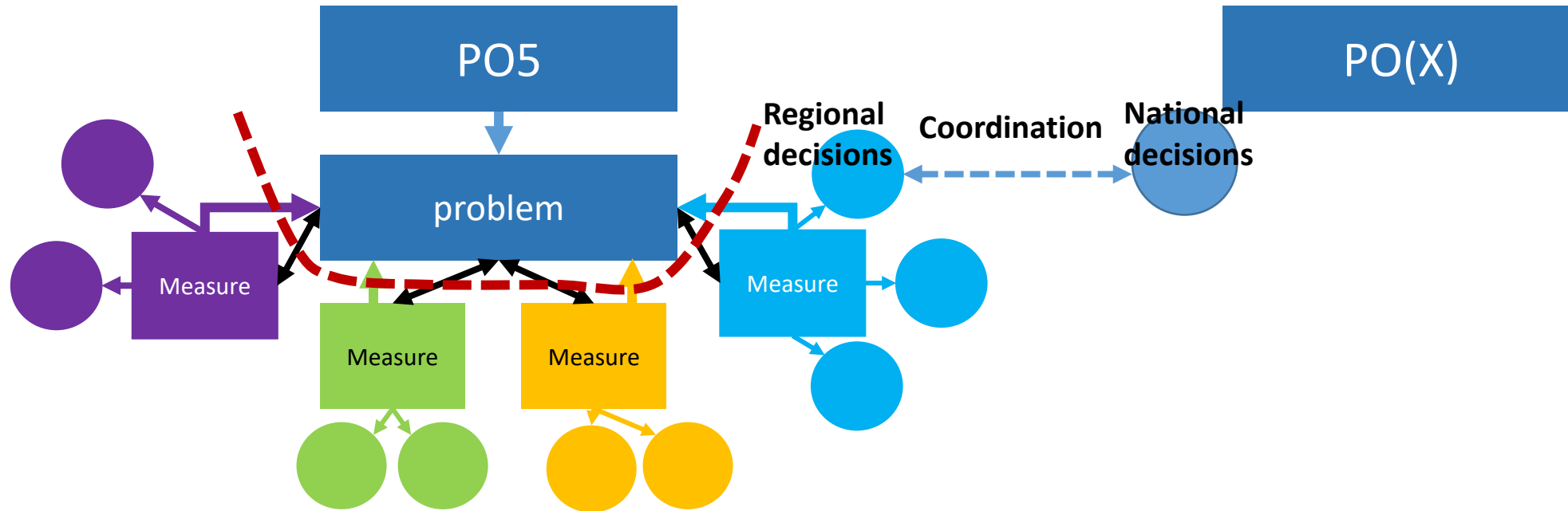
Regional service delivery systems

- problem areas of the current situation to be identified (critical cost / output errors, delays, consistency, performance and efficiency gaps, logical process errors, process management failures, inadequate resources allocated, duplication, etc.);
- Necessary changes in legislation, organizational structures, time and financial costs, revenues and benefits associated with the implementation to be proposed and evaluated;
- (if proved effective by cost-benefit analysis) new public service delivery system via regional entities or intermunicipal cooperation (public transportation, health, informal education...) to be introduced.

Ongoing: Analysis and drafting of pilot model for regional public transportation systems



PO5 implementation model – bottom up

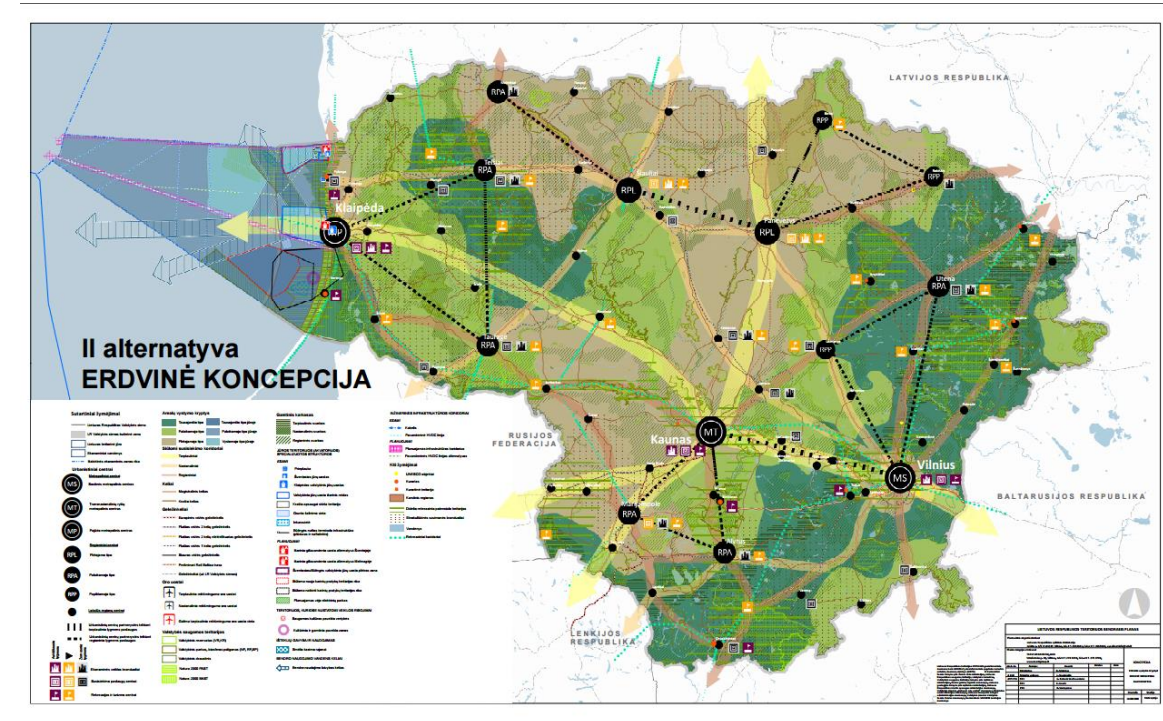


Target territories

- Based on functional area principle

60+ minutes – Interregional cooperation (Comprehensive plan concept, II alternative)

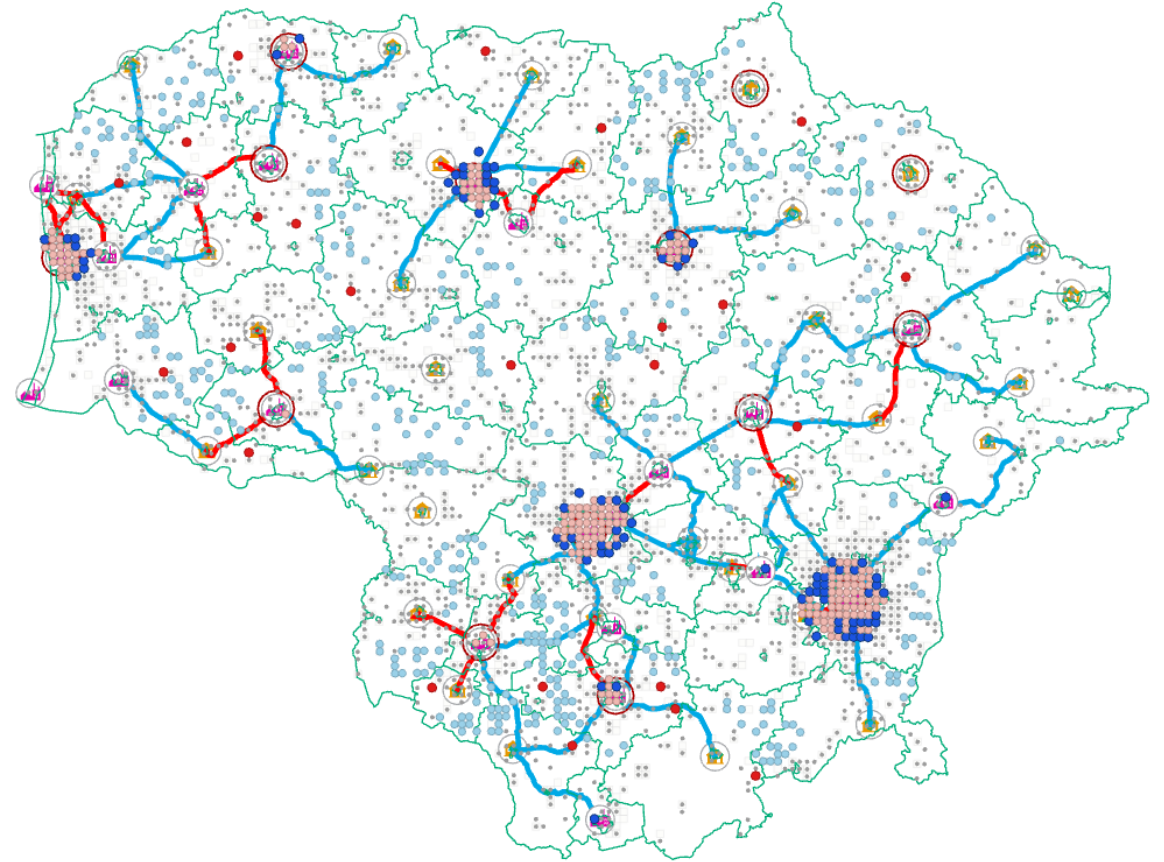
- Priority for the development of the center of Lithuania;
- 2 dipoles (Vilnius-Kaunas, Panevėžys-Šiauliai)
- 14 regional centers;
- Cooperating Regional Centers concept (each Center collaborates with another to share functions)
- state services are planned as “triangles” (eg Vilnius serves Ukmerge and Utena);
- Increased demand for new transport connections (Kaunas-Alytus, Šiauliai-Mažeikiai, etc.)
- Functional areas crossing county boundaries (60+ minutes), more "soft" connections (interregional cooperation projects) needed



45 minutes functional areas (jobs and economic development)

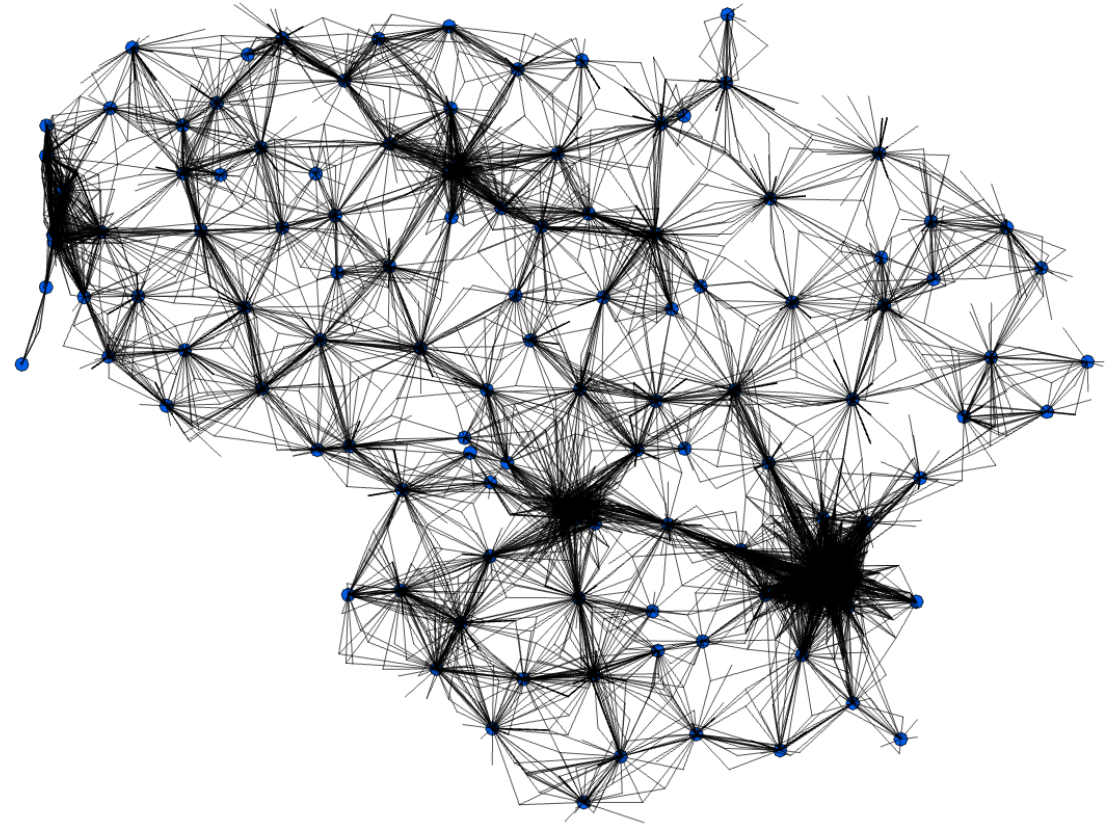
- Based on core network of regional and local Economic Centres:
- 6 cities (UFA cores, according to Eurostat/OECD typology);
- 12 medium sized cities (local and regional centres with relatively high level of economic activity concentration);
- 4 resorts (specialized economic centres);
- Geographical reach: 95 % of population;
- Unresolved – 5 municipalities, 5% of population (remote areas).

<https://arcg.is/1DHnTL>



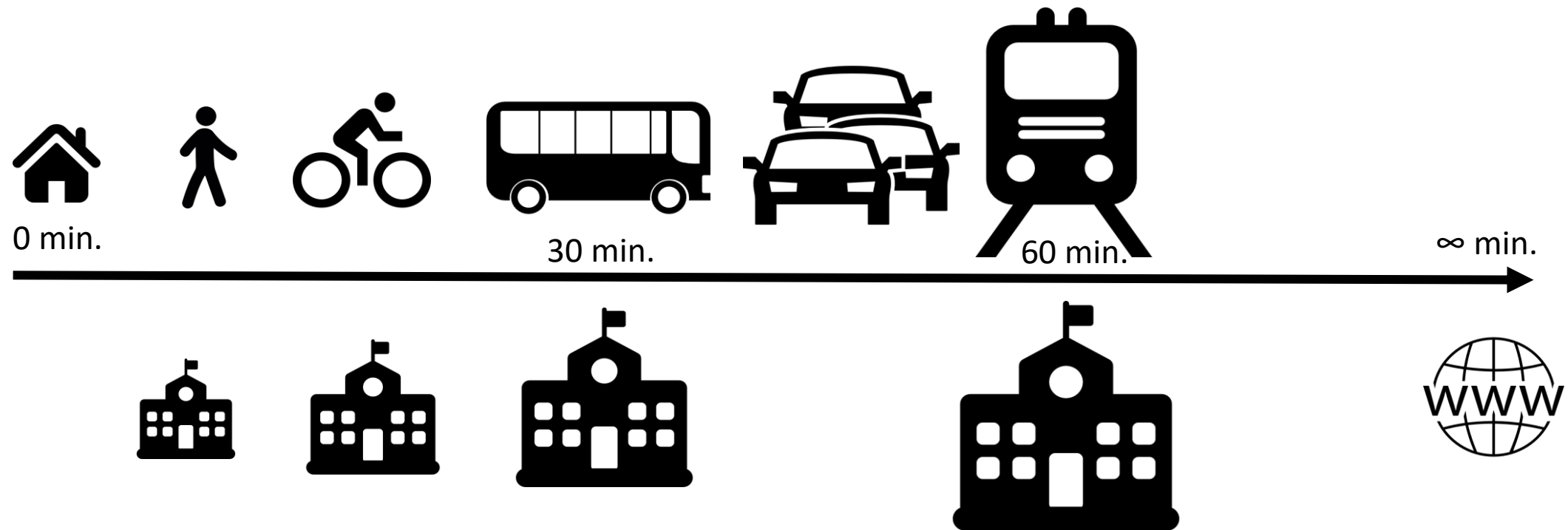
30 minutes functional areas (basic services of general importance – primary healthcare and education)

- 99 percent of population may be served by ~ 130 service areas (approx – 2 per average municipality);
- Each Economic Centre is a Service Centre, but not every Service Centre is an Economic Centre.
- Accessibility is not only a geographical reach: the cost and quality of services cannot significantly vary between territories
- Principles: regional cooperation, non-duplication, optimal demand-supply allocation, cost-benefit analysis



Functional area development project

regional project for sustainable development of shared infrastructure, transport and services network and / or linkages



Key investments under P05

Economic development (based on 45 min. FA interactions)

- Basic economic infrastructure (addressing bottlenecks), brownfield conversions, adaptation of heritage sites for economic activities.
- Optimization of public facilities network (daycare, cultural, public transportation facilities etc.) by bringing them closer to the workplace or the commuting routes. Support for mobility in functional areas;
- Local economic development initiatives (via CLLD and /or regional specialization)

...

- Key areas may vary between regions, depending on geographical specifics (remoteness) and regional specialization.

Consolidation and regional cooperation

- shared use of infrastructure, mixed use, temporary use, mixed service models and corresponding infrastructure (including utilization of heritage for public service facilities). Community involvement in service delivery (CLLD). Concentration of high quality public services in regional centres. Support for regional cooperation between municipalities. Integration of public transport. Small scale green and community infrastructure (via CLLD)
- Key areas of cooperation include, but are not limited to, public transport, healthcare, education (especially informal), and culture.

Capacity building

- analytical support for regional decision making (analysis and surveys, impact assessments, methodological guidelines and training) (via regional competence hubs);
- capacity building of local and regional actors (spheres: regional strategic planning, public service provision).