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EUROPEAN UNION STRUCTURAL ASSISTANCE FOR LITHUANIA: EVALUATION OF RESULTS

Larger possibilities bring larger challenges. This is how Lithuania's experience, as member of the European Union (the EU) up until now, could be described.

Possibilities – because Lithuania has been allocated EUR 7.73 billion of Structural Funds assistance for the period of 2007–2013, thereby seeking to speed up the economic convergence of

Lithuania with the Community average, and improve the quality of life for the entire country's population with respect to both economic and social aspects.

Challenges – because it is vital to ensure that the financial aid provided by the Community really enables achieving the objectives set.

Evaluation is one of the ways to ensure quality and effectiveness of the assistance from the EU Structural Funds. Although Lithuania has begun using evaluation as a tool not a long time ago, there is

no doubt about the benefits it brings: not only because evaluation is required by Community legislation, but also because it is an effective tool to enhance efficiency of the overall public sector.

The relevance of this issue is evidenced by the fact that over 100 participants attended the international conference "Evaluation of the EU Structural Assistance: Reinforcing Quality and Utilisation," held on 26-27 March 2009 in Vilnius. The conference was attended by officials from Lithuania and other EU Member States, responsible for the

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evaluation of Structural Funds and public policies, representatives of the European Commission as well as experts interested in theoretical and practical aspects of evaluation.

The Evaluation Conference, held in Lithuania already for the third time, has become a traditional event. The two-day event was dedicated to discussing ways of building the EU Structural Funds evaluation capacities of institutions administrating financial assistance, sharing practices of successful and innovative evaluation methods, reviewing problems related to the use of evaluation results, and discussing ways of encouraging the application of evaluation in the entire public administration system.

So, what evaluation experience and capacities does Lithuania have? The publication discusses it at first hand.

SEVEN YEARS OF EVALUATION EXPERIENCE

“Looking back to the humble beginning of evaluation of programmes financed from the EU Structural Funds, one can state that Lithuania has achieved much in the setting up of the evaluation system. However, it is vital to continue advancing,” says Dr. Ana Stankaitienė, Director of the EU Cohesion Policy and Structural Assistance Coordination Department of the Lithuanian Ministry of Finance, at the beginning of the conference.

The representative of the Ministry of Finance has counted seven years during which the country has been dealing with evaluation processes of programmes funded by the EU Structural Funds. The first steps were taken in 2002, when the Single Programming Document (SPD) of Lithuania for 2004–2006, under which the EU Structural Funds assistance was provided to the country for the specified period, was being drafted. “At the time, the European Commission imperatively demanded the following: “if you want to receive financing from the EU Structural Funds, implement programmes and do

many good things, you must present an independent *ex-ante* evaluation to us.” Back then, only one person was dealing with the issue at the Ministry of Finance: she had to find independent experts and ensure the quality of evaluation,” Dr. Stankaitienė recalls.

According to the representative of the Ministry of Finance, much has been achieved since then: both, commissioners of evaluation and evaluators themselves, have grown stronger and gained more experience. For the period of 2007–2013 Lithuania is

developing a clear and detailed regulation of the evaluation function that enables identification of evaluation needs, evaluation management and use of its results. Nevertheless, it is worth noting that it is a little premature to speak about a strong evaluation culture in Lithuania. We interviewed several conference participants and they mentioned various factors necessary for the formation of such a culture.

INSPIRING EXAMPLES

Mrs Veronica Gaffey, the Head of DG REGIO Evaluation Unit of the European Commission, notes that it is crucially important that a state considered evaluation as a tool to achieve better results, rather than as an obligation. According to her, this is something that needs to be learnt from the experiences of other countries, if not from one's own. However, we started our conversation with the representative of the European Commission with a much broader subject:

-Why is evaluation that important? Why should someone talk about it and even organise an international conference to discuss it?

-With the Structural Funds and cohesion policy we have a significant injection of resources from the European tax payers to the poorer regions of the EU. Basically,

What Is Evaluation?

Evaluation is considered to be a judgement on the value of public intervention and is used to improve public policy and accountability for it. The following evaluations are usually performed seeking to improve the efficiency of Structural Funds assistance:

- **Ex-ante evaluation** aims at optimising the allocation of budgetary resources under operational programmes and improving programming quality as well as assessing the coherence of interventions proposed with the Community and national strategies;
- **Ongoing evaluation** extends throughout the period of implementation of an intervention;
- **Evaluation of strategic nature** examines the evolution of a programme in relation to Community and national strategies and its impact on the targets set in these strategies;
- **Evaluation of operational nature** aims at supporting the monitoring and administration of the programme;
- **Ex-post evaluation** covers the utilisation of resources and the effectiveness and efficiency of assistance and its impact and draws conclusions on economic and social cohesion;
- **Thematic evaluation** aims at analysing a specific issue or topic of the programme. This type of evaluation can take place at any stage of the programme, seeking to improve it or assess the experience gained.

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the idea is that evaluation can help us spend it the best way possible in order to have the maximum impact. Sometimes,



According to Veronica Gaffey, evaluation helps in making programmes work better.

with the cohesion policy, the focus is all on just spending the money, as if that is the main thing. But we have to go beyond that, we have to maximise the impact. So that is where the evaluation helps you – to find what works, how we can change things and how we can make programmes work better.

-Evaluation is quite a new issue for Lithuania and we have not been doing this for long. In your opinion, how have we been doing so far?

-I think you are doing quite well. It is quite a complicated concept for people to understand and accept. And the biggest thing is to get over the idea that evaluation is control, which it is not. It is not the question of trying to catch people; it is a question of trying to learn. Once people can be open to this idea, then everything

becomes possible. What these events do is they build an awareness of what evaluation can do and then hopefully people become more open that when it comes to performing evaluations, that when an evaluator comes knocking at the door of somebody in the ministry, the person in the ministry says “right, this is an opportunity to tell my story and say what works for me and why it has worked or to talk about particular problems”. And then you are into a kind of a learning process. But it takes a number of years and for any country you need some good examples of evaluations that worked before people can really believe in it, because it is easier to talk than in the abstract. I think that over time, as Lithuania carries out more evaluations, it will really make a difference and more people will be persuaded.

-Which European countries could be named as these good examples you were just talking about?

-My own country, Ireland, is a good example. And that shows that these things go in cycles. In the 1990s evaluation was extremely important in Ireland, maybe it is less important now, but the times are hard and I think evaluation will become important in Ireland again. France also has developed some good evaluation practice, definitely, the Nordic countries, Sweden in particular and the Netherlands.

Among the new Member States, I think Poland is doing a lot of interesting

work. The Czech Republic also did a lot of interesting work in the 2004–2006 period, but then there was a change of personnel and a lot of expertise was lost. So it is something that goes in cycles, but there is good experience all across the EU.

It seems that evaluation is something that fits with the culture of some countries, and for some countries it takes longer to be convinced.

-And what lessons from the processes could Lithuania have learnt so far? On what improvements should we focus?

-I would say, just keep on doing evaluations, not necessarily enormous ones. Build a community of practice, do a number of small evaluations, make sure that evaluations focus on something you want to know about. There is no point in doing evaluations just because the Commission said you should do it. It should be because there is a need for knowledge within the Lithuanian administration and, if you see something not working, you use the evaluation to help it work better. If you do a few examples like that, I think, evaluation will become embedded in the system here.

-Thank you.

LITHUANIA: EXPERIENCE AND CHALLENGES

Evaluation as a management tool

reached Lithuania together with The EU assistance. Mrs **Danutė Burakienė**, the Head of Evaluation Unit of the Ministry of Finance, admits that preparation for the absorption of EU structural assistance for the programming period of 2004-2006 required a good deal of work and implementation of mandatory requirements within a rather short period of time, therefore, evaluation did not receive any special attention. Nevertheless, the situation soon changed. “In 2005 the evaluation capacity building project was successfully implemented, a training programme drawn up and training organised not only for institutions administrating assistance but for potential evaluators as well. Moreover, methodological evaluation guidelines were drawn up, and an international evaluation conference was organised for the first time. Since then it has become traditional, and is now held annually,” states Mrs Burakienė and adds that within a relatively short period of time Lithuania has managed to obtain significant experience: in the period of 2005-2007 more than 50 various evaluations, studies and other types of research were carried out. “Certainly, their quality was not always the same and not all of them brought substantial benefits, but the experience led to a successful start of the period 2007–2013”, claims the representative of the Ministry of Finance.

Now the evaluation system in Lithuania is much more mature – it is more clearly

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In 2005 the first international conference on evaluation was organized. Now it is held annually.

regulated, the evaluation plan of EU structural assistance has been drafted and approved. “The current Lithuanian evaluation system is very much alike with those existing in many other small EU Member States. It is a centralised system with a unit located in a central institution – the Ministry of Finance – that coordinates evaluation activities,” says Mrs Burakienė.

According to the Head of Evaluation Unit, in order to secure more efficient evaluation it is vital to build capacities to perform internal evaluations in institutions administrating EU structural assistance.

“This way we could respond faster and quickly make decisions, particularly when there is a need to carry out evaluation of a smaller scope. Moreover, this would help to save not only time but also money provided for hiring external evaluators. As experiences of other countries show, evaluation commissioners who have evaluation experience are better at drawing up better terms of reference, controlling the quality of evaluation reports, and other things,” Mrs Burakienė claims.

A number of challenges are still awaiting developers of the evaluation system. One

of the challenges is related to securing the highest possible qualification of specialists in charge of the organisation and implementation of evaluations. “The Ministry of Finance is the only institution that has an Evaluation Unit where employees carry out exclusively evaluation functions. Other ministries have only one or two employees who can spare only some of their working time to evaluations. On the other hand, there is a high staff turnover and it takes time and effort to acquire knowledge on evaluation. There is not a single Lithuanian higher education establishment that prepares specialists of public policy evaluation,” notes Mrs Burakienė.

As the Head of Evaluation Unit observes, presently Lithuania needs to work so that evaluation would be considered not as a control instrument or “Brussels requirement,” but as a useful tool of enhancing the public policy efficiency. There are inspiring changes, such as the Government’s provision on developing a system to assess the achievement of programme objectives funded by the state budget. The implementation of this provision would give a strong impetus to the development of the evaluation culture in Lithuania. Meanwhile, according to Mrs Burakienė, the conference held in Vilnius provided a great impetus, too.

WAY OF THINKING

A professor at Lancaster University, editor of the international magazine

“Evaluation” **Elliot Stern** worked as an expert in preparation of a feasibility study on the EU Structural Fund evaluation capacity building in Lithuania published this year. According to him, evaluation is a tool to identify the success of the carried out policy. What is more, it helps to explain the causes of such success.

- How should we define evaluation?

- The simple understanding of evaluation would be a method for understanding whether our policies are successful or not. But within that judgment of success there are subsidiary questions. For example, is there success or failure because of the choice of policy or because of the implementation decisions? Is the policy wrong, which will not work, or is it the right policy, but it was implemented in the wrong way? So, the reason we evaluate the process of implementation as well as the outcomes and the results is that we want to understand what the source of the observed result is. That is one of the reasons we have a wider understanding of evaluation.

Now, also, if we want to improve things, we need to understand the causal relationships and the explanation of what is successful and what fails. So, the reason I talked about the knowledge production and research is that you need a deep level of analysis, if you are going to make recommendations for change. It is one thing to say: “this is working or this is not working, it is a success or it is a failure”. It is something different to

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say: “and we know why it is a success or failure, we know how to improve it.” That requires a deeper analysis. So, evaluation has to be able to look at outcomes and results, the processes of implementation that leads to these outcomes and results, and the underlying mechanisms which explain why the results are happening.

-Professor, you were an expert in Lithuania's evaluation capacity building project. What is your opinion on what we have here?

-I have worked in many different countries, both in the European Union and more widely. I have worked in the UK, France, Germany, Lithuania, Poland, Romania, the Czech Republic and I would say that Lithuania is at a very typical stage, in the early stage of development of the evaluation system. At the moment, the evaluation system is being developed as a system; it is based largely within the public administration and largely within the Ministry of Finance. And what we can predict will happen, is that gradually the ethos, that is pioneered in one central place, will spread and diffuse more widely and the ideas will become more generally accepted and also more contextualised to the circumstances of different ministries. So if you are an educator or in the health or transport sector, you need to approach evaluation in a different way, because you are doing different things. So, gradually there will be this extension and there will be more skills

and more consultants – at the moment there is a very limited number of providers and suppliers, with perhaps too much dependence on external providers. This is a very typical stage of development in the evolution of evaluation in a new Member State or in any country that is discovering evaluation for the first time.

-What would you advise for going through this development faster?

-Several things. Firstly, evaluation should not be only about the Structural Funds, it should be a way of thinking that extends to all policies. Secondly, it is not about rewarding or punishing individuals for their behaviour, it is about learning as a system. And one of the dangers of evaluating the new administrative context is whether or not there is a culture of learning or a culture of blame. If there is a culture of blame, then whenever anything goes wrong, you start asking “who is responsible for this? We kick them out!” instead of saying “how can we learn to make things better next time?”

Thirdly, evaluators need to be able to “speak truth to power.” This is an expression that an American called Saul Alinsky made in the 1940s, and the notion of speaking truth to the power is basically saying that sometimes you have to tell politicians unpopular things and not only give them the messages they would like to hear. And that requires an independent spirit, a professional ethic and the willingness

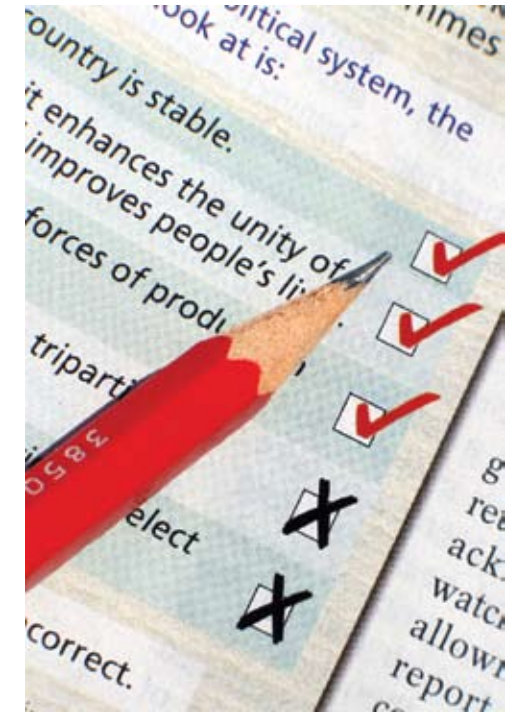
to be courageous within the bounds of your professional practice. That seems to me to be an important principle for evaluators and for commissioners and managers to maintain, especially in a new Member State.

- Thank you.

IT IS MORE THAN JUST ACCOUNTABILITY TO THE COMMISSION

Seeking to identify benefits of evaluations carried out in the country, the Ministry of Finance initiated a research, in the course of which representatives of institutions that commissioned evaluations, studies and other types of research were interviewed. The research was conducted by a partner of the Public Policy and Management Institute, Dr. Vitalis Nakrošis, who expressed his hope that in the future evaluations would be more often used for the improvement of decision-making. The representative of the evaluators' community, participant of the conference, Dr. Vitalis Nakrošis, was asked to comment on the results of the research:

-We carried out several surveys during which we interviewed representatives of ministries and other institutions responsible for evaluation, as well as evaluators themselves. We analysed their problems, achievements, etc. My opinion on the situation in Lithuania is that we are rather advanced, particularly



Evaluation is one of sources influencing decision making, along with politicians, media, governmental institutions, lobbyists and other parties involved in the process.

in comparison with the new EU Member States; however, certain old Member States have better evaluation culture. What concerns the use of data, previously evaluation was more like a way to account to the European Commission. Now, however, more attention should be paid to the improvement of contents and process of public policy. This should not be surprising because evaluation emerged as a result of EU requirements in other countries, such as Ireland, too.

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Back in the day, evaluation was carried out on a compulsory basis, but now it has become more a part of the decision-making process: it should bring results that could be useful on a national level, i.e., to the Government, ministries and other institutions.

-Lithuania's experience in evaluation is not that long. What challenges do representatives of the evaluators' community face?

-In fact, experience in Structural Funds assistance evaluation is not long, but evaluation is related to scientific research, impact assessment, thus, certain measures that include evaluation have already been applied in Lithuania for several years, and we have gained certain experience in the field.

One of the major challenges is how to plan and carry out evaluation so that the use of its results could contribute to better decision-making in Lithuania. Another challenge concerns a shortage of human resources. Currently an Evaluation unit is set up in the Ministry of Finance, and there are capacities that enable a good organisation of the evaluation process. On the other hand, we could not enjoy sufficient supply for a while, as there were only a few companies and evaluators involved in this activity. However, eventually the numbers grew, and foreign evaluators joined the local ones, therefore, it could be stated that the Ministry of Finance is capable of commissioning evaluations and that

evaluators can carry them out. Both these conditions are essential in order to carry out high-quality evaluation, and the quality of such evaluation predetermines the results of its utilisation.

-Speaking of results, what kind of recommendations do evaluators usually submit to institutions?

-We have divided all recommendations into two types: "know it" and "do it". The nature of these recommendations is usually conditioned by their purpose, i.e., if their purpose is to encourage improvement, evaluation will mostly consist of "know it" recommendations. However, if evaluation aims at control, it is likely that it will mostly include "do it" recommendations.

Either way it should be admitted that evaluation is merely one of the sources influencing decision-making, along with politicians, media, governmental institutions, lobbyists, etc., thus, one should not expect that all evaluation recommendations will be implemented as this depends on many factors. Nevertheless, the more evaluation is used and decision making is based on evidence, the better it is.

-Looking into the future, how will the evaluation system continue to develop, and how can a state benefit from it?

-I hope to see as many as possible thematic evaluations carried out in order

to analyse public policies financed by the Structural Funds. The results of these evaluations can be used to improve the decision-making process and the Lithuanian public policy itself rather than merely account to "Brussels". I believe it is the national need and not a requirement to account to the European Commission for the use of funds that should be the main reason to carry out evaluation. Evaluation contributes to an efficient use of public funds, which makes it a particularly significant measure during the economic crisis. An urgent need to reduce public expenditure requires quick decisions, therefore, it becomes complicated to organise any external evaluation or review that would allow giving recommendations towards efficient saving methods. Evaluators could give advice on how to save public expenditures, which programmes to abandon, and which ones to review, which institutions to eliminate, and which ones to reorganise, etc.

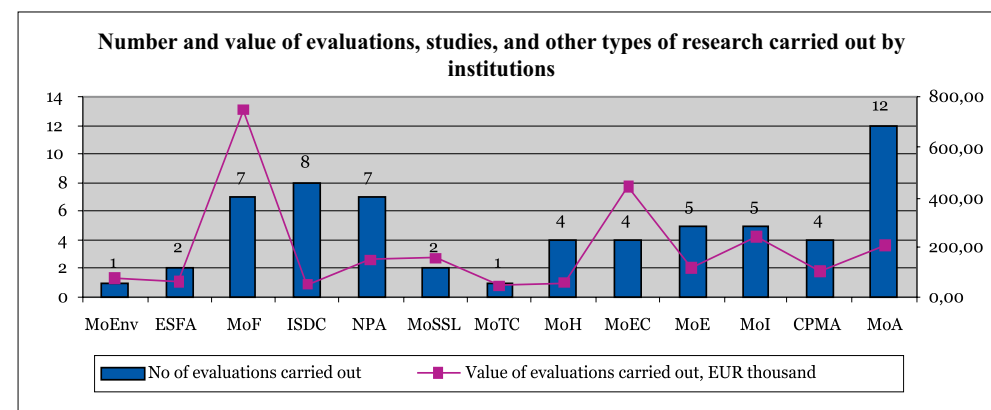
-Evaluation, thus, becomes a tool helping to overcome the crisis?

-Saving is inevitable; however, it can also be harmful for the state, i.e. cutting of public expenditure can demotivate public authorities and civil servants. In order to reduce the harm to a minimum, saving must be carried out with due consideration. And evaluation can substantially help in this case.

-Thank you for the conversation!

OVER 60 EVALUATIONS, STUDIES AND OTHER TYPES OF RESEARCH

The first evaluation programme financed by EU Structural Funds in Lithuania was *ex ante* evaluation of the SPD carried out in 2003. Since then over 60 evaluations, studies and other types of research, initiated by various institutions



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administering structural assistance, have been conducted in Lithuania.

Total value of evaluations, studies and other types of research carried out in 2004–2008 amounts to EUR 2.46 million, or 0.16 per cent of all EU Structural Funds assistance for the period 2004–2006.

Demand for and supply of evaluation services have notably increased in Lithuania in the past few years. Preparation for the period of 2007–2013 played a big part in such an increase: in 2006 the demand for evaluation was four times higher than in 2005. The majority of evaluations, studies, and other types of research – as many as 33 – were initiated in Lithuania in 2007.

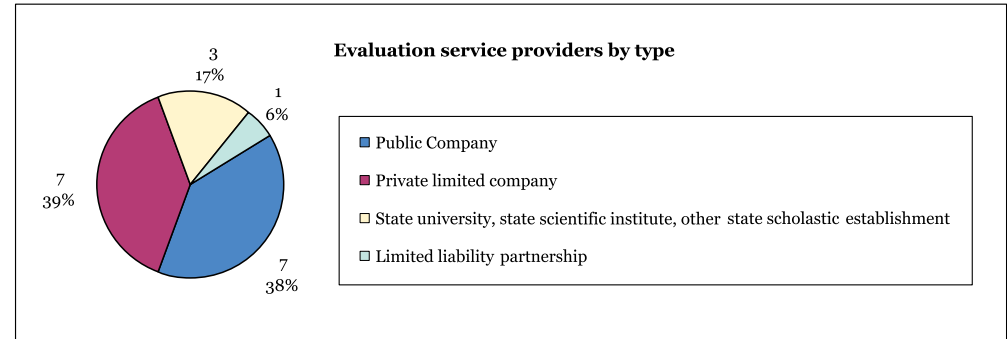
The majority of suppliers of evaluation services are public institutions and public limited companies registered in Lithuania.

BENEFIT OF EVALUATIONS

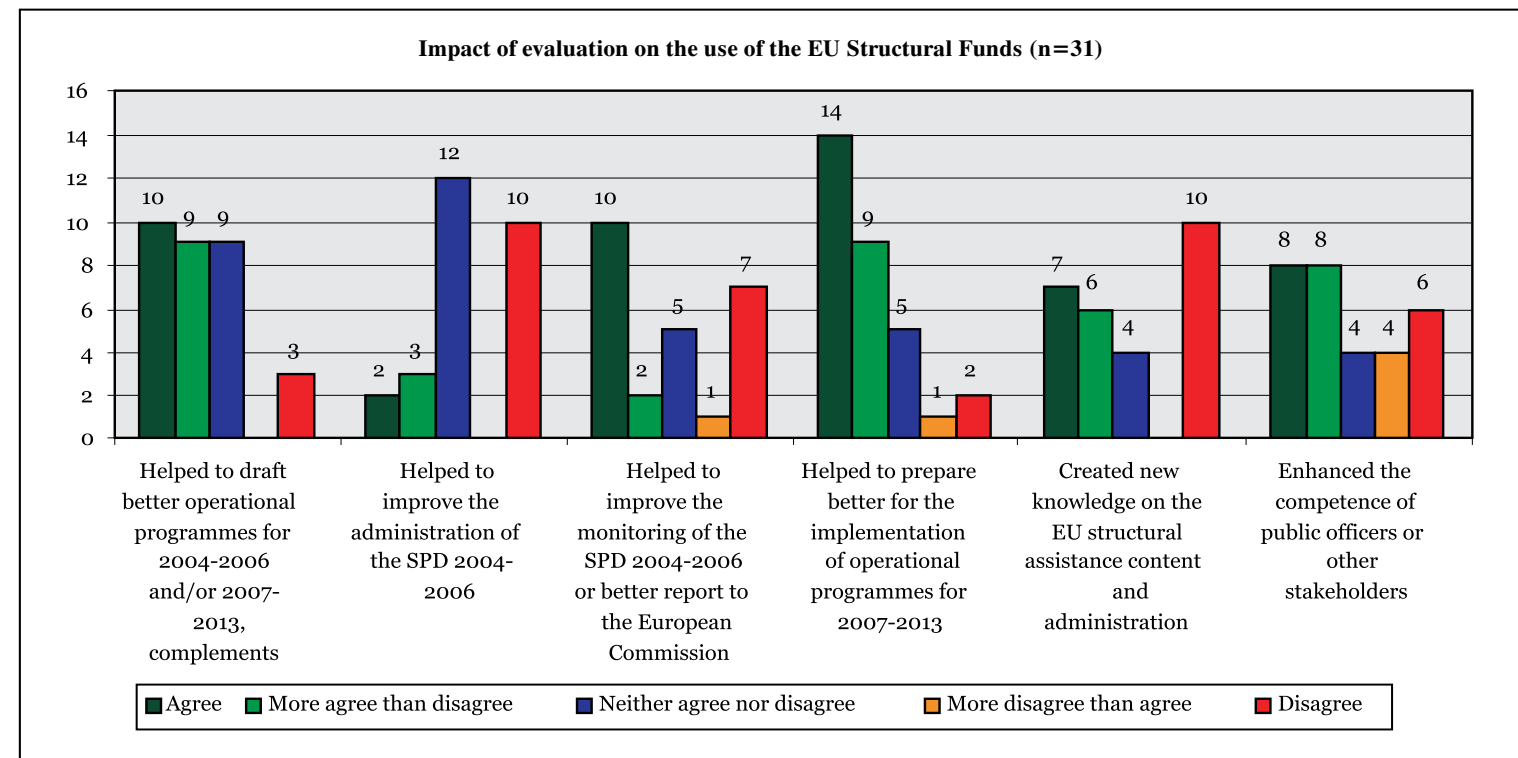
At the initiative of the Ministry of Finance, representatives of institutions that commissioned evaluations, studies and other types of research, and evaluators were interviewed. It was determined that the majority of evaluations, studies, and other types of research (approximately 73 per cent) completed by the beginning of 2008 included recommendations. Approximately 70 per cent of all recommendations of evaluations are implemented.

According to representatives of institutions that commissioned evaluations, studies and other types of research, evaluation contributed to a better preparation for the implementation of Operational Programmes for 2007–2013 and the preparation of higher-quality programmes funded by the EU in this period as well as in the period of 2004–2006.

Nonetheless, evaluation results were seldom used as a tool to create knowledge and build competence. According to the results of the survey, nearly half of



the respondents tended to disagree with the statement that evaluation helped institutions to learn or gain new knowledge.



EXAMPLES OF SUCCESS

TOOL FOR IMPROVEMENT

Lithuania has already seen cases where evaluation is used by institutions not only to solve problems but also to learn and gain new knowledge. In this regard, the **ex-ante evaluation of the Operational Programmes for 2007–2013** carried out in 2005–2006 is worth mentioning because the conclusions and recommendations put forward by evaluators contributed to the preparation of higher-quality Operational Programmes.

Another example of success is the **Evaluation of the Implementation of Horizontal Priorities in Absorbing the EU Structural Assistance** that was carried out by the Ministry of Finance in 2007. Upon the completion of the evaluation, various measures were taken to increase the knowledge of the stakeholders about horizontal priorities, namely, sustainable development, equal opportunities, information society and regional development:

- A seminar was organised to present evaluation results, good practice projects and case studies of foreign countries (approximately 70 participants attended the event);

The evaluation report is a useful methodical document to increasing the knowledge of target groups on horizontal priorities. The report is available on the website of EU structural assistance (www.esparama.lt) and was also published as a separate publication and distributed to key stakeholders.

LONG-TERM IMPACT

Ms Laura Indriliūnaitė, expert of the Public Company ESTEP and Head of the Evaluation Group, participated in the conference “Evaluation of EU Structural Support: Reinforcing Quality and Utilisation,” and says that the event made a good impression on her. According to her, interesting presentations allowed comparing the measures applied by different countries and the European Commission to improve the quality of evaluation and promote a better use of evaluation results. “Presentations of practical nature, conceptual and academic insights were also delivered; we had a chance to meet and talk to colleagues and foreign guests, establish new relations and cooperation contacts,” says Ms Indriliūnaitė.

According to the expert, this conference, held already for the third year consecutively, was thorough and flexible: it lasted for two days, during which not only general but also parallel sessions were organised for participants to attend, depending on their professional interests.

“The conference, perhaps for the first time, publicly discussed potential links between the evaluation of EU structural assistance and national budgetary funds. One can expect that this discussion will not end together with the conference, but will continue and lead to positive consequences for the implementation

of public interventions in Lithuania,” the expert says. “It is worth noting that the conference attempted to have a wider approach to evaluation, i.e. not to limit oneself to evaluation of EU structural assistance, but also to pay attention to national budget programmes and discuss the extent to which evaluation, as a public policy tool, can jointly contribute to the efficiency of public interventions in

Lithuania,” states Ms Indriliūnaitė.

The expert admits hearing remarks from several guests that a similar conference on evaluation should be organised in their countries, too. The ESTEP representative believes that “the conference *“Evaluation of EU Structural Support: Reinforcing Quality and Utilisation”* may also have a broader international impact.”

Lessons Learnt

The experience of 2004–2006 prompted several conclusions, which were useful in setting up the evaluation system for EU structural assistance 2007–2013 in Lithuania:

- **Evaluation planning** is crucial in order to ensure the utility and timeliness of evaluation as well as efficient use of financial resources. To this end, Lithuania has created a centralised evaluation planning system, which includes all institutions administering the EU structural assistance;
- **Evaluation quality** has a direct impact on the use and benefits of evaluation. Special attention is paid to the evaluation quality control: capacities of employees responsible for evaluation are built, methodical documents helping to ensure the quality of evaluation drafted, and many other measures taken;
- **Interinstitutional cooperation** is an important means to share experience and knowledge among institutions. To this end, the activity of the Evaluation Coordination Group is continued in Lithuania, presentations of evaluation results are organised and annual evaluation plans are discussed in a centralised manner;
- **“pure” evaluations** providing specific conclusions and recommendations proved to be much more useful than various studies and other types of research, therefore, it is planned to perform these particular evaluations in 2007–2013.

Source: Ministry of Finance. Evaluation of EU Structural Assistance in Lithuania in 2004–2006: An Overview, 2009.

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