

Infrastructure governance in Lithuania

The added value of CoST in high-income countries: Lithuania case study

November 2018



Consultation version

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	6
1. INTRODUCTION.....	10
1.1 METHODOLOGY.....	10
2. BACKGROUND	12
3. GOVERNANCE MECHANISMS.....	16
3.1 STRATEGIC AND LEGAL FRAMEWORK	16
3.2 MANAGEMENT OF INFRASTRUCTURE INVESTMENTS.....	19
3.3 MAPPING KEY STAKEHOLDERS	24
3.4 INNOVATIVE MECHANISMS AND GOOD PRACTICES	27
4. MEASURE OF TRANSPARENCY.....	29
4.1 PROACTIVE DISCLOSURE	34
4.2 DATA LEGALLY REQUIRED FOR REPORTING TO OVERSIGHT BODIES	34
4.3 DATA AVAILABLE UPON REQUEST.....	34
5. MEASURE OF STAKEHOLDER PARTICIPATION.....	35
6. MEASURE OF ACCOUNTABILITY.....	40
6.1 PROJECT IDENTIFICATION STAGE	40
6.2 PROJECT IMPLEMENTATION STAGE	41
6.3 MONITORING AND EVALUATION OF PROJECTS.....	41
6.4 WHISTLE-BLOWER MECHANISMS	42
7. POTENTIAL ADDED VALUE OF CoST	44
7.1 DISCLOSURE	44
7.2 MULTI-STAKEHOLDER WORKING	45
7.3 ASSURANCE	45
7.4 USE OF CoST TOOLS AND STANDARDS.....	46
8. CONCLUSION AND RECOMMENDATIONS	47
8.1 RECOMMENDATIONS.....	47
BIBLIOGRAPHY	49

LIST OF ABBREVIATIONS

CoST	CoST – the Infrastructure Transparency Initiative
GDP	Gross domestic product
EU	European Union
FOI	Freedom of information
IT	Information technology
IDS	CoST Infrastructure Data Standard
IMF	International Monetary Fund
NAO	Lithuania National Audit Office
NATO	North Atlantic Treaty Organization
NGO	Non-government organisation
OECD	Organisation for Economic Co-operation and Development
PPO	Lithuania Public Procurement Office
SIP	Lithuania State Investment Programme

EXECUTIVE SUMMARY

This case study by CoST – the Infrastructure Transparency Initiative (CoST) in partnership with Transparency International Lithuania (TI Lithuania) aims to provide an overview of existing policies and practices governing infrastructure planning and delivery in Lithuania; to review the level to which institutional innovations embracing transparency, participation and accountability are in place; and to assess the potential added value of CoST.

The study focuses on public infrastructure delivery through the Government's capital investment programme, known as the State Investment Programme (SIP). From 2006-2016 the average annual budget for infrastructure projects channelled through the SIP was €1.3 billion.

The programme was set up in 1997 to secure funding for strategic infrastructure projects and, 20 years after its creation, a review of the extent to which it has accommodated innovative practices is warranted. Although Lithuania's infrastructure scores favourably compared to other countries in Eastern Europe, it must invest and manage its resources more efficiently to get more value for money from public infrastructure.

Infrastructure investment is a Government priority, but it is difficult to obtain detailed data on how much is spent with figures obfuscated by different sources of financing and levels of execution. Regardless of the exact figures, it is clear that significant investments over the past years will give rise to increased maintenance costs in the future. This emerging strain on expenditure makes the improved prioritisation of infrastructure project selection and efficient management of resources allocated even more crucial.

The SIP is one of many strategic policy documents and, at least at the time of the research for this study being concluded, it did not set out a clearly defined strategy for Lithuania's infrastructure priorities. Responsibility for infrastructure is decentralised and no central institution overlooks infrastructure planning and implementation. Although the Ministry of Finance coordinates the SIP, it does not set out its priorities or long-term plans, which leaves infrastructure development vulnerable to the vicissitudes of political cycles. While it is inevitable that politics play a role in infrastructure decisions, they benefit from a broad-based, long-term strategic vision informing strategic priorities.

The limitations in the strategic planning carries over to the infrastructure project cycle, where SIP projects are prioritised and selected by procuring entities without sufficient strategic orientation. Hence, political will and funding opportunities become the main drivers for project selection, meaning that they lack both strategic vision and rigorous appraisal processes. In addition to the lack of coherent planning, the atmosphere of uncertainty and instability has negative consequences on infrastructure projects. Funding is allocated annually and subject to change, so that projects have no year-on-year funding stability.

Moreover, public procurement entities regularly suspend project implementation or prolong the planned timeframe. It is unclear how, and why, public procurement entities decide to decrease and reallocate project funding or intervene during the implementation state. The formal infrastructure cycle thus suffers from numerous weaknesses. Increased transparency, participation and accountability would therefore strengthen the value of money of infrastructure investments in Lithuania.

Despite the above issues, Lithuania has produced examples of good practice and innovative mechanisms. Lithuanian citizens can access visualised and systematic information on annual financial flows to different sectors such as infrastructure, published by the Ministry of Finance. Lithuania has also been a member of the Open Government Partnership since 2011, committing to publishing online information about the revenues and spending of national and municipal institutions. The measures of transparency, participation and accountability however shows that there is room for improvement in infrastructure governance.

Currently it is not possible to identify detailed SIP infrastructure project or contract data. To get data on specific infrastructure projects it is necessary to go through the various procuring entities despite the existence of quarterly, biannual and annual budget expenditure reports. When the data is identified through procuring entity websites and other sources, the levels of transparency benchmarked against the CoST Infrastructure Data Standard (IDS) are reasonable in comparison with other countries.

This study reveals that procuring entities are legally required to make almost all the data (92.5%) recommended by the CoST IDS available to Ministries or oversight institutions. However, there is only a legal obligation proactively to disclose 32% of the data and this is narrowly related to the tendering process. It does not include information related to the infrastructure projects cycle, which is often of more interest to the broader public.

In practice the Government discloses significantly more data than is legally required to the public equivalent to 67.5% of what is recommended by the CoST IDS. Disclosing two-thirds of CoST IDS required data is a strong starting point for adjusting the legal framework to ensure this information is disclosed proactively and to international best practice standards of infrastructure transparency. Making this type of information available regardless of its nature will strengthen trust in the Government and facilitate stronger accountability mechanisms to be applied to the use of public resources.

Lithuania has a limited tradition of citizens' participation in public policy making and this study shows that stakeholder participation in the infrastructure project cycle is nascent but evolving. This is the situation in a time when an increasing body of literature suggests that lack of participation harms the quality of the decision-making processes, fuels opposition from groups affected by specific projects and increases project-related uncertainties and risks. The Organisation of Economic Co-operation and Development also assigns great importance to citizens' engagement in policy-making in general and infrastructure in particular.

Based on a selection of projects from the five highest SIP-spending public procurement entities in 2016, the study found that two thirds extended stakeholder engagement to information sharing while a third used consultation. No projects were based on active participation of stakeholders. To take stakeholder participation in the infrastructure project cycle to the next level, the Government needs to implement specific policy initiatives to bend historical trends in citizen engagement and identify proven approaches, tools and standards specifically tailored to infrastructure projects. Project managers currently lack knowledge of how to conduct participatory processes. There is a potential for and building on the emerging experiences and the Government is actively seeking to establish a methodology for public consultations.

Infrastructure projects exceeding both projected time and budget and not delivering intended outcomes is a challenge worldwide. Better oversight and control throughout the infrastructure project cycle is one of the measures needed to address this problem alongside increased transparency and stakeholder engagement. Lithuania has relatively strong ex-post oversight and control institutions in place, including the National Audit Office and Public Procurement Office. Internal control mechanisms are also in place. These institutions have intervened at various stages of the project cycle, calling for improvements and in some cases resulting in substantial savings, but not in a systematic manner and not always able to enforce accountability.

As in many other countries, project appraisal and selection is not subject to any independent scrutiny or arms-length reviews even though this is considered good practice. Moreover, there is no legislation or detailed guidelines instructing which public procurement entities have to produce evaluations and internal control mechanisms, and there is no legal obligation to make these evaluations public. Whistle-blower mechanisms that could encourage insiders to speak

up are not systematically applied in the sector despite the construction industry being widely perceived as one of the most vulnerable to corruption.

The case study has found that Lithuania could strengthen infrastructure governance by increasing the levels of transparency, stakeholder participation and accountability. These are concepts that are at the centre of CoST. The CoST core features of disclosure, multi-stakeholder working, assurance and social accountability resonate with the Lithuanian Government's commitment to greater transparency, participation and accountability in the public sector, taking another step towards open government and improving infrastructure governance.

Drawing on CoST expertise in relation to disclosure could provide Lithuania with clear guidelines on what to release to the public, which would raise the bar and potentially turn the country into a regional leader on infrastructure transparency. CoST has supported numerous countries facilitating disclosure through standardisation of disclosure, development of manuals and institutionalising disclosure. The latter is usually achieved through legal reform and the issuing of a formal disclosure requirement in the form of a decree or directive.

CoST also has experience in supporting countries disclosing data through geo-referenced platforms, which eases access and visualises data in a user-friendly manner. In Lithuania, this could be built around the SIP, which contains the majority of national infrastructure projects, while local governments could be linked up adding smaller-scale projects in their respective areas.

The CoST core feature of multi-stakeholder working represents an approach and standard for sustained and constructive engagement, not only of civil society but also of the private sector in infrastructure planning and delivery. It entails as a fundamental principle that stakeholders must have a seat at the policy table and participate as partners in decision-making. It offers a structured forum for discussing different options and tackling issues that tend to emerge further down the project cycle if left unaddressed. Reaching agreement about strengthening stakeholder engagement and identifying the best tools and standards can take time. However, the timing seems opportune in Lithuania given the Government's stated commitment to create a methodology for strengthening public engagement to be delivered by July 2019.

The CoST assurance process is a regular and systematic, independent review of disclosed data, verifying the accuracy of the disclosed data and issues of concern for the public. An assurance process should not be confused with an audit function, but it has the potential to complement the work of oversight institutions such as the National Audit Office. It is evident that such institutions already carry out important and effective work to promote accountability but, given other priorities and limitations to resources, they fall short of providing regular (e.g. annual or biannual) reviews of infrastructure investments.

Given the existing expertise and competence in ex-post controls in Lithuania, assurance could be set up to pay more attention to the earlier phase of the infrastructure project cycle, reviewing data disclosed on project specifications and contractual obligations. The process also holds the potential of providing independent reviews of projects at the appraisal stage, thereby introducing good practice and potentially more efficient delivery of projects on time and on budget.

Drawing from the findings of this report, TI Lithuania and CoST have five recommendations aimed to improve infrastructure governance and ensure efficient infrastructure planning and delivery.

The five recommendations are as follows:

1. Ensure that the reforms to SIP strengthens coherent long-term infrastructure planning. A long-term infrastructure plan should change short-term thinking produced by political cycles and allow managing authorities to prioritise better.

2. Introduce clearly-defined criteria to evaluate the success of infrastructure projects. Public sector institutions should measure the impact of implemented infrastructure projects and present these insights in an accessible and comprehensible manner. These should be subject to independent review.
3. To disclose, validate, interpret and use information according to the CoST IDS to increase the level of transparency and accountability of infrastructure projects. This would allow interested parties to be better informed about the progress of infrastructure projects, scope of completion, reasons for budget changes and other key information.
4. Develop guidelines to better engage with different stakeholders and systematically involve interest groups. Working with stakeholders would allow better identification of the needs for possible infrastructure projects and reduce risks and uncertainties. The Government should establish practical guidelines for successful public participation from the project inception stage, drawing on experience with the use of multi-stakeholder working and social accountability.
5. To strengthen the accountability of infrastructure investments by drawing on the experience with independent review of data disclosed throughout the infrastructure project cycle to give assurance to citizens that public money is spent properly and efficiently and obtain value for money.

1. INTRODUCTION

This case study was commissioned by CoST – the Infrastructure Transparency Initiative (CoST) and carried out in partnership with Transparency International Lithuania (TI Lithuania), to provide an overview of existing policies and practices governing infrastructure planning and delivery in Lithuania and to review the extent to which institutional innovations embracing transparency, participation and accountability are in place.

The case study assesses the extent to which adopting CoST and its core features of disclosure, assurance and multi-stakeholder working could add value to existing practices in Lithuania, with the end goal of getting better value for money from public infrastructure investments.

This is the third case study published as part of a research programme investigating the potential added value of CoST in high-income countries. The study narrows in on public infrastructure delivered through the Lithuanian Government's capital investment programme known as the State Investment Programme (SIP) and its implementation through major public procurement entities. The SIP was established already in 1997 with the aim of decreasing the number of unfinished constructions countrywide and better meeting social and civic needs. After 20 years of the programme's implementation, it is relevant to examine if the institutional framework has adopted increasingly valued concepts such as openness, transparency, accountability and stakeholder engagement.

1.1 METHODOLOGY

To provide a detailed look at infrastructure planning and delivery through the SIP and major public procurement entities, researchers drew on numerous secondary sources such as existing sociological surveys, academic articles, audit reports and media articles. This secondary data was complemented by primary data, obtained from 20 in-depth interviews with policymakers, regulatory and oversight bodies, private sector representatives, experts and active citizens. Interviews were semi-structural and confidential, which was important in gleaning additional information not on the public record, to gather evidence on the implementation of regulations and, more generally, implementation in practice.

The legal framework has been analysed extensively, including strategic national documents, laws, Government programmes and decrees of public sector institutions.

To measure the level of infrastructure transparency, a sample of infrastructure projects carried out by Lithuanian Railways and the Lithuanian Road Administration, both being among the five biggest procuring entities for SIP projects in 2016, was selected. The Infrastructure Data Standard (IDS) promoted by CoST – the Infrastructure Transparency Initiative (CoST) was then used as a benchmark to measure how many of the 40 data points are legally required to be disclosed and how many are proactively disclosed in practice by making them available on their websites and in the Central Public Procurement Portal.¹ It was also measured how many of the data points procuring entities are legally required to report to overseeing institutions and how many of the data points that are not proactively disclosed could be made available through a freedom of information (FOI) request. Given the limited sample, the findings are not representative for public infrastructure transparency levels in Lithuania.

To measure the level of participation in infrastructure planning and delivery, a sample of six major infrastructure projects were selected and benchmarked against a scale of information sharing, consultation and active participation used by the Organisation for Economic Co-

¹ Central Public Procurement Portal, *Notice search*, available at: <https://cvpp.eviesiejipirkimai.lt>.

operation and Delivery (OECD).² Due to the lack of publicly available information, the information was acquired through FOI requests to the Ministry of Finance, the Ministry of Transport and Communications, the Ministry of Energy, the state-owned enterprise Lithuanian Railways and the Lithuanian Road Administration under the Ministry of Transport and Communications, all of which are major public procuring entities. The aim of those FOI requests was to gather data about the consultation process to see how procuring agencies engage citizens in decision making. This data complemented the qualitative data collected through interviews.

The research and data collection for this study was undertaken and analysed during the second half of 2017 and the first quarter of 2018. The study therefore does not take into consideration the most recent changes to the rules for preparing the SIP that were introduced after the recommendations of National Audit Office to make sure the funds for SIP were managed more effectively. The decree of the Government introduced a number of changes, the most important ones being as follows.³

- Before 2018, it was a common practice to reward new projects without finishing the ongoing ones. To eliminate this practice the Government introduced specific criteria for new SIP projects, such that they now have to be either closely related to the works planned in the Programme of the Government, be part of international commitments or create long-term social value.
- For new projects to be considered for SIP, applications must include economic calculations about the funds needed for maintenance.
- Every institution will have exact criteria for SIP projects to be considered for funding. Criteria and evaluations should be made public.
- The threshold for projects to be included has been raised to €360,000 for infrastructure projects and €100,000 for information and communications technology projects.

² Organisation for Economic Co-operation and Development, *Lithuania: Fostering Open and Inclusive Policy Making*, OECD Public Governance Reviews, OECD Publishing, Paris, 2015, p.67, available at: https://read.oecd-ilibrary.org/governance/lithuania-fostering-open-and-inclusive-policy-making_9789264235762-en#page1.

³ Government of the Republic of Lithuania, *Decree No. 749*, 2017, available at: <https://www.e-tar.lt/portal/legalAct.html?documentId=7430ab80a1c711e7a5baf031c7d2d3c7>.

2. BACKGROUND

With an area of 65 000 km² and a population of 2.9 million, Lithuania is a relatively small country located in the Baltic. With a per capita gross domestic product (GDP) of €13 500, Lithuania is firmly within the World Bank's classification as a high-income country and as an advanced economy by International Monetary Fund.^{1, 2} According to the Bank of Lithuania, the country's GDP is growing and will expand by 3.2 % in 2018 and 2.7 % in 2019.³ The resurgence of economic activity has led to more active non-residential construction projects.⁴

Lithuania was a planned economy until a constitutional change in 1992, which radically changed its governance to a multi-party system. It has been a member of the European Union (EU) and North Atlantic Treaty Organization since 2004 and a member of the Organisation for Economic Co-operation and Development (OECD) since 2018. The prospect of OECD membership served as a substantial catalyst for policy changes in the country and has led to growing interest in anti-corruption in public policy.

While transition from the legacy of Soviet rule is generally considered to have been successful, the OECD has found that there is still considerable room to consolidate constructive, forward-

¹ The World Bank, *Data for Lithuania, High income*, 2018, available at: <https://data.worldbank.org/?locations=LT-XD>.

² International Monetary Fund, *World Economic Outlook*, April 2015, available at: www.imf.org/external/pubs/ft/weo/2015/01/pdf/text.pdf.

³ Bank of Lithuania, *Latest economic projections*, 2018, available at: www.lb.lt/en/latest-economic-projections.

⁴ *Ibid.*



Map source: <https://mapcruzin.com/free-lithuania-maps.htm>

looking policy and reform initiatives, in particular when it comes to openness and inclusiveness as mainstream elements of contemporary public policy making.⁵

Levels of trust in the Government is low and corruption is significant compared to other EU countries. Over 20 % of Lithuanians have admitted to paying a bribe to receive public services, the second highest rate in the EU.⁶ Lithuania scores 59 on the Corruption Perception Index

⁵ Organisation for Economic Co-operation and Development, *Lithuania: Fostering Open and Inclusive Policy Making*, OECD Public Governance Reviews, OECD Publishing, Paris, 2015, p.35, available at: dx.doi.org/10.1787/9789264235762-en. ECD 2015.

⁶ European Commission, *Flash Eurobarometer 428: Businesses' attitudes towards corruption in the EU*, 2015, available at: data.europa.eu/euodp/en/data/dataset/S2084_428_ENG/resource/25f00c53-8737-4ab0-9548-105c64ce3266.

and is ranked 38 out of 180 countries.⁷ Corruption affects the construction industry to a large extent. The State Territorial Planning and Construction Inspectorate, which is responsible for supervising construction in Lithuania, is perceived as one of the most corrupt institutions in the country.

Regardless, the country scores reasonably well on indicators measuring quality of infrastructure in comparison with other EU countries. It ranks 13 of 26 countries on the quality of its rail infrastructure, 16 out of 28 on road quality and, in its weakest area, 21 out of 28 on air transport infrastructure quality.⁸ According to the International Monetary Fund, the quality of Lithuania's infrastructure is markedly better than that of other countries in central, eastern, and south-eastern Europe and emerging economies.⁹ However, its rail network is one of the least electrified in the EU, and road fatalities are amongst the highest in the EU. Improving these indicators is expected to be the focus of infrastructure investments in the coming years.¹⁰

Public investments in infrastructure are substantial, with funds deriving predominantly from the following three sources: the state budget, municipal budgets and EU funds.

According to Ministry of Finance data, municipalities spent around €401 million on infrastructure (16.9 % of total expenses) in 2016, with the largest budgets allocated in the capital city Vilnius (€118 million), Kaunas (€29 million) and Marijampolė (€24 million).^{11, 12}

Between 2007 and 2013 Lithuania had 1875 infrastructure projects financed by the EU at a total cost of €3513 million.¹³ More than half of the infrastructure projects planned for the 2014–2020 period (58%) will benefit from EU funds.¹⁴ The project portfolio includes projects in the areas of energy efficiency and renewable energy sources (€914.7 million); environmental protection (€918.4 million); transport (€1022.8 million); education and social security (€503.1 million); and regional development (€537.4 million).

There is no precise aggregate figure on the amount of public spending on infrastructure in Lithuania.¹⁵ It is partly funded by SIP with funds coming from the state budget, the Privatisation Fund, and loans received on behalf of the state or with the state's guarantee.¹⁶ From 2006 to 2016 the Government spent on average €1.3 billion on infrastructure through the SIP.¹⁷ This

⁷ Transparency International, *Corruption Perceptions Index 2017*, available at: www.transparency.org/news/feature/corruption_perceptions_index_2017.

⁸ European Commission, *Mobility and Transport, Lithuania Country information*, 2018, available at: https://ec.europa.eu/transport/facts-fundings/scoreboard/countries/lithuania/investments-infrastructure_en

⁹ International Monetary Fund, *Regional Economic Issues: Central, Eastern, and Southeastern Europe Effective Government for Stronger Growth*, November 2016, p. 35, available at: www.imf.org/~media/Websites/IMF/imported-flagship-issues/external/pubs/ft/reo/2016/eur/eng/pdf/rei1116pdf.ashx.

¹⁰ European Commission, *Country Report Lithuania 2017*, p. 35, available at: <https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-lithuania-en.pdf>.

¹¹ Ministry of Finance, *response to FOI request by Transparency International Lithuania*, received on 10 November 2017.

¹² *Ibid.*

¹³ Ministry of Finance, *response to FOI request by Transparency International Lithuania*, received on 11 October 2017.

¹⁴ Technically the funds may be utilised until 2023.

¹⁵ Financial reports on national and municipal level do not have specific lines for infrastructure expenses. Ministry of Finance confirmed to Transparency International Lithuania (on 9 November 2017) that it is not possible to filter financial data based on infrastructure criteria.

¹⁶ Ministry of Finance, *State Capital Investment*, 2015, available at: <https://finmin.lrv.lt/en/competence-areas/budget/state-capital-investment>

¹⁷ Ministry of Finance: *Expenditure dataset SIP 2006-2016*, unpublished.

overall spending figures is set to be continued with the Government planning to invest €3.8 billion through the SIP during the period 2018–2020.¹⁸

Given the significant investments in new infrastructure over the past couple of decades, affordability of maintenance costs is bound to become an issue of major concern in the near future. To manage this pressure on expenditure, the Government would benefit from improved prioritisation of infrastructure project selection based on economic and social viability as well as increased efficiency of investments in public infrastructure.

¹⁸ Parliament of the Republic of Lithuania, *Decree No. 340*, 2018, available at <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/b10a3db13d7011e884a38848fe3ec9e2?jfwid=-15zxvv4hvk>.

3. GOVERNANCE MECHANISMS

Responsibility for infrastructure investments in Lithuania is decentralised with no central institution overlooking the planning and implementation of infrastructure work. The Ministry of Finance coordinates the State Investment Programme (SIP), however it does not set priorities for participating institutions and is not responsible for long-term infrastructure planning in Lithuania.

3.1 STRATEGIC AND LEGAL FRAMEWORK

The SIP is executed in accordance with the priorities of the Lithuanian Government and the strategic aims set out by several long-term documents. These documents are not intended to, and do not, exclusively deal with planning of infrastructure investment, but serve as guidelines for strategic national development.

The strategies set the groundwork for the annual state budget, and the SIP is an integral part of that budget. However, interviewees indicated that the SIP's composition is highly dependent on political will and plans, which fluctuate according to political cycles. Significant strategic documents that set policy directions are the following.

- The **Government's Programme**¹ is the central document which outlines the political goals for a four-year period and is approved by Parliament. The current programme has identified "coherent" society, "coherent" education and culture, "coherent" economy and "coherent" state governing as its major pillars (in the words of the government).
- **Action Plan of the Government's Programme**² sets out the Government's commitments, lists concrete tasks and expected results. The most urgent and prioritised actions are listed as the **Government's Priority Tasks**.
- **Lithuania's Stability Programme**³ is the successor of Lithuania's Convergence Programme with the European Union (EU). It is intended to induce fiscal discipline in line with EU directives.⁴ It is approved by the Government on an annual basis and is a cornerstone when drafting the Annual State Budget. The Programme covers state economic developments (current and prospective gross domestic product (GDP), tax revenue, general Government debt and other economic indicators) in Lithuania, as well as upcoming (medium-term) monetary and budgetary goals and some economic risk factors.⁵
- The **State Advancement Strategy 2030**⁶ sets long-term vision and goals in various areas of state development to be achieved by 2030 and plays an important role in efforts

¹ Government of the Republic of Lithuania, *Programme for 2016–2020*, available at: www.e-tar.lt/portal/lt/legalAct/ed6be240c12511e6bcd2d69186780352.

² Government of the Republic of Lithuania, *Action Plan for 2016–2020*, available at: <https://www.e-tar.lt/portal/lt/legalAct/2389544007bf11e79ba1ee3112ade9bc>.

³ Ministry of Finance, *Stabilumo programa*, 2018, available at: <https://finmin.lrv.lt/lt/es-ir-tarptautinis-bendradarbiavimas/koordinavimas-su-es/stabilumo-programa>.

⁴ European Commission, *Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies*, Article 3, 1997, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A31997R1466>.

⁵ Ministry of Finance, *Resolution No. 315 on the Stability Programme of Lithuania for 2017*, available at: <https://finmin.lrv.lt/en/international-cooperation/coordination-with-the-eu/stability-programme-of-lithuania>.

⁶ Parliament of the Republic of Lithuania, *Dėl Valstybės pažangos strategijos "Lietuvos pažangos strategija "Lietuva 2030" patvirtinimo*, available at: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.425517>.

towards making the Government more open and accountable.⁷ Key targets regarding infrastructure are energy independence, the establishment of an internationally competitive research and science centre, and developing Lithuania into a modern information technology hub.

- The **National Advancement Strategy (2014 – 2020)**⁸ concretises the goals of the State Advancement Strategy 2030 and EU Strategy “Europe 2020” with the stated purpose of implementing the State Advancement Strategy 2030 and create a modern and strong state, with a “smart” society, “smart” economy and “smart” governance.⁹ The Organisation for Economic Co-operation and Development (OECD) defines “smart” governance as that which is open, promotes access to information and is based on public consultation and participation in decision making.¹⁰ The priorities are broadly defined as outcomes (i.e. to increase the cohesion among regions)¹¹ and not more detailed outputs. Infrastructure priorities are included within these outcomes; for example, it seeks to solve infrastructural inequalities between the smaller towns and largest cities of Lithuania, or infrastructure that is perceived necessary to attract more foreign investment.
- The **State Investment Programme**¹² funds infrastructure works in Lithuania and allocates funds for the creation, acquisition or improvement of tangible and intangible assets of state and municipal institutions, public agencies and enterprises. Public procurement entities prepare the draft investment projects and submit them to the supervisory bodies (state institutions and public agencies) according to management areas, which then select investment projects proposed for implementation in an appropriate year. The use of public investment funds is the responsibility of public procurement entities, which are the actual commissioners of the works.¹³ To strengthen the SIP, the planning and delivery of public infrastructure through this mechanism changed in 2018. This represents an opportunity to strengthen infrastructure governance and strategic management of infrastructure investments.

In addition to the strategic documents setting out the contribution of infrastructure to various medium and long-term goals, a legal framework is in place to regulate how infrastructure projects should be planned and implemented.

- The **Law on Investment**¹⁴ regulates the investment environment in Lithuania as well as investors’ rights and investment protection measures for all kinds of investments. This law defines the legal meaning of key concepts, such as strategic investors, public private partnerships and investment objects. The latter definition renders that investments in Lithuania pertain to owned capital, securities, long-term material and non-material assets.

⁷ Organisation for Economic Co-operation and Development, *Lithuania: Fostering Open and Inclusive Policy Making*, OECD Public Governance Reviews, OECD Publishing, Paris, 2015, p.78, available at: https://read.oecd-ilibrary.org/governance/lithuania-fostering-open-and-inclusive-policy-making_9789264235762-en#page1.

⁸ Parliament of the Republic of Lithuania, *Dėl 2014–2020 metų nacionalinės pažangos programos patvirtinimo*, available at: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.439028>.

⁹ *Ibid.*

¹⁰ See above, note 7, p. 66.

¹¹ *Ibid.*, Goal 3.4.

¹² Ministry of Finance, *State Capital Investment*, 2015, available at: <https://finmin.lrv.lt/en/competence-areas/budget/state-capital-investment>.

¹³ *Ibid.*

¹⁴ Parliament of the Republic of Lithuania, *Law No. VIII-1312*, 1999, available at: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.84573/PWRRdheDrU>.

- The **Law on Public Procurement** regulates the procedures that purchasing organisations in Lithuania must follow when implementing public procurement, including infrastructure projects.¹⁵ Since Lithuania's entry to the EU, it has been amended more than 25 times, which clearly demonstrates the constantly changing rules to be followed in the procurement process. One key aspect is the delineation of different types of public procurements based on their value, which in turn determines the type of tendering the purchasing authority may choose (such as open call, disclosed negotiations, restricted competition etc.). This type of tendering affects the levels of accountability and disclosure. Generally, tenders are announced, bids submitted and winners determined electronically via the Central Public Procurement Platform.¹⁶ A vast majority of tenders are concluded electronically; for example 99.3% of funds spent through tenders in 2016 were concluded via this platform.¹⁷ Consequently, it is possible to examine the largest tenders which have been announced online, via the Central Public Procurement Portal.¹⁸
- The **Law of Public Administration** regulates public involvement and possible consultation processes. Public sector institutions are required to consult interest groups and affected communities before taking decisions of public interest.¹⁹ Although there are no separate consultations procedures specifically for infrastructure projects, all public sector institutions must consult with different stakeholders and, in cases prescribed by law, with society at large any time the decisions would be of public interest.²⁰ The law allows institutions freedom to choose the method of consultation but requires them to announce the method, the participants and the results on their websites.
- The **Law on State Budget's Composition** and the **Constitutional Law on Fiscal Agreement** establish the checks and balances for expenses from the state budget.^{21, 22, 23} The procedures on how the state budget and municipal budgets are drafted, approved and implemented are covered in the **Statute of Seimas** (Seimas is the Lithuanian Parliament).²⁴

¹⁵ Government of the Republic of Lithuania, *Law No. I-1491*, 2017, available at: <https://www.e-tar.lt/portal/lt/legalAct/TAR.C54AFFAA7622/KDNLAWRCI>. The new Law on Public Procurement took effect on 1 July 2017. All state and municipal institutions are purchasing organisations, as well as any other public or private entity that in full or in part seeks for non-profit and non-industrial public interest and satisfies the following three criteria: 1) more than 50% of its budget is from state or municipal funds; 2) is controlled by the state or municipal institution or any public legal entity; 3) has an administration, board or any other oversight body in which more than half of the members are appointed by the state or municipal institution or any public legal entity. An association of any of the above-mentioned private or public procurement entities is also considered to be a purchasing organisation.

¹⁶ Public Procurement Office, *Apie Centrinę viešųjų pirkimų sistemą - CVP IS*, 2018, available at: https://pirkimai.eviesiejiipirkimai.lt/ppo_startpage/apiecvpis.htm.

¹⁷ Public Procurement Office, *Informacija apie 2016 m. įvykdytus viešuosius pirkimus*, 2016, available at: <http://vpt.lrv.lt/informacija-apie-2016-m-ivykdytus-viesuosius-pirkimus>.

¹⁸ Central Public Procurement Portal, *Notice search*, available at: <https://cvpp.eviesiejiipirkimai.lt/>.

¹⁹ Government of the Republic of Lithuania, *Law No. VIII-1234*, 1999, available at: <https://www.e-tar.lt/portal/en/legalAct/TAR.0BDDFD850A66/NqpPNjIsfK>.

²⁰ *Ibid.* Art. 7.

²¹ Government of the Republic of Lithuania, *Law No. I-430*, 1990, available at: <https://www.e-tar.lt/portal/en/legalAct/TAR.712BBBFA3D41>.

²² Government of the Republic of Lithuania, *Law No. XII-1289*, 2014, available at: <https://www.e-tar.lt/portal/en/legalAct/34cc90406ef211e484b9c12b550436a3>.

²³ Parliament of the Republic of Lithuania, *Law No. XIII-177*, 2016, available at: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/bc11d9f2cc0811e69185e773229ab2b2?ifwid=wny8rozq3>.

²⁴ Government of the Republic of Lithuania, *Law No. I-399*, 1994, available at: <https://www.e-tar.lt/portal/en/legalAct/TAR.123B53F30F70/fSpXphNJmf>.

- The **Law on the Right to Obtain Information from State and Municipal Institutions and Agencies**²⁵ ensures citizens' right to access public information, defines what information might be public and presents the procedures necessary to obtain public information.

A number of national laws and EU directives enacted in national legislation regulate how EU funds on infrastructure, or any other field, should be spent and monitored. For instance, they make it possible to identify and estimate costs of the projects financed by the EU under the structural funds.²⁶ The EU directives of 2014^{27, 28} that regulate public procurement have been transposed into national legislation, hence national laws can be applied directly in this regard.

Despite the wealth of strategic policy documents and laws, a clearly defined strategy for Lithuania's infrastructure priorities is absent. This contributes to the perceptions of interviewees that infrastructure decisions are made according to political rather than strategic priorities. There is a lack of coherency and, as the relationship between each document or law is indistinct, the overarching plan is absent. Individual institutions and officials are forced to make individual decisions regarding the identification, prioritisation and implementation of infrastructure projects, with varying degrees of success.

3.2 MANAGEMENT OF INFRASTRUCTURE INVESTMENTS

The way infrastructure investments are managed in line with legislation and regulation is central to openness, transparency, possibility of participation, accountability and ultimately successful outcomes. In Lithuania the process runs through three key stages: identification, implementation and monitoring and evaluation (Figure 1).

The first stage includes project appraisal (including feasibility and cost-benefit analysis and other elements), review and project selection, while implementation comprises procurement, delivery of the project and oversight of works carried out.

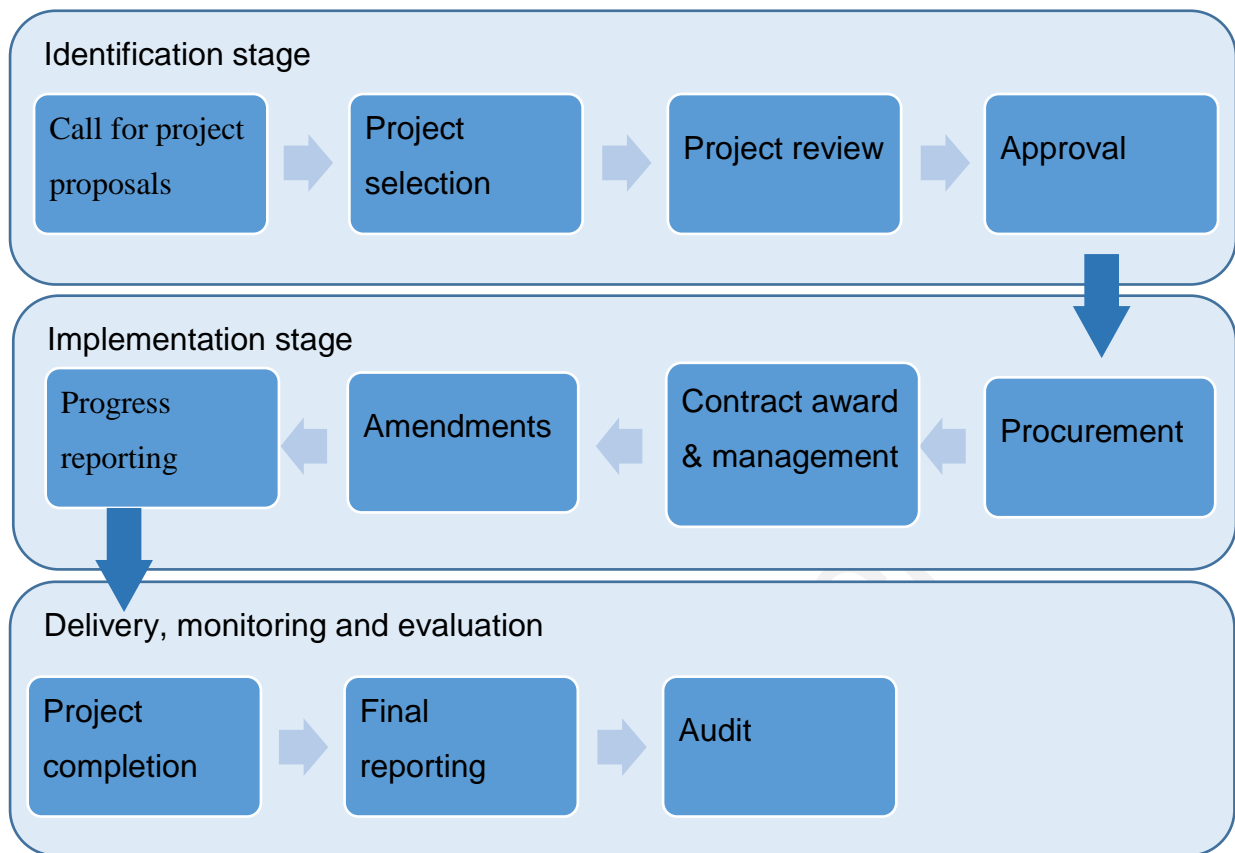
²⁵ Parliament of the Republic of Lithuania, *Law No. VIII-1524*, 2000, available at: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.94745?positionInSearchResults=0&searchModelUUID=dd02f3b1-c007-4e56-9b9d-761470e7cbc4>.

²⁶ Ministry of Finance, *Rekomendacijos dėl projektų išlaidų atitikties Europos Sąjungos struktūrinių fondų reikalavimams*, 2016, available at: [http://www.esinvesticijos.lt/docview/?id=4737&h=64b1b&t=2014-2020%20m.%20I%C5%A1laid%C5%B3%20rekomendac%20keitimas_po%20pos%C4%97d%20\(galut\)](http://www.esinvesticijos.lt/docview/?id=4737&h=64b1b&t=2014-2020%20m.%20I%C5%A1laid%C5%B3%20rekomendac%20keitimas_po%20pos%C4%97d%20(galut)).

²⁷ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0024>.

²⁸ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors, available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1542314536272&uri=CELEX:32014L0025>.

Figure 1. The three stages of managing infrastructure investments in Lithuania



3.2.1 Project identification stage

The process for project identification is decentralised to relevant sectors and is made in accordance with the following steps. First, it is common practice for SIP infrastructure project proposals that they are prepared internally by public procurement entities (including feasibility studies, environmental and social impact assessments) before they are submitted to the Ministry of Finance for approval²⁹. These public procurement entities are either state institutions (e.g. Ministries, law enforcement entities and judicial institutions) or state offices (e.g. Office of the Seimas, Office of the President and Office of the Government). Project proposals must show how the project is in line with SIP goals, how it would influence the activities of the project owner and how it would compare to what the absence of funds would result in. Proposals must also explain how it will be possible to measure the success of the project and analyse the alternatives, that is whether there are other ways the same goals can be achieved without the proposed infrastructure project, by legal amendment and so on.

The Ministry of Finance then provides the combined draft SIP to the Government, where all Ministers and the Prime Minister vote on it. The approved draft is placed on the Parliament's docket and is voted upon alongside the state budget.³⁰ Interviewees emphasised that before submitting the budget to Parliament, the Ministry of Finance might discuss the proposed

²⁹ Government of the Republic of Lithuania, *Decree No. 478*, 2017, para. 13, available at: <https://www.e-tar.lt/portal/en/legalAct/TAR.256966BC8FDF/nhlaQgwUdS>.

³⁰ *Ibid.*, para. 23.

funding with public procurement entities and the Prime Minister. Public procurement entities will question proposed budget allocations if they do not correspond to their draft proposals.³¹

From the inception of the 2018–2020 SIP the threshold for projects to be included has been raised to €360,000 for infrastructure projects and €100,000 for information and communication technology projects.³²

Certain challenges occur in the process however, linked to the weakness of the strategic and policy framework to inform decision making. As noted above, the strategic programme documents presented in Section 4.1 (or any other Government document) do not outline a clear and coherent strategy for the country's infrastructure priorities. In practice, this implies that each individual public entity identifies and prioritises their infrastructure investments through SIP independently. Ministries tend not to develop strategic priorities and usually end up financing different projects without measuring their contribution toward the broader outcome based targets outlined in the strategic planning framework.

The decentralised structure of infrastructure planning means that each public entity must make their own long-term plans in their own field of competence.³³ However, this is not currently happening. Interviewees note that the infrastructure investment goals are highly reliant on political cycles and the availability of funding. One concluded that, “we lack strategic management skills... Ministers do not tend to prioritise within their field. It is difficult for a politician to say ‘no’ or that something is less important during his term”. This illustrates an acute awareness of the swiftly changing political aims, which seems to be the principal driver of project selection.

Another interviewee said, “We do not have a strategic view and cannot picture how the SIP ensures that our goals are achieved”. Such a frank statement indicates the lack of a stronger strategic focus guiding infrastructure investments.

A central strategic question for consideration is if Lithuania has potentially come close to saturating its infrastructure needs. It is prudent to assess critically if the strategic planning, post-project evaluations assessing realisation of expected outputs and outcomes, and long-term fiscal planning are able to control the level of investments when funds are available. There are some indications that the current setup is not sufficiently strong.³⁴

According to one interviewee, “Perverse planning is one reason. The other is our financial resources. For instance, EU funds are either for acquiring property or for building new properties. Lithuania was willing to get the funds and therefore built a lot of infrastructure. [But now], how will we maintain it? Did we really need everything?” This suggests that the weakness of coherent planning and prioritisation could potentially result in long-term negative fiscal impacts from rising maintenance costs, particularly if selected projects are not systematically subjected to rigorous appraisal processes such as feasibility studies and cost-benefit analysis.

³¹ The threshold for projects has been raised to €360,000 and €100,000 for projects intended to purchase or secure maintenance and or purchase of long-term material or immaterial assets and to purchase new ICT projects respectively. Central Public Procurement Portal, *Notice search*, para. 6, available at: <https://cvpp.eviesiejipirkimai.lt/>.

³² Government of the Republic of Lithuania, *Decree No. 749*, 2017, available at: [www.e-tar.lt/portal/legalAct.html?documentId=7430ab80a1c711e7a5baf031c7d2d3c7](http://portal/legalAct.html?documentId=7430ab80a1c711e7a5baf031c7d2d3c7).

³³ Public Procurement Office, *Veiklos Ataskaita*, 2016, p. 22, available at: http://vpt.lrv.lt/uploads/vpt/documents/files/VPT_2016_veiklos_ataskaita.pdf. According to this, 61.1% of purchasing organisations claimed to apply PPO recommendations in their procurement procedures. The usage of these recommendations has not been measured.

³⁴ Ministry of Environment, *Investments in Lithuania*, not available publicly but obtained by Transparency International Lithuania.

The lack of strategic planning or links to sectoral policies is illustrated by investment decisions within the social security sector. Between 2015 and 2016 more than €1.3 million was distributed to renovate children's care homes, despite ongoing reforms to de-institutionalise the system during the period 2014–2020.³⁵

3.2.2 Project implementation stage

Public procurement entities set up and manage the procurement process for projects that have been included in the SIP. The procuring entities are responsible for making sure tendering processes comply with regulations whereas the Public Procurement Office (PPO) steps in only in certain cases (i.e. if a report has been received about possible breaches).³⁶

There are two main contracting methods for infrastructure projects in Lithuania. These are as follows.

- Traditional public procurement under EU regulations. Public procurement contracts are published in the Central Public Procurement Portal.³⁷
- Public–private partnership (PPP) contracts (concessions and authority-pays contracts). Up to 1 January 2017 a total of 53 PPP contracts had been concluded and €146.3 million was invested, out of which €0.93 million was invested in 2016.³⁸

As in the project identification stage, the process is negatively affected by some current challenges. One relates to the certainty of funding. Upon approval of the SIP, public procurement entities approve three years of funding for selected projects. The sums are however allocated annually and can be subject to change.³⁹ As one centrally placed interviewee noted, “Although the investments are confirmed for a three-year period, it does not mean you would get the full funding. The selected projects have to go through the selection process each year and be re-evaluated”.

Even when budgets are adhered to, public procurement entities are entitled to suspend the project implementation and prolong the planned timeframe of the work, all of which has become common practice. The additional cost of suspended projects is high, varying between two to four times of the original estimates. The reasons are various and include: additional needs later in the construction process, requirements to clarify documentation, increased unit costs or general inflation.⁴⁰

According to the National Audit Office, the explanations offered by public procurement entities tend to be insufficient. Some of the most common reasons provided include: shortage of funding available, making it impossible to allocate further resources to the project; failure in

³⁵ National Audit Office, *Valstybės Investicijų 2015 Metais Programos Valdymas*, 2016, p. 22, available at: www.vkontrole.lt/failas.aspx?id=3615.

³⁶ The PPO has also developed a methodology that allows it to identify the procurements that are likely to breach the law, although the content of this methodology is not public (as this would defeat the purpose of it).

³⁷ Central Public Procurement Portal, *Notice search*, para. 6, available at: <https://cvpp.eviesiejipirkimai.lt/>

³⁸ Public Procurement Office, *Statistiniai VPSP Duomenys*, 2017, available at: <http://pplietuva.lt/viesojo-ir-privataus-sektoriu-partneryste/statistiniai-vpsp-duomenys/>.

³⁹ Ministry of Finance, *State Capital Investment*, 2015, available at: <https://finmin.lrv.lt/en/competence-areas/budget/state-capital-investment>.

⁴⁰ National Audit Office, *Valstybės Investicijų 2015 Metais Programos Valdymas*, 2016, p. 25, available at: https://socmin.lrv.lt/uploads/socmin/documents/files/pdf/13442_stt-korupc-sadm-veiklos-srityse2017.pdf.

compliance with procedural requirements, such as submitting requests for further funding; and that the project works were almost completed.⁴¹

It is not clear how, and why, during the implementation process the public procurement entities decide to decrease funding for one project and allocate it to another.⁴² For example, in 2015 various institutions started 393 new investment projects and paused the development of 80 (in most cases renovation works). A total of 28 of the 80 projects that were put on hold had been ongoing for more than 10 years.⁴³ Interviewees were keen to emphasise that confirmation of their project proposals did not guarantee their implementation. As one noted, “We have been working on it for years and it is still difficult to predict the decisions to renew or suspend it. You never know when new priorities appear”.

Some of the challenges in the implementation phase seem to be linked to issues identified in the initiation phase, with too many projects being selected prior to old ones being completed.

3.2.3 Monitoring and evaluation of projects

Despite the formal process requirements, research has shown that the monitoring process remains eclectic and lacks systematic supervision.

The Ministries are required to monitor implemented projects, but this is not as rigorous as it would suggest. Sometimes this is due to high knowledge asymmetry between a responsible Ministry and procuring entities under its auspices implementing projects. This can result in an undue focus on procedural financial controls rather than on the quality (e.g. observation project specifications) of projects.

One interviewee said, “The Ministry would not know the specifics of the construction we need for performance, so monitoring is more or less formal. They [the Ministry that serves as a supervisory body] check budget lines but do not check the quality of the work”. Although budget lines as in this case are checked the entity responsible for signing off a project and approving final payment would be the procuring entity.

The PPO monitors public tenders nationwide, including infrastructure projects. During the past few years, an average of nearly 9 out of 10 tenders have been found to be in breach of the Law on Public Procurement, for example 83% in 2016⁴⁴ and 85% in 2015.⁴⁵ This implies a higher standard and more systematic nature of the monitoring process. However, the PPO only has a limited capacity to oversee implemented tenders.⁴⁶

The formal infrastructure project cycle, from project planning to implementation to monitoring, suffers from numerous weaknesses. The planning process is prone to retractions and postponements, perverse processes potentially incentivising mismanagement, and a lack of oversight. Responses from the key interviewees have clearly indicated the negative implications of these issues, which suggest there is substantial room for improvement. It is likely that increased transparency, participation and accountability will strengthen the value of money of infrastructure investments in Lithuania.

⁴¹ *Ibid.*

⁴² Ministry of Social Security and Labour, *Special Investigative Service, report on SIP*, Nr. 4-01-4019, 30 May 2017

⁴³ National Audit Office, *Valstybės Investicijų 2015 Metais Programos Valdymas*, 2016, available at: www.vkontrole.lt/failas.aspx?id=3615.

⁴⁴ *Ibid.*, p. 31. As mentioned above, the new Law on Public Procurement took effect on 1 July 2017. It is too early to assess if the changes will lead to improvements.

⁴⁵ Public Procurement Office, *Veiklos Ataskaita*, 2016, p. 36, available at: http://vpt.lrv.lt/uploads/vpt/documents/files/VPT_metine_ataskaita_2015.pdf.

⁴⁶ For example, 3.5% in 2016, *ibid.*, p.5.

3.3 MAPPING KEY STAKEHOLDERS

Most of the stakeholders introduced in this section are public sector institutions that are responsible either for coordinating, implementing or monitoring the SIP. The involvement of the broader public in the decision-making process is marginal and little is known about their actual role during the implementation of infrastructure projects.

3.3.1 Public sector institutions

The European Commission and the Lithuanian Ministry of Finance play key roles in determining the size of the resource envelope available for infrastructure investments. The Ministry of Finance in addition informs public procurement entities about the preliminary limits assigned to them within the SIP.⁴⁷ After receiving the lists of project proposals, the Ministry of Finance drafts the SIP and submits it to the Cabinet, which includes all the Ministers and is chaired by the Prime Minister.⁴⁸ The Government considers the SIP draft and, after any required amendments, submits it to Parliament.⁴⁹

At sector level, a range of entities are responsible for setting the selection criteria for project proposals, and for employing the designated funds to deliver the selected projects on time and on budget.^{50, 51} These include all Ministries; judicial, law enforcement and monitoring institutions; offices of Parliament, Government and the President; and other institutions that manage their respective budget appropriations. The latter include the Central Project Management Agency (overseen by the Ministry of Finance), the Transport Investment Directorate (overseen by the Ministry of Transport and Communication), the Environmental Project Management Agency (the Ministry of Environment) and the Agency for Science, Innovation and Technology (overseen by the Ministry of Economy and Ministry of Education and Science).

Parliament is a central actor as it scrutinises and approves the SIP in conjunction with the state budget. The SIP is subject to review in all specialised committees as they are entitled to consider it according to their fields of competence.⁵² Nevertheless, a few committees have more crucial roles. The Committee on Budget and Finance compiles proposals from other committees on the draft budget and monitors the ongoing implementation of the budget after it is approved.⁵³ The Audit Committee evaluates the National Audit Office reports and provides its suggestions to the Committee on Budget and Finance about the upcoming year's budget.⁵⁴ Afterwards Parliament votes on it during a plenary session.⁵⁵

After approval, the project implementation cycle can be initiated, public procurement entities can draw on appropriations and the Ministry of Finance publishes the data on allocated SIP funds on its website.⁵⁶

⁴⁷ See above, note 24, para. 15.

⁴⁸ *Ibid.*, para. 25¹ and 25³.

⁴⁹ *Ibid.*, para. 23.

⁵⁰ *Ibid.*, para. 30 and 31.

⁵¹ See above, note 17, para. 15 and 18.

⁵² See above, note 7, Art. 49 para. 8.

⁵³ *Ibid.*, Art. 59.

⁵⁴ *Ibid.*, Art 59¹ para. 1 and 13.

⁵⁵ See above, note 24, Art. 172–18.

⁵⁶ See above, note 17, para. 27.

3.3.2 Monitoring entities

Each public entity must assure internal monitoring and report biannually and annually to the Ministry of Finance whether the projects are implemented within the set budget limit and without any breaches of contract.⁵⁷ A few institutions are very important in this context.

The PPO acts as a safeguard, though in recent years it devoted more and more of its resources to proactive consultation of purchasing organisations. The Competition Council analyses the market in order to make sure that no cartel arises in any of the purchases from the public sector. The National Audit Office monitors the financial conformity with national legislation and provides reports on long-term successes and failures of the use of public finances.

As a rule, committees within Parliament evaluate the use of the state budget, have it audited by the National Audit Office from a political perspective, and discuss the effectiveness of funds on a macro level, without implementing additional or supplementary audits.

3.3.3 Civil society

Although consultations with civil society and other interest groups are provided for legally,⁵⁸ the tendency is for no significant and long-standing involvement.⁵⁹ This is largely due to the fluid definition of public consultations in the Law of Public Administration⁶⁰ and a lack of extensive involvement of local communities in practice. The Office of the Government identified this as a key shortcoming and announced a tender to create a methodology to foster greater inclusion of public consultations.⁶¹

As of March 2018, there were 2098 civil society organisations registered and it is difficult to estimate what number of these are active.⁶² They include a plethora of foundations, professional and business associations, and local community organisations. Most organisations are involved in cultural activities that involves policy dialogue with the Government and it is hard to pinpoint exclusively infrastructure-oriented civil society organisations, although some are more vocal in the public domain on infrastructure projects as they pertain to their respective topics.

Moreover, a few local community organisations, particularly in and around the capital Vilnius (such as “the community of Užupio”, “the Community of ANTAKALNIEČIAI”, “the community of Snipiskės”), as well as the Lithuanian Cyclists’ Community, have been vocal about specific construction projects.⁶³

⁵⁷ Government of the Republic of Lithuania, *Decree No. 20-799*, 2016, para. 5, 12 and 19, available at: <https://www.e-tar.lt/portal/en/legalAct/TAR.1F222CCAB5C9/NlzXanvCFG>.

⁵⁸ See above, note 19.

⁵⁹ Although a few notable instances have taken place during recent years, see Section 5.

⁶⁰ See above, note 19.

⁶¹ Government of the Republic of Lithuania, *The Third Action*, 2012, available at: <https://epilietis.lrv.lt/lt/dalyvauk-1/atvira-vyriausybe-1/atviros-vyriausybes-partneryste/treciasis-veiksmu-planas>. Public procurement for the model of public consultations is accessible at: http://mw.eviesiejipirkimai.lt/vpm/vpt_pub_n7_vppa_print_forma_1_3.asp?DOK_ID=2003345953. No details about the content of the future public consultation methods are available yet, although it is announced that the tender amounts to €460 000 and the contractor Ltd. Civitta must deliver before the end of June 2019.

⁶² Transparency International Lithuania, *NGO Atlas*, 2018, available at: www.nvoatlasas.lt.

⁶³ Transparency International Lithuania, *NGO Atlas*, 2018, available at: www.nvoatlasas.lt.

The Lithuanian Free Market Institute, a think tank, analyses on a continuous basis the economic capabilities of both state and municipal bodies. The largest infrastructural projects come under its scope of operation.⁶⁴

Transparency International has been active in Lithuania since 2000. The local chapter focuses on engaging citizens and partnerships in anti-corruption initiatives and developing transparency standards in both the public and private sectors. While not exclusively related to infrastructure, openness, transparency and integrity are vital cross-cutting issues that are central to improved governance of infrastructure planning and delivery.

3.3.4 Private sector

Private construction companies are key to the implementation stage of SIP projects and an analysis of construction tenders suggests an increasingly consolidated sector. During recent years (2014–2016) the construction market has become dominated by the largest suppliers. For example, the proportion of the total values of awarded tenders increased from 47% to 70% for the 20 largest contractors, and from 33% to 59% for the ten largest (see Table 1).⁶⁵

Table 1. Companies with largest construction tenders in 2016⁶⁶

Company	Position (by awarded tender amount)			Tender (number of awarded tenders (bold) and amounts in € million (<i>italics</i>))					
	2014	2015	2016	2014		2015		2016	
AB Kauno tiltai	3	1	1	36.6	27	130.4	32	265.0	38
Rafako S.A.	-	-	2	-	-	-	-	181.1	1
UAB Kauno keliai	-	2	3	-	-	81.9	14	158.0	10
AB Panevėžio keliai	-	5	4	-	-	41.6	31	30.2	33
UAB Tetas	2	11	5	39.6	37	17.6	23	49.1	35
UAB Energetikos paslaugų ir rangos organizacija	-	-	6	-	-	-	-	36.7	40
UAB Šiaulių plentas	4	10	7	33.6	17	18.0	12	30.7	16
UAB Vytrita	10	4	8	19.0	19	49.0	19	26.9	20
AB Panevėžio statybos trestas	6	8	9	26.4	26	21.4	30	26.5	24
UAB A.Žilinskio ir ko	5	3	13	20.4	21	59.5	26	17.9	19

⁶⁴ Lithuanian Free Market Institute website, 2018, available at: <https://en.llri.lt/>.

⁶⁵ Public Procurement Office, *Statyba / žvalgos / 2015–2016*, p. 3, available at: http://vpt.lrv.lt/uploads/vpt/documents/files/Statybos_sektorius_2015-2016_m.pdf.

⁶⁶ *Ibid.*

UAB Elektros tinklo paslaugos	1	6	-	54.0	37	33.2	31	-	-
UAB Alkesta	7	14	-	24.0	19	12.9	17	-	-
UAB Irdaiva	9	7	-	22.5	32	31.3	27	-	-

A narrowing list of possible suppliers is however not necessarily a desirable environment for public procurement, as it can squeeze out small-to-medium-sized enterprises and increase tender prices.

As in most other countries, there is an overlap in Lithuania between civic organisations and private sector associations in the way they are legally constituted. Principally, the institution established must be non-profit. In pursuing their legally established mandates, a number of significant players actively use lobbying as an instrument of influencing public policies, such as the Lithuanian Confederation of Industrialists,⁶⁷ the Lithuanian Business Confederation,⁶⁸ the Lithuanian National Road Carriers Association (Linava),⁶⁹ the Lithuanian National Association of Forwarders and Logistics (Lineka)⁷⁰ and Infobalt.⁷¹ In addition there are a number of professional associations such as the Investor's Forum,⁷² the Architects' Chamber of Lithuania⁷³ and the Lithuanian Association of Civil Engineers.⁷⁴

Lithuania amended its Law on Lobbying Activities on 1 September 2018. This provides a definition of lobbying that (implicitly) covers influence-making of all forms and establishes an obligation for lobbyists to declare their attempts to influence in 7 days (these declarations are available online at www.lobistai.lt).

However, the amended law exempts non-government organisations (NGO) from its ambit. This is because Lithuania's legislation does not provide a separate legal entity for NGOs and consequently the line between public-interest organisations and united groups of private companies is difficult to establish. NGOs in Lithuania may take one of three types of legal entity: public establishment, association and charity fund.

3.4 INNOVATIVE MECHANISMS AND GOOD PRACTICES

The Government has emphasised the importance of transparency and openness and committed to increased participation in decision making within the public sector. However, there is still a significant gap when it comes to data on infrastructure available in a comprehensive, systematic and generic manner. Lithuania has committed to launching an open data portal, however it is still at the initial draft stage and it is not yet clear exactly what data it would contain. Despite this, a few strong examples of innovative mechanisms and good practice have emerged.

The Ministry of Finance began to publish the annual financial flows to sectors such as healthcare, education and infrastructure in 2016. In a comprehensible format, Lithuanian

⁶⁷ Lithuanian Confederation of Industrialists website, 2018, available at: <http://www.lpk.lt/en/>.

⁶⁸ Lithuanian Business Confederation website, 2018, available at: <http://www.lvk.lt/en/>.

⁶⁹ Lithuanian National Road Carriers' Association website, 2018, available at: <http://www.linava.lt/en/>.

⁷⁰ Lithuanian National Association of Forwarders and Logistics website, 2018, available at: <http://www.lineka.lt/en/about-us>.

⁷¹ Infobalt website, 2018, available at: <https://www.infobalt.lt/en/about>.

⁷² Investors' Forum website, 2018, available at: <http://investorsforum.lt/>.

⁷³ Architects' Chamber of Lithuania website, 2018, available at: <http://www.architektumai.lt/en/>.

⁷⁴ Lithuanian Association of Civil Engineers website, 2018, available at: <http://www.lsis.lt/en/>.

citizens can now access visualised and systematic information about state budget expenditure, including generic figures on infrastructure. For instance, graphics show that Lithuania planned to spend €474.6 million in 2017 on transport and communications, albeit combining recurrent and capital expenditure (i.e. operational and investment expenditure).⁷⁵

Applying the same classification, it was announced that €242 million was allocated to roads of national importance, €133 million to local roads and €5 million to railways. Although this is a step in the right direction, there is room for improvement, for example by: adding historic trends, disaggregating recurrent and capital expenditure, specific projects, locations and the institutions responsible. Moreover, there is no data in computer-readable open data files.

Although Lithuania has been a member of the Open Government Partnership since 2011, it has not yet focused specifically on transparency and participation in the planning and delivery of public infrastructure. The closest step in that direction has been a commitment to publish online information about the revenues and spending of national and municipal institutions, but this has not yet been finalised and it is not yet clear what sets of financial data would be made available.⁷⁶

When it comes to improving the efficiency of public spending, there are a few shining examples of good practice and development. A recent intervention by the PPO helped reduce the costs of the Lazdynai swimming pool by more than €6 million. Upon a review, a centrally placed source in the PPO outlined the steps they had taken: “We evaluated that the foreseen budget of €28 million exceeded the market prices and should not have been higher than €23 million. The procuring agency took our recommendations into account and the contract was signed for €21.7 million. Subsequently, we very much hope there will not be any abuse and the final cost will remain the same”.

The PPO’s involvement also led to a greater number of companies providing road-marking services at lower costs and the number of companies contracted by the, the Lithuanian Road Agency doubled from two to four in 2016.

⁷⁵ Ministry of Finance, *2017 Išlaidos Transportui ir Ryšiams*, 2017, available at: http://finmin.lrv.lt/uploads/finmin/documents/files/susisiekimo_sritis.pdf

⁷⁶ Open Government Partnership, *Midterm Self-Assessment Report on the Action Plan for Lithuanian Participation in the International Initiative “Open Government Partnership”*, 2017, available at: www.opengovpartnership.org/sites/default/files/Lithuania_Mid-term_Self-Assessment-Report_2016-2018_EN.pdf

4. MEASURE OF TRANSPARENCY

Lithuania has been a member of the Open Government Partnership since 2011 and a member of the Organisation for Economic Co-operation and Development (OECD) since 2018, both factors having worked as catalysts for policy changes in the country.

All public-sector institutions provide quarterly, biannual and annual budget expenditure reports online following the line-item-based budgeting report.¹ However this means that the budget inputs are based with figures that aggregate both recurrent and capital expenditure, making it hardly possible to single out individual projects.² Moreover, the budget expenditure reports do not explain criteria applied for projects included in the State Investment Programme (SIP) or the extent to which they were implemented on budget or deviated from the planned timeline (including projects that have been suspended).

Cost–benefit analyses, progress evaluations and impact assessments are also not publicly available, though in certain cases they are developed for internal purposes. The regulatory framework for the state budget and the SIP in Lithuania does not oblige any institutions to disclose any of this information to the public.³

To access information, it is necessary to turn to each individual public entity procuring infrastructure. To measure the level of infrastructure transparency, a sample of infrastructure projects carried out by Lithuanian Railways and the Lithuanian Road Administration, both being among the five biggest procuring entities for SIP projects in 2016, was selected. Through desk-based research, data was gathered from websites and public portals to map the level of disclosure against the internationally recognised Infrastructure Data Standard (IDS) promoted by CoST – the Infrastructure Transparency Initiative (CoST).

The analysis also included an assessment of which of these data points are legally required for internal purposes and which are legally required to be disclosed to the public. Table 2 summarises this analysis, listing the three separate categories:

- whether there is a legal obligation to report to a respective Ministry or oversight body
- whether there is a legal obligation for the project owner to make information public
- whether information is made public in practice
- whether information would be available through activating freedom of information (FOI) legislation.

The first two categories were assessed through procedural laws and decrees, which are discussed throughout this study. The third category was assessed through results gathered from the websites of the public procurement entities owning the projects, the Ministry of Finance and the Central Public Procurement Portal. The final category was assessed through questionnaires to procuring entities (not through actual activation of FOI legislation).

¹ Government of the Republic of Lithuania, *Law No. I-907*, 1995, Art. 11, available at: www.e-tar.lt/portal/en/legalAct/TAR.61BB05227699/vHVdNOBKrh.

² Ministry of Justice, *Konsoliduotųjų finansinių ataskaitų rinkinys*, 2016, budget line A.II.3, accessible at: www.tm.lt/dok/2016-konsoliduot%C5%B3%C5%B3%20ataskait%C5%B3%20rinkinys.pdf. These budget lines can include both infrastructure and non-infrastructure projects so, for example, a budget line for “Residential Housing” may include the construction, maintenance works and the purchase of any assets.

³ Government of the Republic of Lithuania, *Decree No. 60-2172*, 2015, available at: www.e-tar.lt/portal/en/legalAct/TAR.6FF41930E334/zvBtuRTeVb.

Table 2. Current level of transparency in Lithuania public infrastructure

Project phase	Project data	Legal obligation to report to a respective Ministry or oversight institution	Legal requirement to disclose proactively to the public (for the project owner)	Data is proactively disclosed to the public in practice	Location of proactively disclosed data	Data available upon request (using FOI)
Project identification	1. Project reference number	Yes	No	Yes	Central Public Procurement Portal	Disclosed
	2. Project owner	Yes	No	Yes	Central Public Procurement Portal	Disclosed
	3. Sector, subsector	No	No	Yes	Procuring entity website	Disclosed
	4. Project name	Yes	No	Yes	Procuring entity website	Disclosed
	5. Project location	Yes	No	Yes	Procuring entity website	Disclosed
	6. Purpose	Yes	No	Yes	Procuring entity website	Disclosed
	7. Project description	Yes	No	Yes	Procuring entity website	Disclosed

Project preparation	8. Project scope (main output)	Yes	No	Yes	Procuring entity website	Disclosed
	9. Environmental impact	Yes	Differs	No		Differs ¹
	10. Land and settlement impact	Yes	Differs	No		Differs
	11. Contact details	Yes	No	Yes	Central Public Procurement Portal	Disclosed
	12. Funding sources	Yes	No	Yes	Procuring entity website	Disclosed
	13. Project budget	Yes	No	Yes	Procuring entity website	Disclosed
	14. Project budget approval date	Yes	No	Yes	Procuring entity website	Differs
Project completion	15. Project status (current)	Yes ²	No	No		Yes
	16. Completion cost (projected)	Yes	No	Yes	Procuring entity website	Differs
	17. Completion date (projected)	Yes	No	Yes	Procuring entity website	Disclosed
	18. Scope at completion (projected)	Yes	No	No		Differs
	19. Reasons for project changes	Yes	No	No		Differs

¹ Lithuanian Railways says it would not give the information on request while the Lithuanian Road Administration says it would.

² Annually and biannually.

	20. Reference to audit and evaluation reports	Yes ³	No	No		No
Procurement	21. Procuring entity	Yes	Yes	Yes	Central Public Procurement Portal	Disclosed
	22. Procuring entity contact details	Yes	Yes	Yes	Central Public Procurement Portal	Disclosed
	23. Procurement process	Yes	Yes	Yes	Central Public Procurement Portal	Disclosed
	24. Contract type	Yes	Yes	Yes	Central Public Procurement Portal	Disclosed
	25. Contract status (current)	Yes	No	Yes	Central Public Procurement Portal	Disclosed
	26. Number of firms tendering	No ⁴	Yes	Yes	Central Public Procurement Portal	Disclosed
	27. Cost estimate ⁵	No	No	Yes	Central Public Procurement Portal	Differs
	28. Contract administration entity	Yes	Yes	Yes	Central Public Procurement Portal	Disclosed
	29. Contract title	Yes	Yes	Yes	Central Public Procurement Portal	Disclosed

³ The extent and level of detail is unclear.

⁴ The procurement stage is mostly covered by the Law on Public Procurement, which does not oblige the purchasing organisations to make public the number of firms tendering during the procurement itself, but this information is available online via procurement reports which have to be submitted once the procurement is completed.

⁵ SIP projects do not entail estimates, the project budget is rather a fixed financial cap. Within the procurement stage the project estimate can be calculated referring to the contract price.

	30. Contract firm(s)	Yes	Yes	Yes	Central Public Procurement Portal	Disclosed
	31. Contract price	Yes	Yes	Yes	Central Public Procurement Portal	Disclosed
	32. Contract scope of work	Yes	Yes	No		Disclosed
	33. Contract start date	Yes	Yes	Yes	Central Public Procurement Portal	Disclosed
	34. Contract duration	Yes	Yes	Yes		Disclosed
Implementation	35. Variation to contract price	Yes	No	No		Differs
	36. Escalation of contract price	Yes	No	No		Differs
	37. Variation to contract duration	Yes	No	No		Differs
	38. Variation to contract scope	Yes	No	No		Differs
	39. Reasons for price changes	Yes	No	No		Differs
	40. Reasons for scope and duration changes	Yes	No	No		Differs
	Percentage of total data points	92.5%	35%	67.5%		

The analysis shows that the level of infrastructure transparency in Lithuania is reasonable but with significant room for improvement by international standards.

4.1 PROACTIVE DISCLOSURE

The analysis shows that 35% is required to be publicly disclosed by law, which is a relatively low figure. The information that must be disclosed according to law is narrowly related to the tendering process and does not include any information related to the infrastructure project cycle, which is often of more interest to the broader public.

The level of information proactively disclosed (67.5%) is much higher than what is legally required. This in large part is due to the high standards for information disclosure within public procurement. The overall pattern of disclosure is similar to what is seen internationally, with information concerning project changes and variations to timeline, budget and scope being the type of information that is often not disclosed voluntarily.

While procuring entities are obliged to account for the funds they spend, this does not happen in a universally applied reporting format. Proactively disclosed data, while in the public domain, is very burdensome and time-consuming to identify. It is entirely delinked from the SIP, which represents the legal foundation of most of the spending as well as the Government's strategic objectives with infrastructure investments. Procuring entities do not refer to the projects as SIP projects or link tenders to SIP projects. This makes cross-referencing burdensome as it is necessary to shuffle through the full list of projects in the SIP and match the respective tenders manually.

In practice, two-thirds of the data required by the CoST IDS is disclosed to the public despite not being a legal requirement. It would seem rational to address the gap between the outdated legal framework and actual practice through a revision of the legal framework. A dedicated reform could bring Lithuania even closer to international best practice, making data already disclosed a legal requirement along with currently unavailable data concerning escalations and variations in project duration and price. Disclosing this type of information could strengthen trust in the Government and increase the sense of accountability in the use of public resources. This also sits well with the Government's declared commitment to take openness and transparency to the next level.

4.2 DATA LEGALLY REQUIRED FOR REPORTING TO OVERSIGHT BODIES

The analysis showed that data the procuring entities are required to produce for internal reporting on SIP projects for oversight within the Government is very high (92.5%). The most interesting aspect of this finding is that it shows that the data is relevant and exists.

It is much easier to move towards disclosure of data that already exists than data that does not exist or perhaps is seen as having limited relevance. Essentially it becomes a political decision whether to disclose the data or not. It is not a practical question.

4.3 DATA AVAILABLE UPON REQUEST

Public data and information that is not proactively disclosed to the public could in most cases be obtained through the use of FOI requests.

What is possible to disclose and what is not is interpreted differently by different procuring entities. This suggests that rules and regulations for transparency are not clear and evenly applied, which represents a cause for concern.

5. MEASURE OF STAKEHOLDER PARTICIPATION

International experience has demonstrated that a lack of forums for politicians, experts, citizens and interest groups to engage in structured, informed discussions about policy options for infrastructure projects harms the quality of the decision-making processes, increases uncertainties and risks, reduces the interest of potential investors and fuels opposition from groups affected by specific projects.¹

The Organisation for Economic Co-operation and Development (OECD) assigns great importance to citizens' engagement in policy-making in general and infrastructure in particular, but notes that Lithuania has a quite limited tradition of citizens' participation in public policy making. Vitally for the purposes of this report, OECD finds that, "Considering the Government's ambition to foster engagement with citizens and business, it needs to implement specific policy initiatives to bend historical trends in citizen engagement."²

Such initiatives would greatly help overcome the fact that Lithuanian citizens are usually not involved in the decision-making process at any stage of infrastructure projects, and public institutions admit they do not know how to engage effectively with local residents. In addition to specific policy initiatives, a set of proven tools and standards would also help overcome the historic trends.

5.1 CONSULTATION PRACTICE

Table 3 is a breakdown of the types of engagement of public and local stakeholders, using the same random selection of projects from the five highest SIP-spending public procurement entities in 2016 (see Section 4). It applies the following OECD definitions of 2001 for levels of citizens' engagement in policy making:

- Information: a one-way relationship in which the Government produces and delivers information to be used by citizens. It covers both "passive" and "active" measures by the Government to disseminate information reaching them.
- Consultation: a two-way relationship in which citizens provide feedback to the Government. It is based on the prior definition by the Government of the issues on which citizens' views are being sought and require provision of information. The Government defines the issues for consultation, sets the questions and manages the process, while citizens are invited to contribute their views and opinions.
- Active participation: a relationship based on a partnership with the Government, in which citizens actively engage in defining the process and content of policy making. It acknowledges equal standing for citizens in setting the agenda, proposing policy options and shaping the policy dialogue, although responsibility for the final decision or policy formulation rests with the Government.

The information in Table 3 was gathered through freedom of information requests from the respective public procurement entities.

¹ CoST – the Infrastructure Transparency Initiative website, 2018, available at www.constructiontransparency.org/home.

² Organisation for Economic Co-operation and Development, *Lithuania: Fostering Open and Inclusive Policy Making*, OECD Public Governance Reviews, OECD Publishing, Paris, 2015, p.66, available at: https://read.oecd-ilibrary.org/governance/lithuania-fostering-open-and-inclusive-policy-making_9789264235762-en#page1.

Table 3. Types of engagement on selected infrastructure projects procured by the five largest recipients of infrastructure funding in Lithuania in 2016

Project	Public entity	Budget (in 2016 SIP): € million	Implementation period	Interaction type
Installation of missing links of European rail track from the Polish–Lithuanian border to Kaunas and preparation works for development of European rail track from Kaunas to Lithuanian–Latvian border	Lithuanian Railways	2.2	2016–2020	Consultation
Electrification of corridor IX, stage I, Kena–Naujoji Vilnia	Lithuanian Railways	19.2	2014–2018	Information
Reconstruction and maintenance of roads of local significance, 2016–2018	Lithuanian Road Administration under the Ministry of Transport and Communications	85.0	2016–2018	Information
Development of Trans European Network road E67 (Via Baltica), Kaunas–Marijampolė	Lithuanian Road Administration under the Ministry of Transport and Communications	32.7	2016	Information

Construction of roads, bridges and viaducts, 2016–2018	Lithuanian Road Administration under the Ministry of Transport and Communications	104.7	2016–2018	Information
Construction of highway gas pipeline, Klaipėda–Kuršėnai	The Ministry of Energy	16.5	2016	Consultation

The information gathered from the sample projects clearly illustrates that citizen engagement in the infrastructure project cycle is nascent.³ Three out of five projects have been subject to information sharing only while two out of five were subject to consultation. Frequent tools used by the Government in these processes include the announcement of project descriptions online and in local and national media outlets.

The sample projects testify to the absence of a systematic approach to engage targeted communities or specific interest groups (whether non-government organisations, associations, business groups or similar) in infrastructure planning and delivery. It also suggests that the project implementation plan does not include specified indicators for success, or measures for minimal necessary involvement, with regard to meaningful engagement.

It is worth analysing the two tangible two-way consultations which took place in the sample projects in more detail: installation of missing European rail links and construction of a major gas pipeline from Klaipėda to Kuršėnai.

The first project had a much higher level of public engagement than the others. A total of 21 people provided comments for the environmental impact study and 182 comments were received for the project plan, to which answers have been provided by email or mail. Over the course of the project, 16 open consultations were organised where the received inquiries and suggestions were discussed among the representatives of Lithuanian Railways, parties that submitted ideas and other interested citizens.

The second project had a less intense public engagement, but nevertheless received six suggestions for the environmental impact study and 62 suggestions for the plan. A total of 12 open consultations that were organised.

Given that the Lithuanian Government has stated the significance and priority of public stakeholder engagement, the Ministry of Finance has taken the initiative and organised five events for best-practice exchange across five different cities in 2017. They aimed to raise awareness about European Union (EU) funded projects by encouraging residents to

³ The list of sample projects analysed here is not representative for all infrastructure projects in Lithuania as it includes only large, high-priority projects, hence the level of involvement is likely to be higher in comparison with other projects.

participate in consultations. In total, 225 people participated, a substantial number, although it is unclear what kind of target groups were represented.⁴

Public sector institutions should consult interest groups and affected communities before taking decisions of public interest, however this is not standard practice in Lithuania.⁵ Most interviewees agreed that any public involvement is perfunctory, with the broader sentiment captured in the following quote: “People are confronted with decisions which have already made and the general feeling is that they cannot change anything, because the documents have already been prepared, the funds have been received and so on”.

A current Government-led national survey also shows that only 34% of municipal council members and 28% of local community leaders think people may influence decision making.⁶ External surveys have corroborated this data. Only 5% of Lithuanian citizens have participated in public consultations, while 49 % claim they lack information about such possibilities, according to a survey by Transparency International Lithuania.⁷

Respondents also note that municipalities should provide information in an easily understandable manner rather than use bureaucratic language.⁸ For instance, the Department of Cultural Heritage, as part of the Ministry of Culture, released an invitation for a forum on the management plan for the old town of Vilnius just before Christmas 2017 – with one on 19 December 19 and another on 22 December. A person closely associated with this process noted, “I think it is an example that people’s engagement is perceived as an obstacle for infrastructure works.”

Public sector representatives doubt the added value of public involvement. As one respondent put it, “we have tried to engage with people and meet the neighbourhood community, but they did not seem to be interested in the project. Maybe specific knowledge is required to participate in those kind of discussions?” This quote suggests that the need for increased transparency and openness to nurture public engagement is appreciated and provides a strong case for more active disclosure of information about infrastructure projects.

Timing also matters. The general feeling emanating from interviewees was that public participation opportunities in infrastructure planning should be formalised and citizens engaged in a timely manner. As one interviewee articulated, “People should know about infrastructure plans from the very beginning so that agencies can have networks of supporters in local communities before they even begin their work. It is very much about communication”.

While a culture of engagement with infrastructure projects is somewhat embryonic, there appears to be a growing appetite for it, expressed in the challenges citizens have raised to certain projects. In 2015, for example, a local community in the Uzupis district raised concerns about ongoing construction in the old town and asked if new buildings exceeded height restrictions or if they would have a negative impact on the United Nations Educational, Scientific and Cultural Organization protected area.⁹ These concerns were taken up and

⁴ Ministry of Finance, overview sent to Transparency International Lithuania on 16 January 2018.

⁵ National Audit Office, *Valstybės Investicijų 2015 Metais Programos Valdymas*, 2016, p. 25, available at: www.vkontrole.lt/failas.aspx?id=3615.

⁶ Ministry of Interior, *Participation of citizens when making decision on local level, representative survey*, 2016, unpublished.

⁷ Transparency International Lithuania, *Gyventojų Apklausa Apie Savivaldybių Atvirumą*, 2014, available at: www.transparency.lt/wp-content/uploads/2015/10/gyventoju_apklausa_apie_savivaldybiu_atviruma.pdf.

⁸ *Ibid.*

⁹ Verslo Žinios, *Užupio bendruomenė skundžiasi, institucijos problemų neranda*, 24 November 2015, available at: www.vz.lt/sektoirai/nekilnojamasis-turtas-statyba/2015/11/24/bendruomene-skundziasi-institucijos-problemu-nemato#ixzz513TSClRt%20http://uzupiokrantines.lt/aptarimas/statybos-uzupyje-vietos-bendruomene-supykde-ir-su-mg-valda/.

highlighted by the media, and subsequently the construction company MG Valda came out to explain their decisions in more detail.¹⁰

The Government seems to demonstrate the willingness for a more substantial push as it seeks to establish a methodology for public consultations.¹¹ With the expansion of e-services, novel ways of involving the public may arise and sporadic examples of this are already taking place.¹²

There is potential for building further on this, especially if it is combined with more active dissemination of information and proven tools and standards are applied systematically. This applies not only to individual projects included in the SIP but also to the programme in its entirety. It also applies to lower levels of Government for projects that do not pass the monetary threshold for being included in the SIP but which have equal importance for stakeholders in local communities, and which will benefit from their inputs.

¹⁰ 15min.lt, *Statybos Užupyje vietos bendruomenę supykde ir su „MG Valda“*, 15 July 2015, available at: www.15min.lt/naujiena/aktualu/lietuva/statybos-uzupyje-vietos-bendruomene-supykde-ir-su-mg-valda-56-515968

¹¹ Public Procurement Office, *Viešojo Pirkimo Procedūrų Ataskaita*, No. At-1, 2014, available at: http://mw.eviesiejipirkimai.lt/vpm/vpt_pub_n7_vppa_print_forma_1_3.asp?DOK_ID=2003345953

¹² Government of the Republic of Lithuania, *Išrinkime Lukiškių aikštės memorialą!*, 2017, available at: <https://epilietis.lrv.lt/lt/naujienos/isrinkime-lukiskiu-aikstes-memoriala>.

6. MEASURE OF ACCOUNTABILITY

Increasing accountability in public infrastructure investments is central to reducing potential waste and mismanagement of public resources and achieving more value for money from investments. As this report has shown, the financial costs of projects increase dramatically when they are postponed or suspended after initiation.

It is a worldwide problem, affecting even the most well-organised administrations, that infrastructure projects often exceed both projected time and budget and sometimes without intended outcomes being met or even measured.^{1,2} Better oversight and control is one of the measures needed to address this problem alongside increased transparency and stakeholder engagement.

At a broad level, the Government state accounts in Lithuania face some challenges in gathering objective information of the financial state of the public sector as a whole.³ The National Audit Office (NAO) claims that until this is done, well-grounded projections on the use of public sector assets cannot be made.⁴

6.1 PROJECT IDENTIFICATION STAGE

The NAO has questioned the drafting process of the State Investment Programme (SIP) in almost half the public procurement entities involved, as they either did not apply any selection criteria or were in breach of their own procedural selection rules.^{5, 6} Hence it is not clear how public procurement entities select infrastructure projects.

For example, the Ministry of Social Security and Labour has revealed the list of projects it has submitted for the upcoming SIP, indicating the prospective budget. However, it did not disclose the complete list of projects that were under consideration or strategic considerations guiding the prioritisation of some projects over others.^{7, 8}

The criteria, when applied, can be divided into two types: general and specific. General criteria are used to evaluate whether the projects coincide with the strategic long-term or mid-term goals of the state and the Government. The specific criteria are tailored but vary between

¹ Flyvbjerg B, "What You Should Know About Megaprojects and Why: An Overview", *Project Management Journal*, April/May 2014, available at https://www.researchgate.net/profile/Bent_Flyvbjerg/publication/261411676_What_You_Should_Know_About_Megaprojects_and_Why_An_Overview/links/59fbaad60f7e9b9968bb03ff/What-You-Should-Know-About-Megaprojects-and-Why-An-Overview.pdf

² Hart T, Krause P and Miller M, *Bricks and dollars Improving public investment in Infrastructure*, Overseas Development Institute, 2015, available at: <https://www.odl.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/10117.pdf>.

³ National Audit Office, *2016 Metų Nacionalinio Finansinių Ataskaitų Rinkinio ir Valstybės Skolos Vertinimas*, 2017, p. 4, available at: www.vkontrole.lt/failas.aspx?id=3741.

⁴ *Ibid.*, page 4.

⁵ National Audit Office, *Valstybės Investicijų 2015 Metais Programos Valdymas*, 2016, pp. 6–7, available at: www.vkontrole.lt/failas.aspx?id=3615.

⁶ After the audit in 2016 all ministries approved their internal project selection criteria.

⁷ Ministry of Social Security and Labour, *Informacija apie pateiktus socialinių paslaugų instigų investicijų projektus skirtus 2018 m. Valstybės investicijų programai*, 2017, available at: www.sppd.lt/media/mce_filebrowser/2017/11/16/Informacija_apie_pateiktus_socialini%C5%B3_paslaug%C5%B3_%C4%AFstaig%C5%B3_investicij%C5%B3_projektus.pdf.

⁸ Government of the Republic of Lithuania, *Decree No. A1-435*, 2017, Annex 2, available at: www.e-tar.lt/portal/lt/legalAct/1efb94a0831711e7922688da979d97a3, provides a set of criteria with their weighted values.

different public procurement entities, reflecting the decentralised nature of infrastructure decision making.⁹

In general, a weighting system is applied to evaluate the projects but, in addition to the variation in criteria, similar criteria can have different weightings and the maximum values can differ greatly. For example, the Ministry of Justice has a maximum mark of 235,¹⁰ the Ministry of Health has 75,¹¹ the Ministry of Education and Science has 55¹² and the Ministry of Culture has 305.¹³

Interviews unanimously indicated that project appraisal and selection is not subject to any independent scrutiny or arms-length reviews, even though this is considered good practice.

As has been clearly pointed out by the Organisation for Economic Co-operation and Development (OECD), poor infrastructure governance has serious implications for the value for money a country gets from its infrastructure investments: “Infrastructure projects with deficient governance often result in cost overruns, delays, under performance, under utilisation, accelerated deterioration due to poor maintenance, and, occasionally, in expensive ‘white elephants’ and bridges to nowhere.”¹⁴

6.2 PROJECT IMPLEMENTATION STAGE

In the implementation stage, public procurement entities must first and foremost adhere to public procurement regulation. Additionally, they are required to report biannually and annually to the Ministries about their use of allocated funds and whether the, “funds have been used adequately and with no contractual breaches”.¹⁵ ¹⁶ Data on reported expenditure compared to allocated funds is available on the Ministry of Finance website, but only from 2010 and not in open data format.¹⁷

6.3 MONITORING AND EVALUATION OF PROJECTS

The accountability of public spending on infrastructure projects included in the SIP depends to a large extent on internal control mechanisms applied by the public procurement entities owning the projects. In practice, this most often means that the public entity verifies whether the project has been delivered and reviews if has stayed within budget. Post-project-delivery evaluations must also be carried out to assess whether the goals of the project have been

⁹ Ministry of Justice, *Valdymo Sritių Investicijų Projektų Atrankos Kriterijai ir jų Reikšmės*, 2017, row number 2, available at: www.tm.lt/dok/Isakymas%20del%20TM%20investiciju%20kriteriju%20priedas%202017%2005%2005.pdf.

¹⁰ *Ibid.*

¹¹ Ministry of Health, *Decree No. V-346*, 2013, available at: https://sam.lrv.lt/uploads/sam/documents/files/2017-07-14_V-873.pdf.

¹² Ministry of Education and Science, *Isakymas del Svetimo Srities 2016–2018 Metu Investiciju Projektu (Programu) Atrankos Kriteriju ir ju Reiksmiu Patvirtinimo*, 2015, available at: www.smm.lt/uploads/documents/svietimas/kapitalo_investicijos/2015-05-29%20%C4%AFsakymas%20Nr_%20V-563%20%C5%A0MM%20srities%202015-2018%20VIP%20atrankos%20kriterijai%20ir%20reik%C5%A1m%C4%97s.pdf.

¹³ Government of the Republic of Lithuania, *Decree No. InV-537*, 2016, available at: www.e-tar.lt/portal/lt/legalAct/c203d9f0384511e69101aaab2992cbcd/UisBjoltFG.

¹⁴ Organisation for Economic Co-operation and Development, *Lithuania: Fostering Open and Inclusive Policy Making*, OECD Public Governance Reviews, OECD Publishing, Paris, 2015, p. 1, available at: https://read.oecd-ilibrary.org/governance/lithuania-fostering-open-and-inclusive-policy-making_9789264235762-en#page1.

¹⁵ *Ibid.*, Section II.

¹⁶ Government of the Republic of Lithuania, *Decree No. 20-799*, 2015, available at: www.e-tar.lt/portal/en/legalAct/TAR.1F222CCAB5C9/NizXanvCFG.

¹⁷ Ministry of Finance, *Biudžetas*, 2017, available at: <https://finmin.lrv.lt/lt/veiklos-sritys/biudzetas/kapitalo-investiciju-panaudojimas>.

met, the project's value-added and long-term impact, and whether the results have been achieved efficiently.¹⁸

There are examples of the control mechanism being effective in following up on unsatisfactory project delivery. In 2018, after identifying questionable quality of a public roads project, the Ministry of Transport and Communication initiated an audit of 33 similar projects. Nine out of ten of the audits concluded to date have identified substandard quality of the projects, with issues identified such as thinner layers of concrete, poor quality materials and departure from or not meeting the technical specifications.

The faulty projects were carried out by the following six companies: UAB „Alkesta“, UAB „Panevėžio keliai“, UAB „Kauno keliai“, UAB „Parama“, UAB „Kamesta“ and UAB „Kauno tiltai“. ¹⁹ The Ministry has confirmed that the contractors are obliged and will rectify the faults, but it remains to be seen how and when this will be done.

The concern is, however, that there is no legislation or detailed guidelines instructing which public procurement entities have to produce evaluations and internal control mechanisms. This is even more of a challenge given that there is no legal obligation to make these evaluations public.²⁰ As stated in Section 3.3, the NAO plays a central role in holding the Government's agencies to account. NAO conducts and publishes online annual ex-post audits of the state budget, of which the SIP makes up a substantial component.²¹

The recent intervention by the Public Procurement Office (PPO), referred in Section 3.4 as an innovative governance mechanism, has already increased value for money on one project, with savings of more than €6 million achieved. During the past few years, such interventions by the PPO have become more often for tenders of greatest public interest, although the method for initiating interventions is not available to the public.

6.4 WHISTLE-BLOWER MECHANISMS

The construction industry is perceived as one of the most vulnerable to corruption, and 59% of Lithuanian business people admit informal influencing is widespread.²² The State Territorial Planning and Construction Inspectorate, which is responsible for supervising construction in Lithuania, is perceived to be one of the most corrupt institutions in the country. According to Lithuanian citizens, 33% considered it to be corrupt in 2016, which was 7% more than in 2014.²³

Public procurement entities, regardless which field they work in, normally have internal reporting channels, although there is no data or other evidence demonstrating that they would provide support in reducing corruption or protect those who report it. Only 53% of public procurement entities have staff specifically assigned to respond to whistle-blowers and only 35% ensure that those accused are prevented from getting access to the information

¹⁸ Government of the Republic of Lithuania, *Decree No. 1K-256*, 2010, Art 28, available at: <https://www.e-tar.lt/portal/lt/legalAct/TAR.C21E5B000B5E>.

¹⁹ Sergienko D, *Pirmojo kelių audito rezultatai: 9 iš 10 kelių – nekokybiški, prarasta 5,5 mln. eurų*, 15min.lt, 1 February 2018, available at: www.15min.lt/gazas/naujiena/gatve/pirmojo-keliu-audio-rezultatai-istiirta-tik-10-keliu-taciau-prarasta-5-5-mln-euru-221-919418.

²⁰ Only the types of evaluations are mentioned: mixed (external) and internal.

²¹ National Audit Office, *Finansinis auditas*, 2018, available at: www.vkontrole.lt/audito_ataskaitos.aspx?tipas=1.

²² Transparency International Lithuania, *Požiūris į Lobistinę Veiklą Reprezentatyvi Lietuvos Įmonių Apklausą*, 2014, available at: www.transparency.lt/wp-content/uploads/2015/10/verslininku_poziuris_i_lobistine_veikla1.pdf

²³ Special Investigation Service, *Lietuvos korupcijos žemėlapis 2016*, 2016, available at: www.stt.lt/documents/soc_tyrimai/LKZ_2016.pdf.

revealed.²⁴ As a result of these insufficient provisions and protections for whistle-blowers, only 7% of people who have encountered possible corruption report it.²⁵

Whistle-blowing returned to the political agenda after journalist Rasa Kazeniene publicly reported potential wrongdoings in the prison system in early 2017.²⁶ The Government quickly reacted to widespread public outcry. In its Action Plan, approved on 13 March 2017, it highlighted whistle-blowers' protection as one of the top anti-corruption priorities, together with reducing bribery levels in healthcare, encouraging healthcare institutions to adopt new anti-corruption measures and improving the procurement system for expensive medical equipment.²⁷ As a result, a new law on whistle-blower protection will come into force on 1 January 2019.²⁸

²⁴ Transparency International Lithuania, *Pranešimų Lietuvos Respublikos Institucijose Priėmimas*, 2013, available at: www.transparency.lt/wp-content/uploads/2015/10/2012_pranesimu_priemimo_lr_institucijose_tyrimas-2.pdf.

²⁵ Transparency International, *Global Corruption Barometer 2015/16/17*, 2018, available at: www.transparency.org/research/qcb/qcb_2015_16.

²⁶ Virelūnaitė L., *Kalėjimų departamentas pareikalavo Rasos Kazėnienės paaiškinti žurnalistams pasakytas frazes*, 15min.lt, 17 October 2018, available at: www.15min.lt/naujiena/aktualu/lietuva/kalejimu-departamentas-pareikalavo-rasos-kazenienes-paaiskinti-zurnalistams-pasakytas-frazes-56-1045396.

²⁷ Government of the Republic of Lithuania, *Decree No. 167*, 2017, available at: www.e-tar.lt/portal/lt/legalAct/2389544007bf11e79ba1ee3112ade9bc.

²⁸ Government of the Republic of Lithuania, *Law No. XIII-804*, 2017, available at: www.e-tar.lt/portal/lt/legalAct/2986b360db3611e7910a89ac20768b0f.

7. POTENTIAL ADDED VALUE OF CoST

The core features of CoST – the Infrastructure Transparency Initiative (CoST) are disclosure, multi-stakeholder working and assurance. These resonate with the Lithuanian Government's commitment to greater transparency, participation and accountability in the public sector, taking another step away from its more distant legacy as a closed and controlled society.

As demonstrated in this report, Lithuania has already taken steps towards improving the governance of public infrastructure investments: making planning and delivery more open and transparent, seeking to engage stakeholders in the process and strengthening accountability within the sector. Building on these achievements, and with the imminent changes to the way the State Investment Programme (SIP) is being developed and implemented, Lithuania could assume a role as a leader in the region through adopting and adapting standards and tools that would provide a roadmap for further reforms.

Embarking on multi-stakeholder working, disclosing infrastructure data in line with the CoST Infrastructure Data Standard (IDS), and validating and interpreting the data for broader public consumption all seem to have potential to complement existing efforts.

7.1 DISCLOSURE

The level of data pertaining to the infrastructure project cycle, from identification, through preparation, procurement, implementation and completion, that is accessible to the public in Lithuania corresponds to 67.5% of the data required by the internationally recognised CoST IDS. Compared to international practice, this represents a reasonable level for a country that has not yet embarked on a targeted reform to raise the bar. However, the data that is disclosed to the public is fragmented, difficult to locate and as consequence not easily accessible.

Importantly, 92.5% of the data required is already produced for use within the Government which suggests that the administrative burden of disclosing this data is limited making it an easier choice to increase disclosure. Currently the gap between what is produced and legal requirements for disclosure is 60.5 percentage points. The data that is not disclosed concerns the most sensitive areas related to infrastructure delivery, which relate to project implementation and whether projects are on budget, on time and the reasons for variations to price, scope and duration.

Using the CoST IDS as a standard for infrastructure transparency could provide Lithuania with clear guidelines on what to disclose to raise the bar and become a regional leader on infrastructure transparency. It is a free, off-the-shelf tool that according to the findings of this study is relevant to the Lithuanian context.

CoST can support the implementation of the CoST IDS as it has done in numerous countries around the world, facilitating disclosure through standardisation of disclosure, development of manuals and institutionalising disclosure. The usual practice, which seems relevant to address the gap between mandatory and actual levels of disclosure found in Lithuania, is to start with an interim disclosure requirement. This instrument pilots mandatory disclosure in line with the CoST IDS, which is then usually replaced by a formal disclosure requirement in the form of a decree or directive making the new approach permanent.

Part and parcel of CoST's work to promote infrastructure transparency is to support the establishment of central online, open source platforms where citizens can easily access and visualise data about infrastructure projects in a user-friendly manner. In Lithuania this could be built around the Strategic Investment Programme (SIP), which contains the majority of national infrastructure projects, while local governments could be linked up adding smaller-scale projects in their respective areas.

7.2 MULTI-STAKEHOLDER WORKING

Infrastructure provides an apt yet challenging area to boost stakeholder engagement as it directly affects citizens and relies on private sector for implementation. It is encouraging to see that public procurement entities in Lithuania have started taking on the challenge, if only in a few cases and extending only to consultation of stakeholders.

It is revealing that there seems to be a lack of knowhow on how to manage stakeholder engagement and make it a successful effort. This often creates apprehension about taking these efforts further. Yet international experience has shown that stakeholder engagement in the infrastructure project cycle is vital for better planning and more efficient project implementation.

The CoST core feature of multi-stakeholder working represents a framework for sustained and constructive engagement, not only of civil society but also the private sector in infrastructure planning and delivery. It entails as a fundamental principle that stakeholders must have a seat at the policy table and participate as partners in decision-making. This goes beyond the definition of active participation by the Organisation for Economic Co-operation and Development (OECD) and represents a progressive approach to stakeholder engagement.

In CoST member countries, the process is usually formalised through the creation of a multi-stakeholder group (MSG), with each sector (government, private sector and civil society) represented. The role of the MSG is to oversee the implementation of CoST core features in the country.

Given the decentralised nature of infrastructure planning and delivery in Lithuania, an overarching MSG is does not appear to be a viable policy option. This could change, however, if Lithuania followed the recommendations of OECD and others to take a more strategic approach to infrastructure planning and delivery, setting up institutions to provide guidance and oversight of the process.

Multi-stakeholder working also holds the potential of profoundly addressing the deficit of stakeholder engagement in infrastructure projects and provides a structured approach to manage and overcome the feeling of engagement being an obstacle. It offers a structured forum for discussing different options and tackling issues that tend to emerge further down the project cycle if left unaddressed.

Reaching agreement about strengthening stakeholder engagement and identifying the best tools and standards can take time. However, the timing seems opportune in Lithuania given the Government's stated commitment to create a methodology for strengthening public engagement to be delivered by July 2019.

7.3 ASSURANCE

The CoST assurance process is a regular, systematic and independent review of disclosed data, verifying the accuracy of the disclosed data and issues of concern for the public. The findings and recommendations are published in a report. It is usually overseen by a MSG, which contributes towards ensuring the independence of the experts selected for the task.

An independent assurance process adapted to the Lithuanian context would complement efforts already underway in the country. Given the strength of the institutions providing oversight and ex-post controls, assurance could be designed to pay more attention to the extent to which projects adhere to project specifications and contractual obligations. In this way, it could help address the finding of this study that, despite formal process requirements, the monitoring of infrastructure projects remains eclectic and lacks systematic supervision.

The CoST assurance process also has the potential of providing independent reviews of projects at the inception stage, reviewing the quality of project appraisals and contributing to the selection of projects based on strategic priorities and value-for-money assessments.

7.4 USE OF CoST TOOLS AND STANDARDS

Countries can join CoST as members or affiliated members, or adapt its core features freely if they see any shortcomings in infrastructure governance and feel the standards and tools are adaptable to their context.

The architecture of the CoST initiative allows each country to prepare their own action plans and raise country-specific goals.¹ Each member is free to draft their implementation plans and move at their own pace when accomplishing key activities. If needed, CoST can provide advice and assistance based on its experience of working with other countries.

¹ CoST – the Infrastructure Transparency Initiative, *Joining CoST*, 2018, available at: www.constructiontransparency.org/the-initiative/joining-cost?forumboardid=8&forumtopicid=8.

8. CONCLUSION AND RECOMMENDATIONS

Lithuania has invested substantially in public infrastructure over the past few decades, aided by European Union (EU) structural funds, and scores well on indicators measuring the quality of infrastructure in comparison with other EU countries.

Challenges remain in terms of ensuring the efficiency of investments, and there are still concerns about mismanagement, waste and corruption. Moreover, infrastructure investment in Lithuania tends to rely on political cycles rather than long-term infrastructure planning. This places infrastructure projects at the risk of constant change, depending on political variations, and leads to projects being suspended and funds transferred to new investments.

Decision making is highly decentralised, which has its merits. But in the absence of concrete priorities, funds tend to be distributed to a wide variety of areas within different sectors. This raises questions about the absence of a long-term infrastructure vision.

A separate national infrastructure strategy would help to understand the role of infrastructure in delivering on the broader strategies, such as the State Advancement Strategy 2030, and their expected outcomes. It would also help the government to consider synergies between specific (larger) projects, different sectors and levels of government.

Further benefits of a separate infrastructure strategy would include the possibility of high-level public engagement in the identification of national priorities for public infrastructure, strengthening their legitimacy and building trust in the Government. It would also facilitate monitoring and oversight of the Government's investments (including debt-financed projects with higher risk) in infrastructure. In addition, it would provide a better operational environment for the private sector through increased certainty of plans, projects and financing.

Openness and accountability are important policy objectives of the Organisation for Economic Co-operation and Development (OECD). They are included as goals in Lithuania's State Advancement Strategy 2030 and the country has already joined the Open Government Partnership.

Adopting and adapting the core features of CoST – the Infrastructure Transparency Initiative (CoST) and proactively strengthening transparency, participation and accountability in infrastructure governance has the potential of adding value to existing efforts in these areas. It will reinforce the new approach to preparing and implementing the State Investment Programme (SIP), which the Government could use to position Lithuania as a leader in the region on infrastructure transparency.

8.1 RECOMMENDATIONS

Drawing from the findings of this report, Transparency International Lithuania and CoST have five recommendations to improve infrastructure governance and ensure efficient infrastructure planning and delivery in Lithuania.

1. Ensure that the reforms to SIP strengthen coherent long-term infrastructure planning. A long-term infrastructure plan should change short-term thinking produced by political cycles and allow managing authorities to prioritise more effectively.
2. Introduce clearly-defined criteria to evaluate the success of infrastructure projects. Public sector institutions should measure the impact of implemented infrastructure projects and present these insights in an accessible and comprehensible manner. These should be subject to independent review.

3. Disclose, validate, interpret and use information according to the CoST Infrastructure Data Standard (IDS) to increase the level of transparency and accountability of infrastructure projects. This would allow interested parties to be better informed about the progress of infrastructure projects, scope of completion, reasons for budget changes and other key information.
4. Develop guidelines to engage better with different stakeholders and systematically involve interest groups. Working with stakeholders would allow better identification of the needs for possible infrastructure projects and reduce risks and uncertainties. The Government should establish practical guidelines for successful public participation from the project inception stage, drawing on experience with the use of multi-stakeholder working and social accountability.
5. Strengthen the accountability of infrastructure investments by drawing on the experience of independent review of data disclosed throughout the infrastructure project cycle. This will give assurance to citizens that public money is being spent properly and efficiently and delivering value for money.

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