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COUNTRY FICHE

LITHUANIA [LT]

During the 2014-20 programming period, Territorial Delivery Mechanisms were employed across nearly all of Lithuania's territory. The main tool used was Integrated Territorial Investment (ITI), which was applied to five Sustainable Urban Development (SUD ITI) strategies for major cities and to 10 strategies for polycentric regions, though these also included smaller urban areas. The ITIs were financed by the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the Cohesion Fund (CF). These strategies were aimed at specific areas, referred to as target territories, selected by the national government and stakeholders based on their challenges and potential for revitalisation. A significant portion of the national ERDF and CF allocation was dedicated to ITI strategies in Lithuania, amounting to 14.2%.Complementing the ITIs, 39 smaller Community-led Local Development (CLLD) strategies were also implemented, solely funded by the ESF, to advance social inclusion, innovation, employment, and gender equality.

POPULATION	STATE TYPE
2.84 million	Centralised

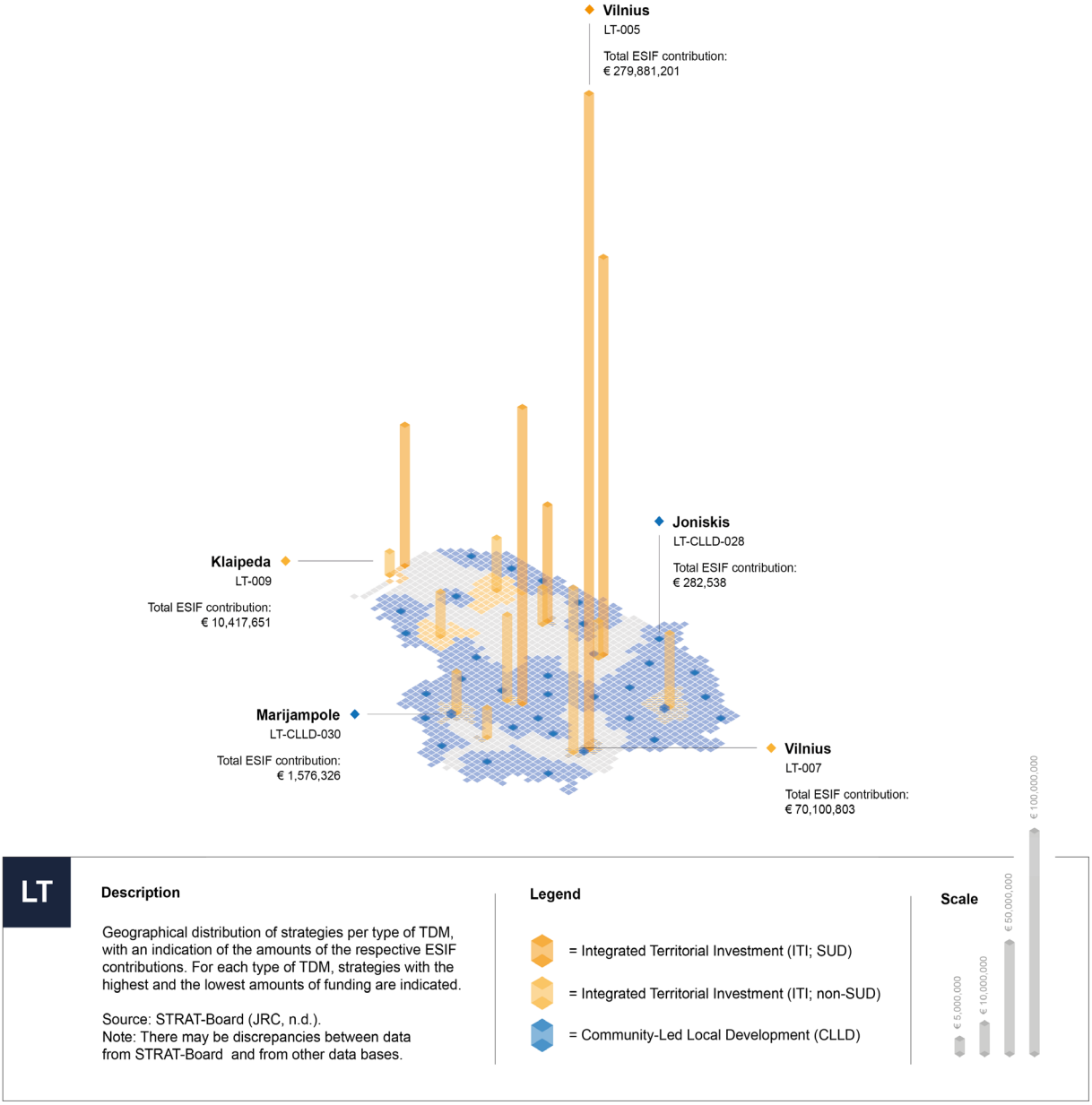
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 9,334,655,430
National Contribution (EUR)	€ 1,655,777,425
Total Contribution (EUR)	€ 10,990,432,855

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	5	ERDF, ESF, CF	5.4%	78%
Integrated Territorial Investment (ITI; non-SUD)	10	ERDF, ESF, CF	8.7%	80%
Community-led Local Development (CLLD)	39	ESF	No data	No data
TOTAL	**54**	**-**	**14.2%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform. No data was available on the share of the ERDF/CF allocation or the financial implementation of the CLLD strategies, which relied only on ESF funding. As a result, the total share of the ERDF/CF allocation for the implemented strategies excludes the CLLD strategies.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Lithuania has a highly centralised system of territorial governance. The country is divided into 10 counties (apskritis) and 60 municipalities (savivaldybė). Since the abolition of county administrations in 2010, counties now function solely as territorial and statistical units, with most of their former responsibilities transferred to central government agencies, while some were delegated to municipalities. Municipalities remain the only entities with self-governing powers, overseeing local matters such as education, healthcare, and public services, with municipal councils responsible for local decision-making.

Urban policy in Lithuania is jointly managed by national and local authorities. At the national level, the regulatory framework is governed by three key documents: the Comprehensive Plan of the Territory of the Republic of Lithuania, the Law on Territorial Planning, and the National Environmental Protection Strategy. The Ministry of the Interior is the primary body responsible for urban development at the national level, but other stakeholders, including professional associations (like the Architects' Association of Lithuania), government agencies, research institutions, and NGOs, also play a role. Both national and local authorities share responsibility for territorial development, planning, and the implementation of urban development policies and laws.

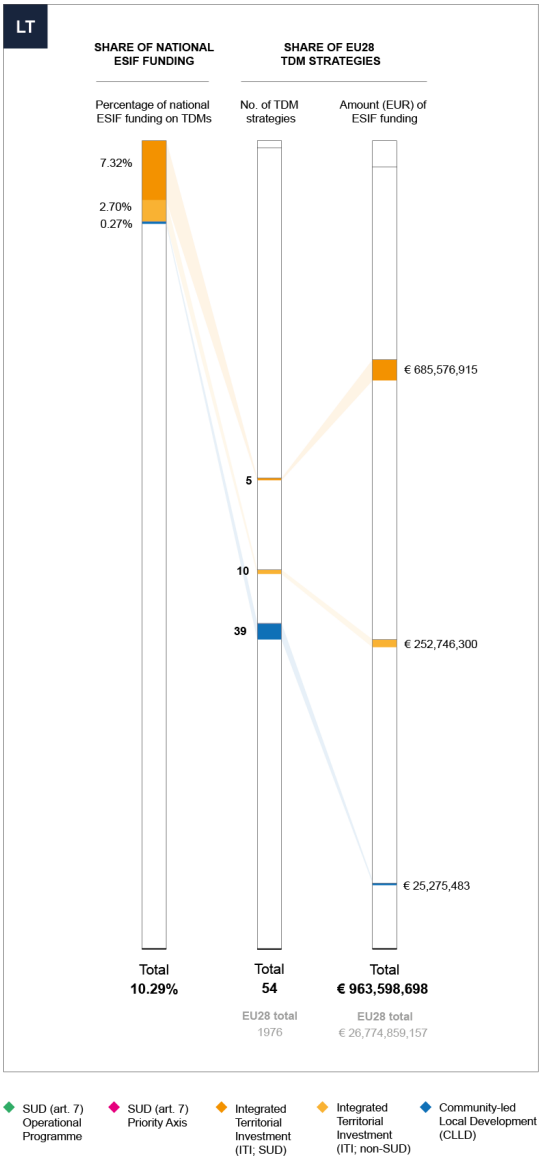
COHESION POLICY CONTEXT

Cohesion Policy in Lithuania during the 2014-20 period was primarily implemented through the Operational Programme (OP) for EU Structural Funds Investments. This multi-fund programme, financed by the ERDF, ESF, and CF, combined key EU investment resources to support Lithuania's economic growth and address issues such

as social exclusion, unemployment, and energy security. The OP covered all 11 Thematic Objectives. The Ministry of Finance, specifically its EU Investment Department, acted as the Managing Authority, with assistance from various Intermediate Bodies (primarily sectoral ministries) and Implementing Agencies.
Responsibility for regional and urban policy in Lithuania is shared between national and local authorities. At the national level, the Ministry of the Interior plays the central role in urban and regional development and served as an Intermediate Body for territorial development mechanisms during the 2014-20 period. Both local and national authorities are tasked with territorial development and planning, as well as implementing the national urban development policy and associated laws.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development Integrated Territorial Investment

During the 2014-20 period, Lithuania implemented five Sustainable Urban Development (SUD) ITI strategies in its largest cities: Vilnius, Kaunas, Klaipėda, Šiauliai, and Panevėžys. These strategies aimed to address structural challenges such as declining natural population, negative net migration, and mismatches between labour supply and market needs.
The largest share of ERDF and CF funding was dedicated to improving quality employment (€174 million). Significant funds were also allocated to environmental protection (€29 million), education and training (€29 million), and network development (€28 million). Smaller allocations were made for promoting a low-carbon economy (€9 million) and social inclusion (€5 million). By the end of 2022, 78% of the allocated ERDF and CF funds had been utilised, slightly exceeding the 75% absorption rate for mainstream Cohesion Policy funding during the same period.

Non-Sustainable Urban Development Integrated Territorial Investment

During the 2014-20 period, Lithuania implemented a total of 10 non-SUD ITI strategies. Similar to the urban-focused strategies, these were funded through a mix of ERDF, ESF, and CF. Some of these strategies operated at the county level, targeting investment in smaller municipalities. For instance, the Utena ITI focused on six cities, emphasising ERDF and CF investments in their urban areas. However, a key challenge was the lack of functional or strategic integration between the individual strategies developed by each municipality.
One of the notable benefits of these strategies was the empowerment of municipalities, granting them a significant role in strategy development within their own boundaries. The process was collaborative, with various task groups defining key objectives and using tools such as SWOT analysis to outline primary activities. In the case of Utena ITI, this collaborative approach was crucial in integrating strategies aimed at attracting new businesses, creating high-quality jobs, and addressing the challenges faced by shrinking post-industrial cities. The focus was on diversifying economic activities and improving employment opportunities in small towns, while also reducing socio-spatial disparities.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

By the end of the programming period, the Utena ITI had successfully engaged local communities, including NGOs, sports associations, and innovation clusters. This involvement improved awareness of available funding and had a tangible impact on citizens' living environments. The municipalities appreciated the ITI's ability to deliver investment packages tailored to local needs more effectively than mainstream Cohesion Policy funding. This was facilitated by the ITI's flexibility, allowing municipalities to select specific actions aligned with both overarching objectives and national/regional strategic documents.

Moreover, case studies revealed that ITI strategies, like the one in Utena, enhanced vertical coordination between local municipalities and central government ministries. However, the approach also had limitations. Functional linkages across municipal boundaries were not developed, as each municipality focused on its own area. Additionally, no new local organisations were established for the ITI, leaving municipalities responsible for planning, implementation, and reporting. The lack of inter-institutional cooperation at the central level and the separation of 'hard' and 'soft' operations hindered the delivery of an integrated approach.

Overall, the non-SUD ITI strategies in Lithuania covered a broad range of intervention themes. The largest portion of funding was allocated to improving employment quality (€303 million), followed by strengthening networks (€68 million), promoting a low-carbon economy (€54 million), environmental protection (€25 million), and social inclusion (€25 million). Smaller amounts were directed towards education and training (€6 million) and combating climate change (€2 million).

In terms of financial performance, the non-SUD ITI strategies in Lithuania were effective, with 80% of the allocated ERDF/CF resources spent by the end of 2022.

Empowerment of municipalities but without strengthening inter-municipal cooperation

In the case of Utena ITI, despite the centralised nature of Lithuania's territorial administration and the Ministry of Interior's lead role in managing the instrument, municipalities were still granted significant responsibilities in strategy-making and implementation. All six municipalities in Utena county were included, which was unusual compared to other regions in the country. This local empowerment was supported by existing planning regulations from the previous programming period. However, the Ministry of Interior had to guide the process, as municipalities lacked the capacity to independently develop a cohesive territorial strategy. Municipalities had to align their decisions with a range of national and EU-level documents, such as the Partnership Agreement, the Comprehensive Plan of Lithuania, the National Progress Programme, and the Utena County General Plan. Despite their active involvement and coordination with higher levels of government, horizontal collaboration between the municipalities was limited. Each municipality developed its own city strategy independently, without any functional or strategic links to neighbouring municipalities.

Community-led Local Development

A total of 39 Community-led Local Development (CLLD) strategies were implemented in Lithuania during the 2014-20 period. These strategies, developed and managed by Local Action Groups (LAGs), were exclusively funded by the European Social Fund (ESF). They focused on urban areas, typically targeting specific neighbourhoods or districts. The primary goal was to address Thematic Objective 8, which emphasises sustainable and quality employment and labour mobility. Although these strategies likely fostered collaborative processes and added value to local communities, similar to CLLD initiatives in other countries, there is limited evidence available on their specific impacts in Lithuania.

IN SUM

During the 2014-20 period, Lithuania allocated a significant portion of its Cohesion Policy resources to Territorial Delivery Mechanisms. Although data on non-SUD ITI strategies is somewhat inconsistent, certain trends are evident. These strategies notably empowered local authorities by involving them in the strategy-making process, enabling them to address specific local needs and deliver tangible, visible investments in urban areas. However, there was limited emphasis on enhancing functional integration due to the fragmented approach taken by municipalities, which lacked coordination and did not seek to address common goals collectively. On the positive side, vertical coordination improved through the ITIs, and by the end of the programming period, there was a noticeable increase in local community mobilisation through participatory measures.

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