LITHUANIA

Overview

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| Population *(specify date)* and territory | 2 805 998 (as of January 1, 2022), 65 284 km² |
| Administrative structure *(unitary/federal)* | Unitary country |
| Regional or state-level governments *(number)* | - |
| Intermediate-level governments *(number)* | 10 Regional Development Councils (joint municipal cooperation body) |
| Municipal-level governments *(number)* | 60 Municipalities |
| Share of subnational government in total expenditure/revenues (2021) | 24.2% of total expenditure  25.8% of total revenues  [Source: [Subnational governments in OECD countries: key data, 2023 edition](https://stats.oecd.org/Index.aspx?DataSetCode=SNGF)] |
| Key regional development challenges | * Different regional economic growth potential and uneven economic development * Certain regions in Lithuania are at risk of greater poverty and social exclusion * An insufficiently sustainable environment, which negatively affects the attractiveness of the regions |
| Objectives of regional policy | Objectives of national regional policy (Law on Regional development) are:   * Promote the adaptation of regions to the changing conditions of the economic and social environment by exploiting and strengthening the competitive advantage and competence of each region * Increase the efficiency of the infrastructure and/or service network of functional zones, ensure that all residents could use this infrastructure and services * Reduce social and economic disparities across and within the regions. |
| Legal/institutional framework for regional policy | * The Law on Regional Development * The Law on Strategic Management * The Strategic Management Methodology |
| Budget allocated to regional development (i.e., amount) and fiscal equalisation mechanisms between jurisdictions (if any) | Budget:   * Regional Development Programme for 2022-2030 (RDP) and Programme for the European Union funds’ investments in 2021-2027 for the implementation of Regional Development Plans (€1623.9 million of EU Structural Funds (ERDF, CF, ESF+) and €378.1 million of national co-financing.)   Fiscal equalisation mechanism between the state and municipalities:   * The Law on Methodology of Determination of Municipal Revenue, Articles 6-8. |
| National regional development policy framework | * The National Progress Plan (NPP) – national document that identifies the main strategic goals and objectives to be achieved in all public policy areas. Strategic objective of the NPP #7: Sustainable and balanced development of the territory of Lithuania and reduction of regional exclusion. The basis for the Regional Development Programme (RDP). * The Regional Development Programme for 2022–2030 (RDP) – based on strategic objectives, identified in the NPP, indicates the directions of implementation of objectives, for which Regional Development Councils and/or municipalities are responsible along to the competence established in regulations. * 10 Regional Development Plans (RDPLs) – each region represented by Regional Development Council identifies social, economic and environmental problems and their causes within the region, determines the goals, objectives of regional development and indicators of monitoring, and plans the progress measures and preliminary funds. |
| Urban policy framework | * Objectives of a national urban policy are integrated into the National Progress Plan (NPP) and the Regional Development Programme for 2022–2030 (RPP) |
| Rural policy framework | * Objectives of a national rural policy are integrated into the National Progress Plan (NPP) and the Regional Development Programme for 2022–2030 (RPP) * CAP Strategic Plan of Lithuania for 2023–2027 |
| Major regional policy tools (e.g., funds, plans, policy initiatives, institutional agreements, etc.) | * European Structural Funds and national co-funding (27% of EUSF dedicated to Regional Development Programme for 2022–2030 and Regional Development Plans) * The Regional Development Programme for 2022­–2030 (RDP) * The Regional Development Plans (RDPLs) |
| Policy co-ordination tools at national level | * Ministry of Interior (national regional policy formation, organization, coordination and monitoring of its implementation) * National Regional Development Council (it is the collegial advisory body for the Government and the Ministry of Interior in the area of national regional policy formulation and implementation. It consists from representatives of ministries, public authorities, the Association of Local Authorities in Lithuania, employers’ and trade unions’ organizations selected to the Tripartite Council, representatives of the Council of Non-Governmental Organisations and the National Council of Community Organizations, chairs of Regional Development Councils (RDCs)). |
| Multi-level governance mechanisms between national and subnational levels (e.g., institutional agreements, Committees, etc.) | * National Regional Development Council (It is empowered to discuss and consider the projects of planning documents being approved by the Government, including the Regional Development Programme, and regulations that may affect the regional development, and provide conclusions on these projects, also consider the progress of the implementation of these planning documents and, if necessary, submit proposals to the Government and the Ministry of Interior for the improvement of these documents, and consider other issues in the area of national regional policy formation and implementation) |
| Policy co-ordination tools at regional level | * 10 Regional Development Councils (RDCs), one Council in each region, are legal entities established through an agreement between municipalities. RDCs are supra-municipal institutions. The body of RDC is the General meeting of participants; the governing bodies are the Panel (composed of the Mayors and members of the Municipal Councils) and the Administrative Director of RDC. Representing the region, their main competencies include: to plan and coordinate the implementation of the national regional policy in their respective region; to encourage social, economic development of the region, sustainable development of urbanised territories, decrease social and economic disparities within and across regions; and to encourage cooperation among municipalities in order to increase the efficiency of public services provision. The Administrative Director of RDC with small team (4-6 persons) acts as the secretariat of RDC. Also, RDC has an advisory Partner Group, that are engaged in delivering conclusions and opinions to the Panel regarding the projects of planning documents and other issues in the area of regional policy. * 10 Regional Development Plans (RDPLs) prepared and approved by Regional Development Councils * Sustainable Urban Development Strategies are prepared and implemented by urban municipalities in order to achieve the sustainable development of regional centres by solving social, economic, environmental and climate change challenges and in compliance with the principles of integrated approach. * Agreements on Functional Zones among municipalities and Strategies for Sustainable Development of Functional Zones. Functional Zones are established and their strategies are prepared and implemented in order to increase the efficiency of the municipalities’ infrastructure and/or service network, to ensure the access to this infrastructure and services for all functional zone residents, and to create conditions for the joint actions of several municipalities and the implementation of joint investment projects. |
| Evaluation and monitoring tools | * Ministry of Interior (monitoring the progress of implementation of the Regional Development Programme for 2022-2030, consulting RDCs on the consistency of RDPLs with the aim and objectives of the national regional policy, other issues of RDPLs preparation, implementation and monitoring in the area of Ministry competence) * Central Project Management Agency (methodical guidance for strategic planning, project management, monitoring, supervision, evaluation, financial management, progress reporting) * System of indicators and targets along to the 2021-2030 National Progress Plan (NPP), the Regional Development Programme for 2022–2030 and 10 Regional Development Plans |
| Future orientations of regional policy | Future orientations of regional policy focus on following issues:   * Decrease **inter**regional social and economic disparities by strengthening regions in most vulnerable areas in terms of target groups, public services, transportation and environmental issues. * Decrease **intra**regional social and economic disparities by implementing the measures within the region towards economic, social or environmental issues in particular territory. |

Recent policy developments

In June 2022, the Government of Lithuania approved the Regional Development Programme for 2022-2030. Along with the Partnership Agreement on EU Funds for 2021-2027 and 2021-2027 EU Funds’ Investment programme, it created the strategic framework for Regional Development Councils to set the goals of regional cohesion and put them into Regional Development Plans. Bottom-up approach allows regions (Regional Development Councils) to make decisions, what and to what extent the identified social, economic, environmental, territorial problems within the region to address. Regional Development Programme provides investments that are devoted to education, health, social services, sustainable mobility, environment, access to public services, investment attractiveness, business environment etc. (27% of total EU structural funds).

The next step of the regional policy implementation was taken in January 2023, by approving the Description of the Procedure for Preparation and Implementation Monitoring of Sustainable Urban Development Strategies and Functional Zones’ Strategies. Regional centres (cities) are preparing Sustainable Urban Development Strategies to address social, economic, environmental and climate change challenges. Functional zones are created, and their strategies are prepared jointly by municipalities in order to increase the efficiency of the infrastructure and/or service network within the functional zones, to ensure all residents the access to this infrastructure and services, to create opportunities for joint actions of several municipalities covered by functional zone, and to implement joint investment projects.