



TRANSPARENCY
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Lietuvos skyrius

**MONITORING OF
EU STRUCTURAL FUNDS
ALLOCATION IN LITHUANIA:
LESSONS FROM 2004-2006**

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EU SF projects taken part in

“Transparency through awareness” project [2005-2006]
together with other TI chapters

“Monitoring of the EU structural funds: efficiency and implementation” project [2005-2006] together with Civil Society Institute

EU SF Allocation Transparency Survey [2006] together with Special Investigation Service of Lithuania

“Save public assets” project [2006-2007] together with PROVIDUS and other CEE NGOs

Start up of the network on Structural Funds Impacts and Transparency [2008] together Slovak Governance Institute and other CEE NGOs

Civil society EU SF related activities [05-07]

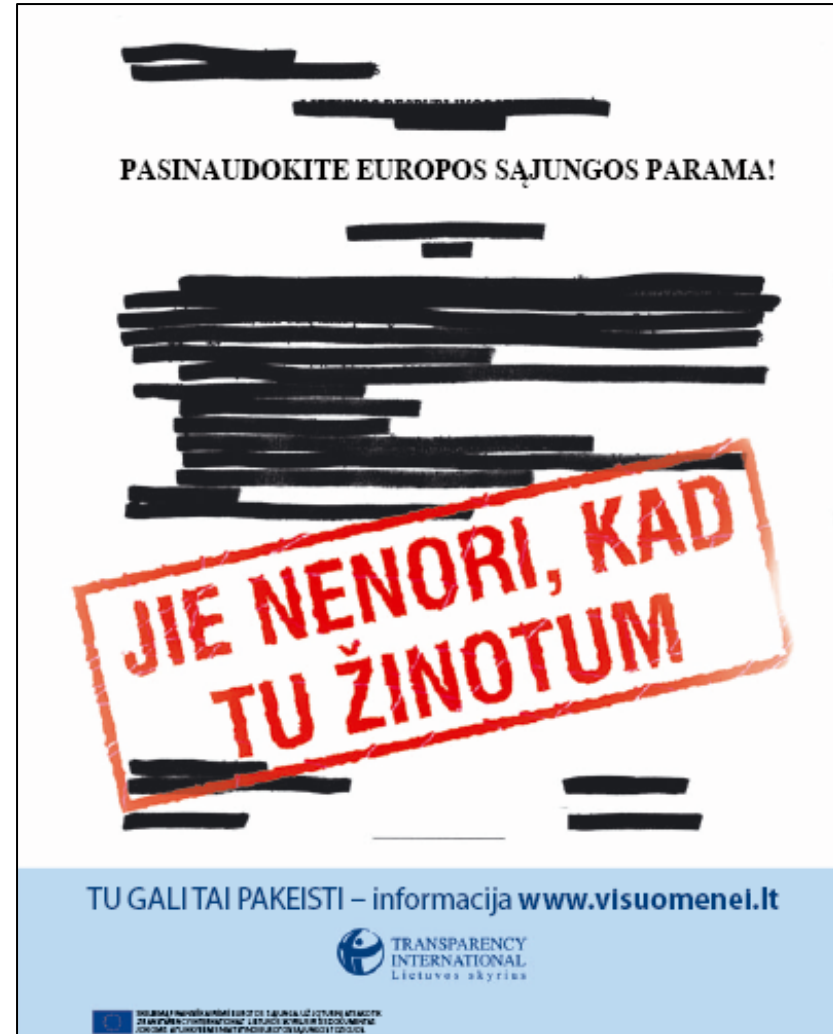
Awareness-raising

Advocacy

Expert analysis

Sociological research

Participation in the working group on development and perfection of EU SF administration system



EU SF allocation in the public eye

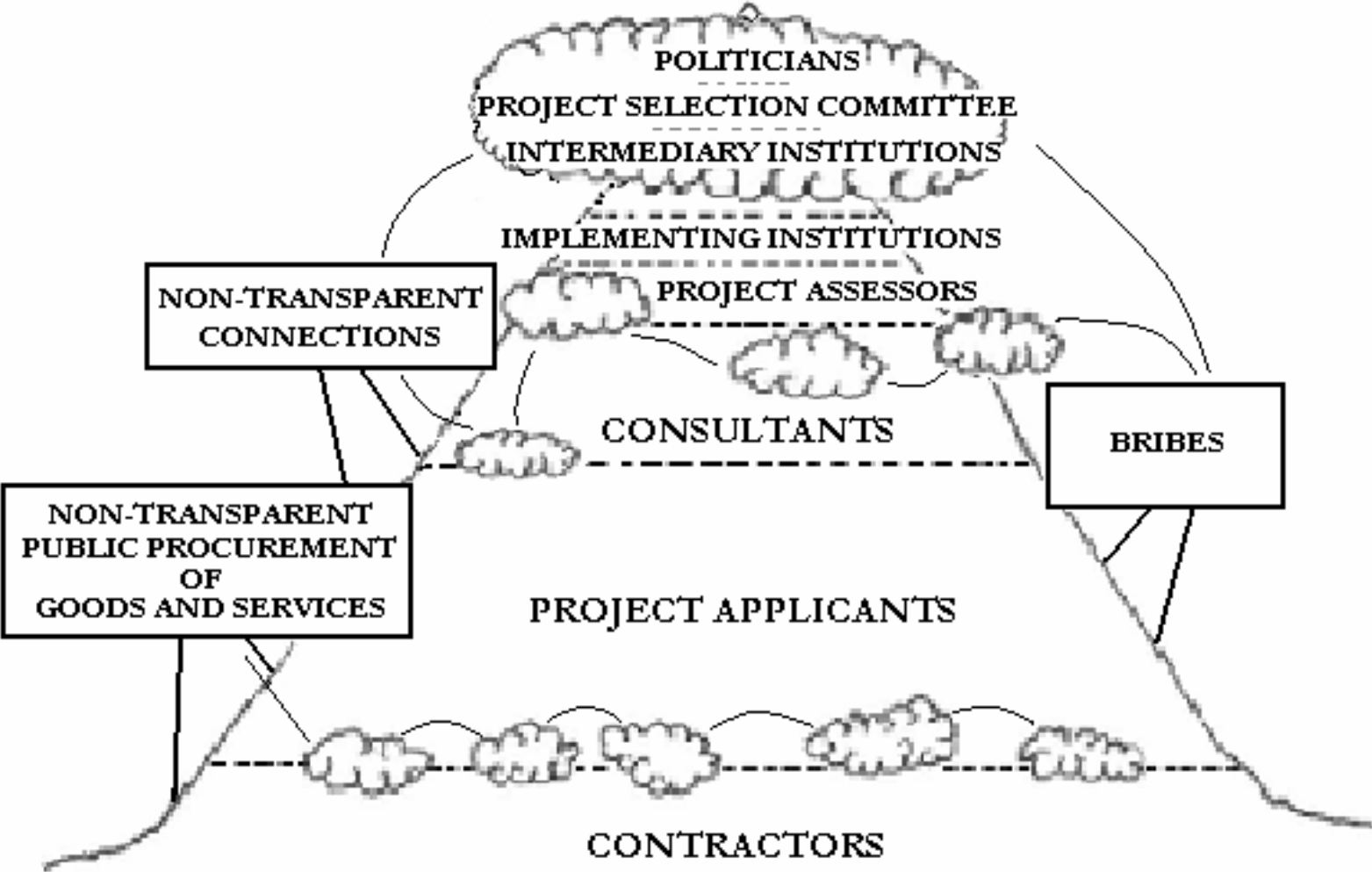
Negative and incriminating media coverage

Public perception rather negative

61 % believe that EU SF support is distributed in non-transparently and ineffectively

43 % say they do not / likely do not have enough information about EU SF allocation in Lithuania

EU SF allocation at a glance: the context



EU SF allocation transparency experience

- **85%** stated that preparation and evaluation of projects was either completely honest or more honest than dishonest
 - [**44%** of those who think that the process was not completely honest believe that EU SF support is received by companies that have connections with agencies or companies that are rich and influential]
- **95%** did not receive any hints indicating that confirmation of their project would be guaranteed if they fulfilled certain conditions

EU SF allocation at a glance:

THE MOST POSITIVE ATTRIBUTE:

Politeness and goodwill of agency employees

THE MOST NEGATIVE ATTRIBUTES:

Lengthy period between submission of a project application and signing of the agreement to receive EU support

Complexity of the rules and documentation

Rejection of submitted projects is not sufficiently explained

EU SF allocation at a glance:

THE MOST TRANSPARENT PROCEDURE:

Supervision of project implementation by agencies

THE MOST CORRUPT PROCEDURES:

Decisions by the Project Selection Committee

Decisions on allocation of support to a project

Evaluation of project application in implementing institutions

EU SF allocation transparency perception

64% believe that **in general** the funds are distributed transparently and honestly

52% say the EU support was distributed effectively

42% were of the opposite opinion

WORSE

Non-governmental organizations, private companies and those who applied but did not receive EU SF support

BETTER

State and municipal establishments, private individuals and those organizations and companies that received EU SF support

EU SF allocation at a glance

- **35%** believe that organizations and individuals that received EU structural support sometimes unofficially reward public servants and politicians
- **29%** of companies are more likely to use their connections with politicians and public servants in charge of EU SF decision-making
- **10%** would use financial rewards, presents or services

Consulting companies also appear to be in the mix

The role and quality of project assessors raises concern

Transparency of public procurement is an issue

Blat in EU SF Allocation

- Corrupt practices are more likely to take form of connections and decisions on higher politically affiliated levels – not visible in the administration system of implementing institutions.
- Close connections with those responsible for decision-making in order to obtain EU structural support are important.
- Nearly 1/3 would make use of their connections with respective persons in hope of receiving structural funds support.
- Acquaintances and connections play an important role and may influence the mystification of certain EU structural funds implementation procedures and corrupt activities.

EU SF allocation at a glance: consultants

THE ROLE OF CONSULTING COMPANIES

- **52-55%** hired a consulting company to prepare their project application.
- **32%** believe that consulting companies sometimes unofficially reward public officials and politicians to obtain favourable decisions.

How much of it is a myth?

Projects of national importance

Three points of concern:

No officially laid down priorities by the Lithuanian State

The contents of many projects were devised by assembled ministerial working groups

The power of lobbying?

Examples:





Projects by Ministry of Education and Science, Ministry of Economy

TI Lithuania recommendations [04-06]

- To establish clear rules for participation of SRE partners in the meetings of project selection committees
- To make minutes of project selection committee meetings public
- To submit information about recipients of EU support for agricultural activities
- To extend access to the EU structural and cohesion funds computerized information management and monitoring system.
- To establish rules, which are based on clear and objective selection criteria, for nomination of projects of national importance to receive EU structural funds



TI Lithuania recommendations [04-06]

- To prompt the Euro-consultants community to establish some sort of an independent consultant “association” with supervisory functions 
- To strengthen the autonomy of implementing institutions 
- To strengthen the monitoring of conduct of assessors and employees 
- To substantially strengthen the protection of whistleblowers that report about possible illegal activities 

Civil society monitoring – the outcomes

Greater receptiveness and openness of public servants

The veil of secrecy shifted – but how much?

Greater flow of EU SF related information by public bodies

Declared greater political commitment to transparency – the practice hardly holds...

Greater SRE and NGO involvement in EU SF consultation process – but what does it mean in practice?

Civil society monitoring – Lessons learnt

THE UPSIDE

Neutrality / Agents of Change

Expertise development

THE DOWNSIDE

Lack of human resources / Spasmodic monitoring / Lack of expertise

Reputation crisis in case of failure / Legitimatization by proxy?