

# SERVICES OF STRATEGIC EVALUATION REPORT PREPARATION AND PRESENTATION OF EVALUATION RESULTS

STRATEGIC EVALUATION OF THE EFFECTIVENESS  
AND IMPACT OF EU STRUCTURAL ASSISTANCE ON  
THE IMPROVEMENT OF PUBLIC MANAGEMENT IN  
LITHUANIA

CONTRACTING AUTHORITY: MINISTRY OF THE  
INTERIOR OF THE REPUBLIC OF LITHUANIA

SUMMARY OF THE FINAL REPORT

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# SUMMARY

## TOPIC AND RELEVANCE OF EVALUATION

Systemic improvements of public management in Lithuania started in 2004, when *the Public Administration Development Strategy until 2010* was approved. The aim of this strategy was to create a transparent, effective, result-oriented and IT-based public administration system adequately serving the people. In 2012, *the Programme for the Improvement of Public Administration 2012–2020* was approved. The strategic goal of this programme is to ensure that public needs are taken into account during the process of public policy setting, formulation and effective implementation. Its objectives are to increase openness of public management processes and to increase public engagement, to provide high-quality administrative and public services, to enhance strategic intelligence skills in public management institutions and to improve their performance management.

Public demands for public management institutions to operate in an open and transparent manner, to use government spending efficiently, to adopt and implement decisions that meet the needs of society, as well as to provide high-quality administrative and public services are increasing in Lithuania. EU Structural Funds' Investments can also contribute to the improvement of public management structures, processes and their efficiency. During the 2007–2013 period investments in public management improvement were committed in all operational programmes. The largest amount of assistance for public management was allocated to Priority 4 "Fostering administrative competences and increasing efficiency of public administration" of the Human Resources Development Operational Programme.

Although the evaluation of implementation of Priority 4 of the Human Resources Development Operational Programme had already been commissioned by the Ministry of Finance of the Republic of Lithuania, there was a lack of integrated assessment of 2007–2013 structural assistance in the whole field of public management and its contribution to the implementation of the *Public Administration Development Strategy until 2010*. The integrated evaluation of public management measures was relevant in the process of preparation for the use of 2014–2020 EU Structural Funds' Investments. While preparing a new Operational Programme and its measures for the 2014–2020 period, it was not only important to follow provisions of various EU and national strategic documents on a "top-down" basis. It was also important to employ a "bottom-up" approach in order to evaluate the lessons learnt and identify best practices in the field of public management in the 2007–2013 programming period, identify the needs of state and local institutions, other budgetary institutions as well as civil servants and other employees. These needs could be met by using new EU Structural Funds' Investments.

## AIMS AND SCOPE OF EVALUATION

The aim of the evaluation “Strategic evaluation of the effectiveness and impact of EU structural assistance on the improvement of public management in Lithuania” (hereinafter – Evaluation) was to assess the effectiveness of 2007–2013 structural assistance interventions, to identify best practice examples and to determine financing needs for the 2014–2020 EU programming period. During this evaluation a detailed analysis of interventions supported by 2007–2013 structural assistance was carried out. Taking into account the lessons learnt during this period, priority areas for financing the improvement of public management in the new programming period were identified.

The object of the evaluation included all measures of operational programmes (except technical assistance) in the field of public management financed during 2007–2013. In the Human Resources Development Operational Programme the following number of measures and projects were analysed: one measure (encompassing 37 financed projects) under Priority 1 “Quality Employment and Social Inclusion” and 14 measures (encompassing 603 projects) under Priority 4 “Fostering Administrative Competences and Increasing Efficiency of Public Administration”. In the Economic Growth Operational Programme eight measures (encompassing 118 projects) under Priority 3 “Information Society for All” were analysed. In the Cohesion Promotion Operational Programme two measures (encompassing 289 projects) under Priority 1 “Local and Urban Development, Preservation of Cultural Heritage and Protection of Nature and its Adaptation to Development of Tourism” were analysed. In total, the Evaluation included 25 measures and 1047 projects. The depth of this Evaluation depended on the extent to which specific measures and their projects were covered under previous evaluations and how much they contribute to the improvement of public management.

All of the measures falling within the scope of this Evaluation were analysed by dividing them into five thematic areas: (1) strengthening the civil service, (2) performance management, (3) systemic public policy reforms, (4) e-government measures, (5) partnerships. These five thematic areas were formulated in accordance with the main directions of public administration improvement defined in the following strategic documents: *the Public Administration Development Strategy until 2010* and *the Programme for the Improvement of Public Administration 2012–2020*.

## METHODOLOGY OF EVALUATION

It was a mixed evaluation in terms of having features of impact and process evaluations. Its framework for analysis was based on a theory of change. Theory-driven evaluation is a non-experimental impact evaluation, which aims to provide answers to why and how interventions work. While performing such kind of evaluation causal relationships between interventions, other factors and the observed changes are analysed based on a programme theory. This approach is particularly relevant to assessing EU structural assistance

interventions in the field of public management where counterfactual impact evaluation cannot be applied in most instances.

During the evaluation the theory of change was applied for analysing the entire public management object. A general theory of public management change was designed by separating (1) a theory of change of public management interventions financed under 2007–2013 structural assistance and (2) problem and objective trees in the field of public management during the 2014–2020 programming period. In addition, for each field of public management specific intervention logics were designed, providing vertical logics (aims and objectives, types of objectives and activities, activities) as well as horizontal ones (assumptions, which have a positive or negative influence on the achievement of aims and objectives and the execution of activities).

In order to perform a high-quality Evaluation in accordance with the objectives defined in the technical specification, the most relevant quantitative and qualitative research methods were selected that helped implement planned Evaluation tasks. The following methods were employed during the entire Evaluation:

- analysis of primary and secondary sources;
- analysis of monitoring indicators and data;
- interviews;
- analysis of survey data;
- cost-effectiveness analysis;
- comparison of supported and unsupported subjects;
- case studies and selection of innovative projects;
- expert panel;
- focus group discussion;
- strategic analysis of alternatives;
- analysis of stakeholder needs.

In addition, five public events were organised during the course of the project: three public discussions on Evaluation reports (one for each report: inception, interim and final reports) and two publicity events. A total of 100 civil servants and other employees attended these events. These events not only presented the content of the Evaluation reports, but also discussed administrative procedures of structural funds' investments in the field of public management during the 2014–2020 programming period, project selection criteria, conditions of project management success, importance of change management, examples of best practices in Lithuania.

## BEST PRACTICE PROJECTS AND CONDITIONS OF SUCCESS

In the course of the project an electronic publication “The 2007–2013 Best Practice Projects Financed by EU Structural Funds” was prepared. It introduces ten examples of best practice projects that have the following features: high relevance, support of stakeholders, innovation, impact/results and their sustainability, as well as adaptability. The following projects are presented in the electronic publication:

1. Improvement of the performance-based management;
2. Measurement of administrative burden, improvement of quality and effectiveness of legal regulation, and strengthening of administrative capacities in the context of better regulation;
3. Development and implementation of a centralised public procurement management system;
4. Promotion of Lithuania’s networking in the European Union;
5. Development of the interoperability (interface) system safety and functionality of the information systems of public administration institutions;
6. Promotion of the partnership between the public and non-governmental sectors in the implementation of an integrated youth policy;
7. Improvement of the internal administration system of Tauragė District Municipality;
8. Improvement of the civil servant selection system;
9. Development and installation of the information system data mart module of social support for families;
10. Qualification training of the employees of municipal institutions and agencies of Birštonas, Jonava, Kaišiadorys, Kėdainiai, Prienai and Raseiniai districts.

Success factors of these ten projects are of external and internal nature. One of the key external factors for successful project implementation is political support of the government at both national and municipal levels. It contributes to both the successful implementation of project activities and to its continuity and further development. Another important external success factor is the active involvement of stakeholders, leading to the development of project “ownership”. Internal project success factors include the capacity of project teams and forward planning of project activities, which lead to another factor of success – the formulation of a clear vision of the project. Finally, an important factor of success is motivation of engaged individuals and their willingness to change in response to the needs changing during project implementation.

## EVALUATION RESULTS AND CONCLUSIONS

### *Relevance*

Aims, objectives and activities funded from the EU operational programmes during the period 2007–2013 corresponded well to the content of national public management documents, but the degree of match was uneven. During the 2007–2013 programming period more emphasis was placed on fostering e-government, improving of quality and access of public services,

modernisation of human resources and promotion of results-oriented management, while the least attention was given to improvement of an institutional set-up. The highest mismatch was observed between the aims and objectives of these documents and interventions of EU structural assistance in the field of systemic public policy reforms.

Priorities, specific objectives and financed actions funded from EU operational programmes during 2014–2020 corresponded well to the needs of public management institutions. Human resource management was the most relevant field of EU investments for state and municipal institutions and agencies, whereas performance management was the most appropriate field for public institutions and state enterprises. Needs of systemic public policy reforms were less important for ESF beneficiaries and potential applicants. This demonstrates the need for better coordination at political level and the need of more centralisation in the design and execution of such projects.

A mix of specific public management objectives and financed actions is in line with the systematic and organisational needs in the field of public management. The improvement needs of the public management system are the most appropriate for objectives “to strengthen results-oriented and evidence-based management”, “to increase transparency and openness of the public management processes” and “to improve business regulation environment”, whereas the organisational needs – for objectives “to improve the quality of services provided to the public” and “to improve management of human resources in the public service”. The needs of civil servants and public sector employees at the individual level will be financed under objective “modernise human resource management in the civil service” as well as under other objectives of Priority 10 “Society-oriented smart public administration”.

### *Efficiency*

During the 2007–2013 programming period demarcation among support for improvement of public management from the Cohesion Fund (CS), European Regional Development Fund (ERDF) and European Social Fund (ESF) was clear enough with a few exceptions in the fields of improving human resources qualifications and development of IT systems.

In those investment areas where “soft” projects prevail complexity should be reduced. The current administrative system faces similar costs in the management of low-value projects as in the case of large projects. Therefore, it is recommended to reduce the administrative costs of low-value “soft” projects.

An institutional structure and management procedures of EU Structural Funds during the 2007–2013 period in the field of public management investments were assessed as appropriate. Practices of non-competitive project selection in the form of state and regional project planning were also assessed as successful.

During 2007–2013 the Ministry of the Interior (as an intermediate body) gave sufficient attention to evaluation of the use and impact of EU Structural Funds. During the new 2014–2020 period it is recommended to continue actively applying evaluation in order to improve the use of EU Structural Funds. During the evaluation process it is recommended to promote the application of rigorous methods (counterfactual analysis, theory-driven evaluation).

### *Effectiveness*

Due to the relatively large number of public management improvement areas the implementation of monitoring was methodologically difficult. Nevertheless, implementation of measures, projects' products and results of 2007–2013 operational programmes priorities in the field of public management were sufficiently properly measured using monitoring indicators.

There is evaluation evidence to claim that the products created and results achieved during the programme implementation have contributed to all public management improvement aims and objectives foreseen in the implementation measures of 2007–2013 operational programmes' priorities. The main problems, which reduced the achievement of the aims in the field of human resources, are a lack of staff stability and insufficient motivation to use the knowledge acquired, as well as the process-based nature of training with limited emphasis on change.

The implementation of measures and projects aimed at improving public management has contributed to satisfying the needs of public management institutions at institutional level. The vast majority of project applications were financed. Needs of municipalities were satisfied the most, whereas those of NGOs – the least. These measures and projects also contributed to satisfying the needs of the researched institutions at individual level. These needs were mostly met through the improvement of employees' qualifications.

### *Sustainability*

The likelihood of sustainability of the products developed and results achieved at the end of the EU funding is moderate and dependent on the field of intervention and public management institutions. Since the budgets of state and especially municipal institutions are limited, the continuity of products and results created from 2007–2013 Structural Funds in the field of public management are usually dependent on planned investments during the 2014–2020 programming period (this is particularly applicable to the fields of performance management and e-government).

During the 2014–2020 programming period one should ensure the sustainability of those public management measures and projects that are characterised by the highest impact, correspond to best practice examples of public management projects and are part of key public management initiatives.

## Impact

The impact of EU Structural Funds on public management in the field of *human resources* is relatively high. First, there were enough favourable assumptions for the impact to occur. Second, the products created and the results achieved were most frequently suitable for the achievement of human resources aims.

The impact of EU Structural Funds on public management in the field of *e-government* promotion was not fully exploited because three necessary system-level assumptions were only partially met. In order to maximise impact at system level, a clear vision of state information resource optimisation and consolidation, partnership between state and municipal institutions and agencies for creating centralised and interoperable electronic public services, as well as coordination of development of different solutions and organisational maturity is needed.

The impact in the field of *performance management* is relatively high. First, all preconditions for the activities of performance management during the 2007–2013 period were implemented to a greater or lesser extent. Second, the products created and results achieved in the field of performance management improvement have contributed to the achievement of intended aims and objectives in the field of public management improvement, but from a more quantitative than qualitative perspective.

The impact of the system-level projects of *public policy reforms* remains sectorial and limited. First, there was a lack of positive preconditions. Second, due to the inadequate intervention logic of measures and sufficiently large fragmentation of projects during the 2007–2013 period, sectorial rather than system-level projects were executed.

It is still too early to assess the impact of EU Structural Funds on promotion of *institutional collaboration and partnerships* because of still continuing implementation of these projects. However, the likelihood of impact is not very high because of the type of funded products and the risks related to preconditions. A total of 23 projects designed to promote partnerships between public and private, non-governmental organisations and partnerships between the central authorities and agencies themselves were already implemented. These projects should strengthen administrative capacities.

## EVALUATION RECOMMENDATIONS

During the Evaluation process 14 priority investment areas were identified, which would allow to create more added value while using EU Structural Funds' Investments for the improvement of public management in 2014–2020. The recommendations are in accordance with the draft Operational Programme for the European Union Structural Funds' Investments in 2014–2020 (as of May 2014). These priority areas were identified on the basis of the five specific objectives of Operational Programme's priority 10. Elaboration of these initiatives by concrete objectives is provided below, whereas a detailed description of each initiative

(including main problems and risks to be addressed by each initiative, also providing recommendations for each of the 14 initiatives, indicating responsible institutions and term of implementation) is provided in section “Evaluation Recommendations” in this Evaluation report.

**10.1.1. Specific objective: increase result-oriented management**

1. Qualitatively apply evidence-based management tools and use its results;
2. Increase the efficiency of staff functions and government spending;
3. Qualitatively apply strategic planning and implement performance monitoring;
4. Create a coordination system and a management group for systemic reforms.

**10.1.2. Specific objective: improve the transparency and openness of public management processes**

5. Promote the implementation of anti-corruption measures in the public sector in Lithuania;
6. Implement the initiatives aimed at increasing access to information for the citizens and opening of government data to the business;
7. Encourage public management institutions’ consultations with the public and to increase the possibilities of the public to participate in public management processes.

**10.1.3. Specific objective: improve the quality of public services by increasing their relevance to the needs of society**

8. Develop quality management methods in public management institutions and continue monitoring the application of these methods;
9. Create and implement initiatives aiming to improve the quality of services provided to the public.

**10.1.4. Specific objective: improve business regulatory environment**

10. Implement innovative justice implementation processes and increase the efficiency of performance of the justice system;
11. Implement better regulation initiatives, particularly those related to the reduction of administrative burden and consolidation of business supervisory authorities.

**10.1.5. Specific objective: improve the management of human resources in the civil service**

12. Implement competency-based human resource management model for state and municipal institutions and agencies;
13. Establish a senior civil service system and to strengthen the level of managers;
14. Create a financial and non-financial motivation system in the civil service and individual institutions and agencies.

In addition to the list of 14 priority investment areas, recommendations on the suitability of selection criteria for the projects under these initiatives were provided during the Evaluation.

During the 2014–2020 programming period it is possible to choose one of four project selection procedures: state project planning, region project planning, competition-based and continuous project selection.

State project planning allows ensuring investment to be strategic; the analysis of project implementation alternatives and in some cases cost-benefit analysis of the planned projects allow to select projects of the biggest prospective added value; the analysis of project implementation alternatives will help an intermediate body to group different sectorial initiatives or to implement system level projects.

Regional planning allows municipal authorities to improve their performance in their respective areas of competence, for example, in the field of provision of public services to people and business. Continuous project selection is best suited for simplified interventions where financial demand meets its supply. It should be applied in very narrow, specific investment areas.

Competition-based project selection allows the selection of the most innovative ideas and best prepared applicants. However, improper organisation of such selection method can lead to creating tensions within the entire administrative system of the EU Investment Funds (e.g. due to the excessive number of applications the workload of implementing bodies increases significantly). In summary, setting certain general principles and a clear understanding of the aim of one or another intervention can facilitate the process of choosing a specific project selection method.

Continuous project selection does not ensure a strategic focus on the projects, as there is a continuous flow of project applications, i.e., there is no possibility of comparison between projects. However, the strategic approach to the use of EU funds is ensured by the requirements established in the project financing conditions.

During the Evaluation process project selection methods that could be applied for the selection of the main activities of public management interventions were proposed. The state planning method is proposed to be applied to systemic projects, e.g. for the implementation of public policy systemic reforms; projects envisaged in strategic planning documents; as well as projects consolidating sectorial initiatives and projects establishing centres of excellence. It is recommended to use regional planning just for organisational level projects at municipal institutions, e.g. projects related to public services provided by the municipalities. The competition-based approach is proposed to be applied in those areas where organisation-level innovations are going to be implemented (particularly recommended to apply this method for partnerships and training projects). Eventually, continuous project selection would work the best in those cases where project activities are homogeneous and are aiming to satisfy immediate needs of public management institutions.