
EXECUTIVE SUMMARY

Lithuanian legislation and documents establish information society development as a long-term priority of the State development. Information society is viewed as open, educated, continuously learning society, members of which can, are able and willing to use modern information technology (IT), national and global information resources, while governmental and municipal authorities guarantee the accessibility and reliability of information. Information society is treated as a significant factor in seeking quality life, social cohesion, economic competitiveness, modern governance.

The main issues of the information society development faced by Lithuania in 2004–2008 were: (1) low interest of the public in IT, (2) limited use of information and communication technologies (ICT), (3) weak ICT infrastructure as well as limited e-content and e-services, (4) significant disparity in the ICT use between rural and urban inhabitants. A lack of motivation and information (“no need”), poor computer literacy of inhabitants, weak foreign language skills were the reasons for the limited use of ICT. Such inadequacy of the ICT infrastructure was conditioned by broadband internet prices (which are one of the highest among EU Member States). In addition, most rural inhabitants did not have access to the broadband internet. The e-service sector was not sufficiently developed and attractive to users.

The State policy included the implementation of various demand and supply measures in order to tackle the aforementioned information society-related issues in 2004–2008. The demand was promoted by applying tax advantages, establishing public internet access points (PIAP), computerising libraries, implementing measures increasing computer literacy. The supply side was formed with a help of the SPD assistance – the investment into the broadband connection in rural areas, the development of public e-services. The State actions in developing e-government were primarily focused on the transfer of the 20 key public services recommended by the EU into the Internet.

The methods chosen to tackle the information society-related issues were mostly in line with the axis and measures recommended by the EU. One of the priorities of the EU information policy is the promotion of information society for *all* or e-Inclusion initiative, which seeks to eliminate disparities in possibilities to use ICT, in their accessibility, affordability and capacities. The implementation of SPD Measure 3.3 “Development of Information Technology Services and Infrastructure” shared a similar goal – to create the necessary conditions for the information society development which encourages economic development and growth and the transition to a knowledge-based society, the members of which have a possibility and are able effectively to use modern ICT in all spheres of life. To achieve the objective 4 tasks were set:

- (1) *Task 1.* To modernise the public administration sector by increasing the efficiency and openness of activities of public authorities, by developing public e-services and expanding public information sources available on-line.
- (2) *Task 2.* To ensure possibilities for the country’s residents to gain ICT knowledge and skills, to obtain information, to study and improve their competence by using new technologies and by this to secure the creation of sustainable jobs.
- (3) *Task 3.* To adapt software to the needs of the domestic users and ensure possibilities for them to receive extensive, reliable and urgent information in the Lithuanian language.
- (4) *Task 4.* To ensure access for all the country’s residents, irrespectively of their social or geographical condition, to IT and information resources accessible through such technologies.

LTL 258 million was allocated to the implementation of the aforementioned tasks under SPD Measure 3.3. 99% of these funds were used for the development of public e-services and ICT infrastructure under 19 projects, 1% for the preparation of the project documentation for 23 projects. 14 projects were focused on the creation of public e-services, 5 on the development of e-infrastructure. The analysis of the projects under the tasks of the measure revealed that most of the projects (13) were aimed at implementing Task 1, i.e. the modernisation of the public administration sector by developing public e-services and expanding public information sources available on-line. Even though only 2 projects were related to the implementation of Task 4 – to ensure access for all the country's residents, irrespectively of their social or geographical condition, to IT and information resources accessible through such technologies – a third of the SPD Measure 3.3 funds were allocated to it. The projects implemented with the SPD funds were the least conducive to the implementation of Task 2 aimed at ICT capacity building.

The evaluation of the effectiveness of SPD Measure 3.3 against monitoring indicators showed that the quantitative objectives set for the measure were achieved and even exceeded. The funds of SPD Measure 3.3 contributed to the development of 17 e-services, most of which were national-level e-government services for residents. Moreover, in rural areas, 3,791 km of broadband network channels were built, 400 new PIAPs established and another 83 modernised, ICT security problems tackled. In the interest of fairness, it should be mentioned that not only the target level was exceeded. The budget planned for the measure was also exceeded by almost 16%. It should also be noted that in most cases the formulation of the project indicators was not clear enough, and their quantification was changing in the course of the measure implementation. In addition, the evaluation determined that some projects had not achieved the target results, i.e. the public e-service was not developed or it was developed but in a smaller scope or of lower maturity level than planned.

The efficiency of the measure implementation is lower at the result level – fewer jobs were created (1,116 in total) and less private capital raised (EUR 5.2 million) than planned. It indicates two things. On the one hand, the plans were too optimistic. On the other hand, the said indicators are not very suitable for monitoring the results of the information society development measure and for measuring the outputs of the tasks. The measure was not aimed at creating jobs, and the capital raising was relevant only for some of the 19 projects.

Finally, the assessment of the effectiveness of SPD Measure 3.3 against the impact indicators set revealed that the key indicator planned – the increase in the number of the constant internet users – had been achieved. During the SPD implementation period, the number of the constant internet users increased approximately by 5.85% per year and almost achieved the quantity objective – the annual rise of 6%. However, the assessment of the effectiveness against this impact indicator struggled to identify the measure's input into the increase in the information society development indicator.

In terms of the impact and utility of individual projects, the report states that the e-infrastructure projects had the greatest positive impact on information society, if compared to all the projects funded under SPD Measure 3.3, since they created the missing preconditions for its further development. The e-infrastructure projects were conducive to the increase of the residents' accessibility to the Internet. 3,791 km of broadband data transmission network channel was built mostly in rural and less urbanised areas. The case study of RAIN carried out for the purpose of this evaluation calculated that, in less than a year after the completion of the RAIN project implementation, 25 thousand internet subscribers (the precise data submitted by the operators) or (approximately) 19% of all Lithuanian rural subscribers having access to the broadband Internet, or 16% of all rural Internet subscribers should use the RAIN network. According to the data of the Public Company *Plačiajuostis internetas*, the number of the rural Internet subscribers increased by 43% during the SPD implementation period. Not only the RAIN project helped to achieve this result. The PIAP project which established 400 new public internet access points and modernised the

existing 83 ones in rural areas was also conducive. After the establishing of the aforementioned points, Lithuania became one of the leading European countries in terms of the number of PIAP per capita. Hence, one of the e-infrastructure projects has reduced the internet connection disparities between urban and rural inhabitants. Lithuanian inhabitants have more possibilities to use the Internet both at home and in public places.

A few more significant e-government development projects funded by the SPD funds may be identified. Firstly, the project *System for accepting and processing electronic social security forms* has one of the greatest impacts on the business target group. Its significance may be related to two facts: (1) it is one of the most relevant services for the business sector; (2) the service is used by all business entities. Secondly, the efficiency of the public administration is mostly increased by the e-public procurement project. The value of public procurements in Lithuania amounts to 13% of the Lithuanian GDP per year, therefore the development of e-public procurement system, which will increase the efficiency and transparency of public procurements, is deemed to be the SPD project of special importance to the modernisation of the public administration sector.

E-health projects may have a potential of having the greatest positive impact on inhabitants. One of the two projects of this kind *Early Patient Registration System* may serve as the good practice example. The project has improved the quality of registration services by expanding the service content (the patient may not only make a doctor's appointment but also receive information of health institutions, their services, etc.). According to service users, the service is high quality and useful. Nevertheless, the sustainable publicity of the project results is essential to maximise the project benefits and increase the number of users.

The aforementioned projects may serve as good practice examples since their implementation was successful, their results and impact on the information society development proved to be significant. Several projects of SPS Measure 3.3, which did not achieve the target results on time, may be identified as unsuccessful, i.e. the scope of the public e-service developed is not as planned, as a result of which the expected utility to users is not created. Such projects include the e-health project implemented by the Ministry of Health, the e-ticket project implemented by Municipalities of Vilnius, Kaunas and Klaipėda, Public E-Service of Real Estate Dealings (NETSVEP) developed by the Centre of Registers. All these projects faced problems related to strategic planning and cooperation of stakeholders. In general, the evaluation identified the following problems which negatively affected the implementation, effectiveness and impact of SPD Measure 3.3 projects:

- The absence of strategic decisions was obvious. The shortage of strategic documents in the health, safety, ICT areas prevented from the proper definition of the final strategic vision and had a negative effect on the project results.
- In some projects of SPD Measure 3.3, a lack of the expertise required for the preparation of the proper Terms of Reference for IT projects, for the execution of public procurements and maintenance of the systems installed proved to be a big problem which had a negative effect on the efficiency of the projects.
- The terms of most of the projects were extended. In the case of a few projects, it was repeatedly rescheduled. The project planning and scheduling did not include additional time costs. In most cases, some difficulties were faced with public procurement procedures which took longer than planned.
- Serious problems were faced in cases where the involvement of the authority in the project implementation was not sufficient (or where the political priorities were changing during the project implementation), where the institution viewed the information system installation project as the issue only within the remit of the IT division, where the project implementation was delegated to the employees as another additional function without giving much consideration to

workload, where the turnover of project managers was high and the project did not have its “master”.

- Other “classical” problems were faced in the installation of information system in the public sector – interinstitutional cooperation issues, the insufficiently efficient management of the changes conditioned by the installation of the information system, the guarantee of the environment for the public e-service implementation by challenges. The shortage of the legal framework resulted in the fact that several public e-services developed with the SPD funds have not been legitimised yet.

It was attempted to tackle the project-level problems by enhancing the external supervision of the projects – the Information Society Development Committee initiated the establishment of the Monitoring Committee consisting of the representatives of the intermediate and implementing bodies. The Committee considered and tackled administrative issues related to the project implementation. Such initiative was conducive to a more successful implementation of SPD Measure 3.3 and individual projects.

The evaluation report notes that the sustainability of the results of the projects funded under SPS Measure 3.3 will be mostly affected by financial resources, institutional cooperation and the communication of the created results to the target groups. Firstly, in the case of the IT projects, further financing of the results created is often a prerequisite for sustainability: the project implementation is followed by demand for further investments into the support of the information system and databases, demand for tackling technical issues, etc. Further financing should be guaranteed for the support of all developed public e-services. Secondly, the absence of sufficient further cooperation and activity coordination among the authorities involved in the provision of a public e-service endangers the sustainability of the results created, their use and utility. Such risk is still relevant to the results created by NETSVEP and the e-ticket project. Thirdly, the sustainability of the results may be also limited by the shortage of clear goals (vision) related to the information system development in the institution or sector. This issue is of high relevance to the e-health projects. Finally, it is essential to perform sustainable publicity activities in order to promote the broader use of the e-services created.

To sum up the evaluation carried out, it may be stated that despite the project-level problems, SPD Measure 3.3 significantly contributed to tackling the information society problems in Lithuania and created preconditions for the further information society development. The maximisation of the utility of the SPD investments into the development of e-services requires the implementation of a centralised publicity campaign encouraging inhabitants to progress from the traditional service use to the electronic one.