

Implementation of EU Cohesion Policy in Member State – case of Lithuania



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on Effective Management of EU Cohesion Policy Funds
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1 billion Euro for national development per year – what does it mean?

- still an opportunity, not an achievement in itself.
- approved programmes and accredited management systems are also only pre-conditions for receiving of EU money.
- The country needs thousands of projects and capacity to implement them in order to spend the money efficiently and effectively and achieve results.
- At any level, local, regional or national, each project must match with national development targets and should reach a high standard of quality. Synergy with other projects is a key factor for efficiency.

Examples from Lithuania -

1. NATIONAL SCALE BROADBAND AND COMPUTER LITERACY DEVELOPMENT PROJECTS

STARTING POSITION

- An evenly developed and advanced electronic infrastructure is a necessary precondition for business and citizen to be able to use information and communications technologies and the abundant resources of the electronic content
- profound differences between the opportunities had by the populations of different areas to use advanced information infrastructure: 99 per cent of urban residents and only 16 per cent of rural residents in Lithuania had the opportunity to use broadband electronic communications services.
- The country's rural areas are unattractive to business investments into broadband electronic communications infrastructure due to a relatively low number of possible subscribers, spread out settlements and expensive construction works.

The Lithuanian Broadband Communications Infrastructure Development Strategy for 2005-2010 was adopted in 2005:

- *by 01/01/2009: to connect 100 per cent of public administration institutions and establishments to broadband communication networks;*
- *by 01/01/2010: to provide the possibility in 98 per cent of the country's territory to connect to existing broadband communication networks to all small and medium businesses and residents wishing to do so.*



RAIN project: the idea

- Despite efforts from alternative instruments initiated by the Lithuanian authorities, limited private investments have taken place in the targeted areas. Without further public intervention, reducing the "*digital divide*" *between rural and urban areas seems not possible*
- It was decided to make public intervention for construction of broadband infrastructure in **rural, or “white”, areas, in order** to induce growth of employment, social inclusion, economic cohesion.
- It was decided to support the construction of an infrastructure which will be made available to all operators on non-discriminatory terms, who, in turn, will supply broadband services to final users.
- For construction of such infrastructure, project **“Development of Rural Area Information Technology Network RAIN”** is being implemented, according to the **State aid scheme**.



Project scope and results

The project consists of two layers:

- the first layer is dedicated to tender out the construction of passive network infrastructure (works, ducts, fibers) to construction companies;
- the second layer is management of constructed infrastructure and offering wholesale services to ISPs who in turn will provide retail services to end users at conditions and prices similar to urban areas.

Project was implemented in 2 steps:

First – 20 MEUR / ERDF:

- 3,357 kilometres of fibre optic cable lines were laid
- 509 RAIN network units were installed
- all Lithuanian rural elderates (467) were connected to 51 municipality
- 330 schools were connected to fibre optic infrastructure.
- over 300,000 residents of the country's rural areas (i.e. about 10 per cent of Lithuanian people).

Second – 50 MEUR / ERDF:

- broadband network service users number increased by 23 per cent
- additional 770 towns and villages connected to the broadband network.
- Over 4400 kilometers of fiber optical lines will be connected and over 2500 network connection points installed.
- 570 Education institutions
- 580 Libraries
- 360 Public internet centers
- Other objects 220



The project team

- The project idea was developed by the Institute of Mathematics and Informatics (project coordinator)
- Project was implemented by four partners: the Institute of Mathematics, Ministry of Transport and Communications of the Republic of Lithuania, Ministry of Education and Science of the Republic of Lithuania and the Public Institution “Plačiajuostis internetas” with support with rural area municipalities, local authorities, communities.

Cooperation during project implementation:

- 51 municipalities and more than 400 rural elderates;
- Ministry of Culture (interconnection of Libraries);
- Ministry of Interior (interconnection of Internet Access Points);
- Ministry of National Defense (interconnection of military objects);
- Ministry of Agriculture (interconnection of agriculture objects);
- Private operators and service providers: SC “Lietuvos energija”, TEO LT, SC, SC “Rytų skirstomieji tinklai”, JSC “Skaidula”, Public Company “Infostruktura”, JSC “Omnitel”, JSC “Bite Lietuva”, SC Lithuanian Radio and Television Centre (interconnection of existing infrastructure objects);
- Lithuanian Road Administration;



The key principles

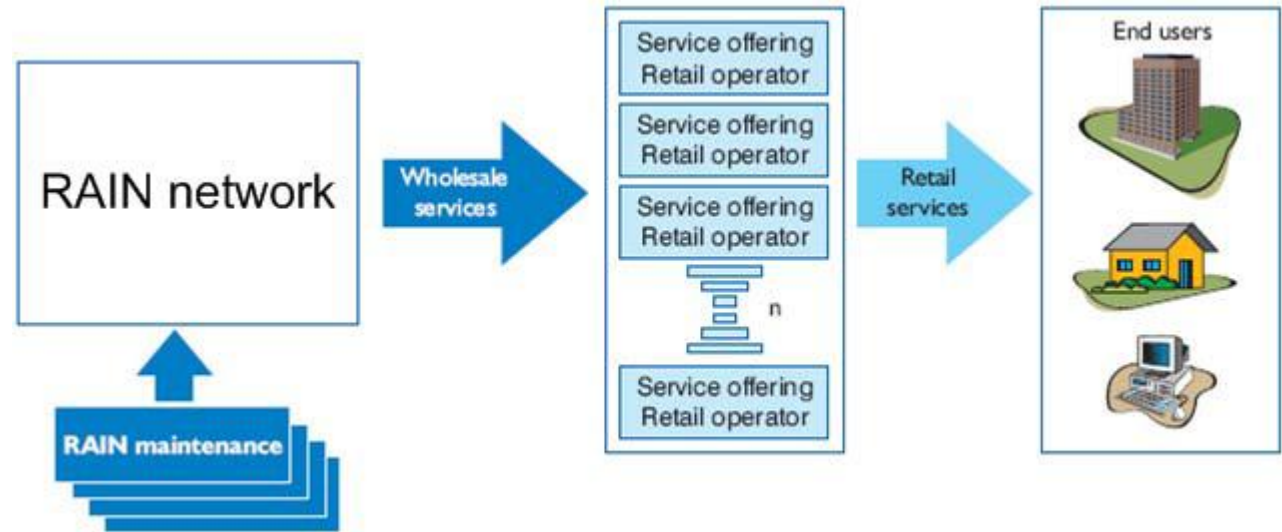
- **The open access principle:** the built infrastructure may be employed by all service users. Technical solutions must ensure this principle.
- **Technological neutrality:** the selected technologies should allow all potential users of the network to use the resources of the network freely without restrictions to technical solutions.
- The selected solutions must optimally promote **development of a competitive environment**, i.e. the end user should be allowed to freely choose the service provider and services.
- The infrastructure is constructed only in areas **where it does not exist**.
- The selected technical solutions should serve long-term and meet the needs for a period of at least **10 years**.

Infrastructure / service management model



RAIN Network Services:

- Transmission service via optical fibers
- Transmission service via multiplexed optical fibers
- The service of data transmission



1. **RAIN network will be owned by the State.** Ministry of Transport and Communications owns it, sets services and tariffs.
2. **Public company** “ Placiajuostis internetas” – **supervisor of RAIN network.**
3. **Maintenance of RAIN network** is executed by private sector entities selected via public tenders.
4. **Users of RAIN network**– all retail operators (equal conditions, i.e. without any restrictions, or tenders).
5. **End users** can freely choose retail operator, services and last mile technology according to their needs.

In conjunction with RAIN-1, the completion of RAIN-2 will bring broadband services to residents and organisations in 98 % of the rural areas, and provide a competitive environment for the delivery of broadband services and connect major centers of knowledge in rural areas, in particular schools, libraries and public Internet centers.

**Is the accessibility to
broadband sufficient
condition to start using
the internet?**

Langas j ateitj (Window to the Future) Initiative

Private Business Contribution to the Development of the Information Society.

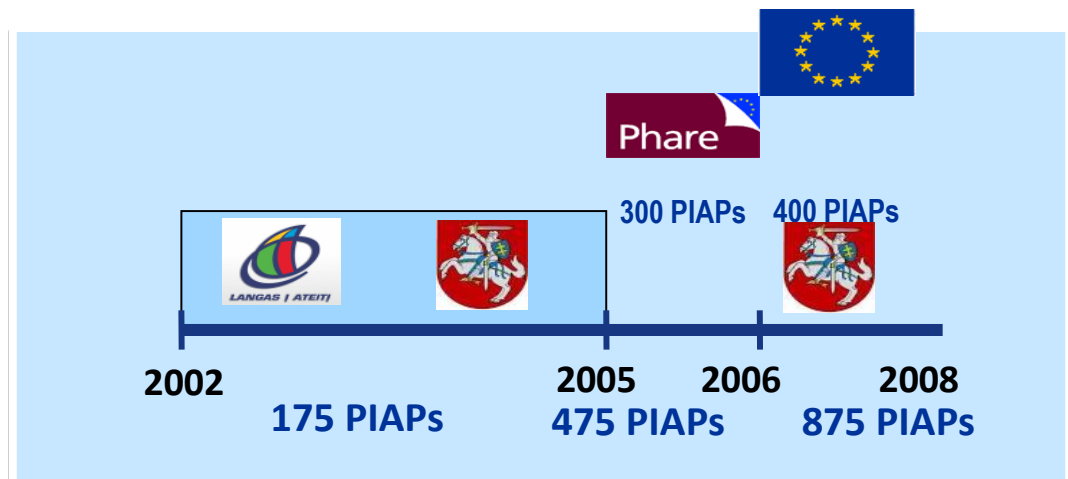
Langas j ateitj is a Society modernization initiative launched by private business companies in 2002

Mission - to promote the use of internet in Lithuania encouraging society to use e-services and in this way stimulate the growth of the standard of living, as well as Lithuania's competitive ability among European and World countries

Members: OMNITEL, Swedbank, SEB bankas, IT company ATEA, Microsoft Lietuva, law firm LAWIN

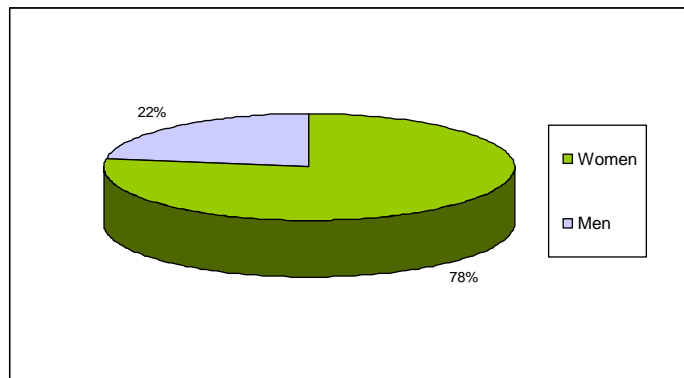
Partners: Ministry of Interior

Activities since 2002: Establishing public Internet Access points, Training society in using computers and Internet, Promoting the usage of online services



“Langas į ateitį” initiated project - Computer Literacy Basics for a Lithuanian citizen project – 50 400 participants

The project was designed to solve problems related to the insufficient computer literacy of people in Lithuania. According to the results of studies carried out in 2004-2005, only some 30% of the Lithuanian population used computers and the Internet, with an even lower number of such people recorded in rural areas (14%).



Age group	Part of all (%)
under 18	1 %
18-24	5 %
25-39	28 %
40-59	54 %
over 60	12 %



Lietais e. plėčiū kompiuterinio raštingumo padidinti

Įšmokti naudotis internetu niekada nevēlu!

Nemokami darbo kompiuteriu ir Internetu kursai. Tel. 8 700 55321

Skaitmeninio kurso ir TEO LT kuro – 19 000 Lt. * (paangrūptas mokymais 14 000 Lt. * 10000 Lt. – pagal mokymų planą)

E. piliečių abėcėlė

BPD   

Projektas finansuojamas iš Europos Sąjungos struktūrinių fondų ir Lietuvos Respublikos biudžeto lėšų.

KURKIME ATETI Į PRIEITĮ

The national-scale project

- has reached all 60 Lithuanian municipalities.
- particular attention was paid to rural residents and elderly persons.
- The courses lasted 5 days (40 working hours). All participants received special textbooks. The syllabus and methodology of digital literacy training has been prepared according to the Computer Literacy Standard and corresponded to the latest version of the ECDL e-Citizen syllabus.
- The training content is orientated towards both commercial and free software, so participants are able to use the most suitable one.
- LIA conducted the largest-ever training programme in Lithuania: the courses were conducted by over 400 lecturers in 2,938 classrooms and 181 Public Internet Access Points.
- Among all training participants 400 disabled persons from 16 municipalities of Lithuania have also taken courses in computer literacy and Internet basics. The content and methodology of training were adapted for the disabled.



2. Benefits of EU funds for region – City of Druskininkai example



Vision - “Lithuania begins from Druskininkai”



Size:
22 thousands inhabitants

Distance:

Vilnius (LT) – 130 km

Maskva (RUS) – 1030 km

Sankt Peterburgas (RUS) – 860 km

Minskas (BY) – 311 km

Varšuva (PL) – 317 km

Berlynas (GER) – 891 km

Kijevas (UKR) – 783 km

Ryga (LV) – 413 km

Talinas (EE) – 723 km

Druskininkai – a resort town from 1794



Druskininkai. Galeria do picia wód.



ДРУСКЕНИКИ.
Минеральный ванны.

DRUSKIENIKI.
Lazienki mineralne.



ДРУСКЕНИКИ. Минер. источн.
проф. Иностранцева „Наша“

DRUSKIENIKI. Źródło mineralne
prof. Inoścancewa „Nasza“



Лавка въ здании минер.

Druskininkai – the popular resort in former Soviet Union in 1950-1990 period



And in 2000....



Investments in 2000 - 2007

- Private sector:
 - Hotels, Sanatorium;
 - SPA centres;
 - Conference halls;
 - Countryside and leisure facilities
- Public sector:
 - Tourism infrastructure
 - Infrastructure of education, sports, culture, social and health care services, roads, heating and wastewater management

Druskininkai AQUA park – 2005



- capacity - 1500 visitors at same time
- 30-40 thousands visitors per month, 400 000 per year
- Only 48 % visitors are from Lithuania
- 2011 year results – 800 000 LT of profit

Druskininkai AQUA park

- 9000 square meters consisting of a slide tower and a swimming pools area
- Bathhouse with 20 different baths

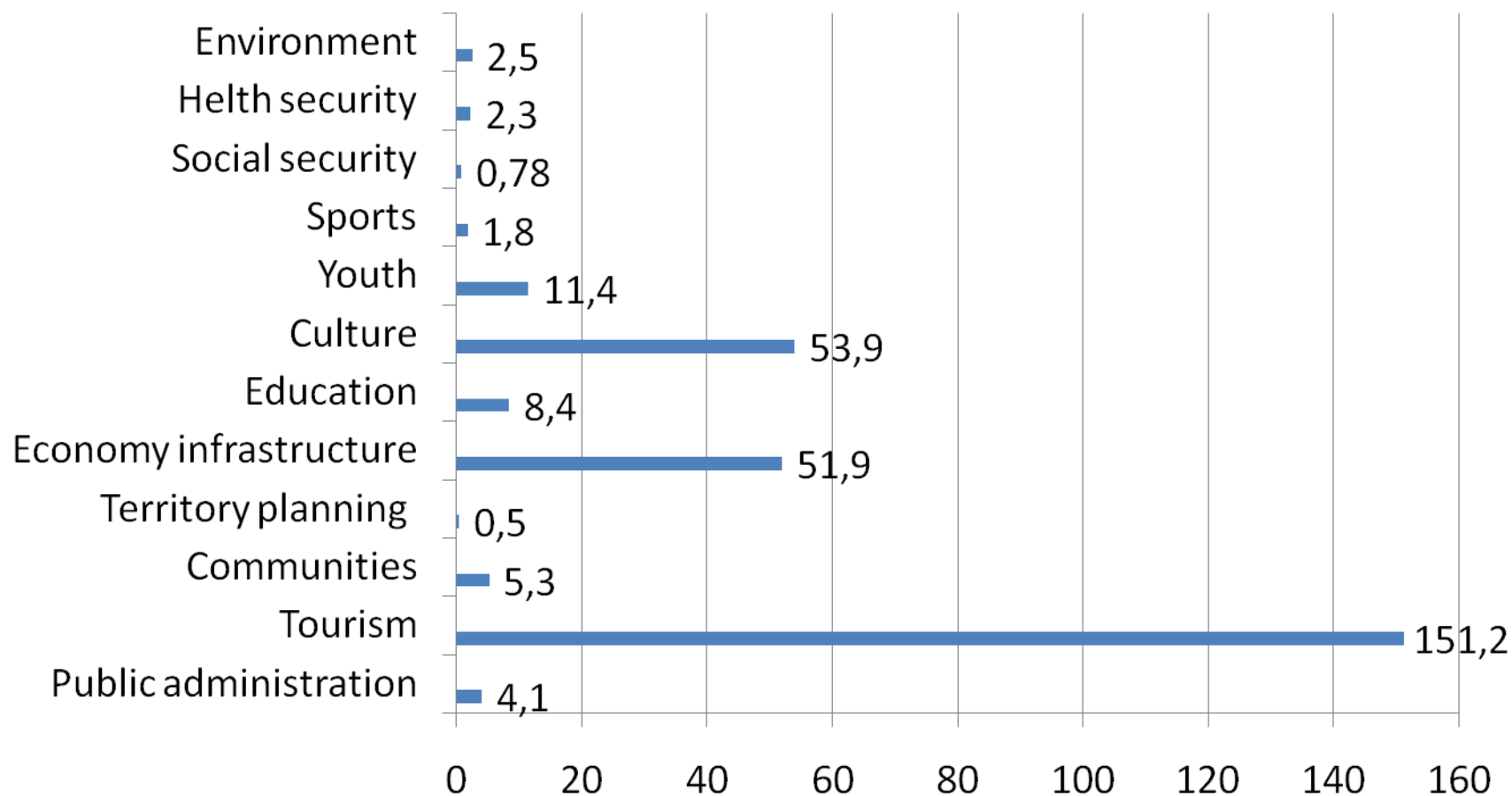


Benefits of EU funds for Druskininkai via Druskininkai AQUA park

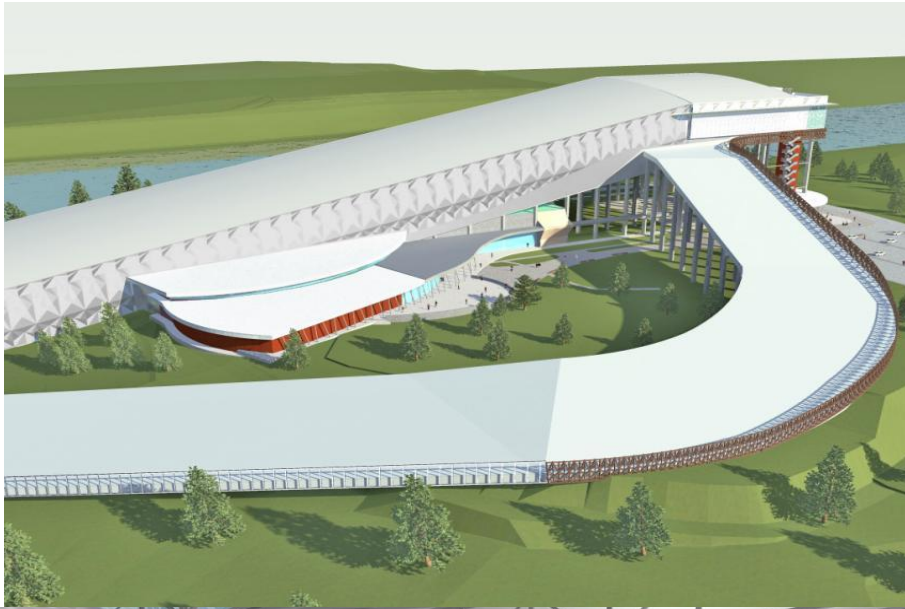
- reconstructed old Physiotherapy centre of 9000 sq.m.
- created 55 new job positions (direct) and about 390 additional job positions in tourism sector (indirect)
- 4 time increased number of tourist comparing 1999 and 2006.
- Helps to solve social-economical issues and attract new private investments to Druskininkai.

EU support for 2007 – 2013 period

Administration of Druskininkai Municipality implements **50 projects**, total value are about 294 mln. Lt .



SNOW ARENA - Indoors and Outdoors skiing slopes



Indoors and Outdoors skiing slopes



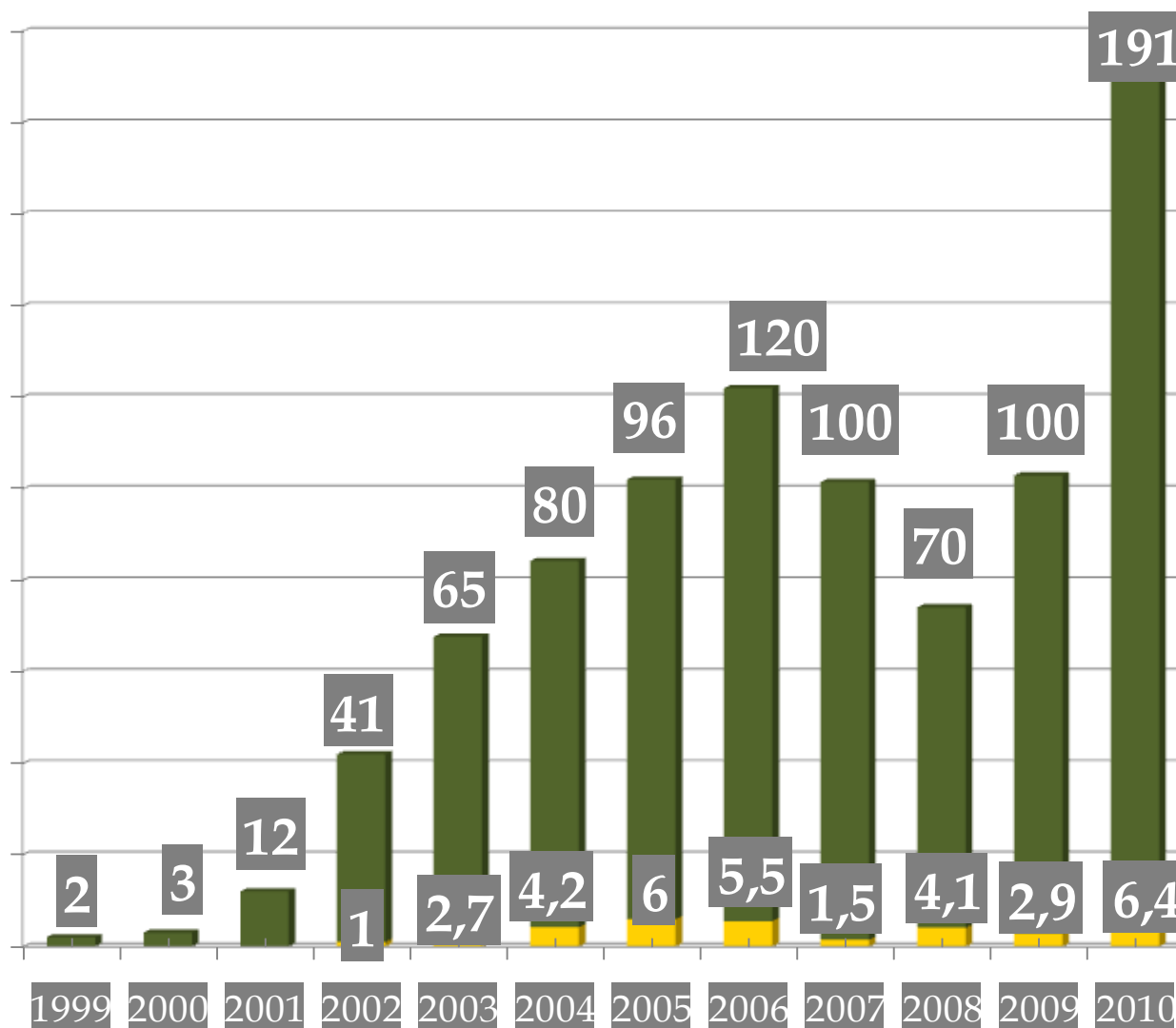
80,974 mln.Lt of Eligible expenditure

- EU SF structural funds – 37,5 %.
- LT financing (private funds) – 56,6 %
- LT financing (Municipal budget) – 5,9 %
- PPP – concession, 25 years
- Regional state aid

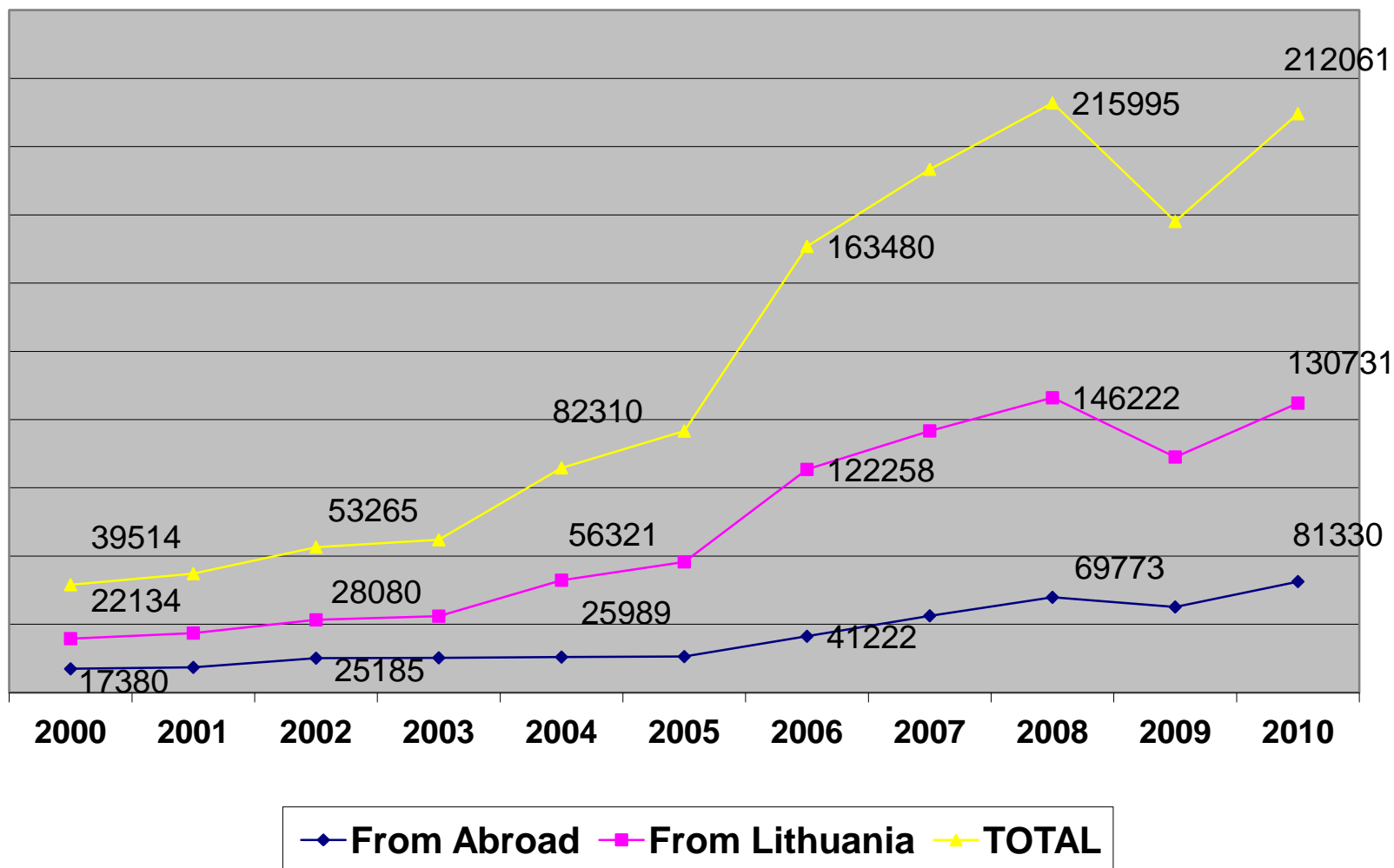
Benefit of EU funds for Druskininkai via Snow Arena

- 528264 visitors planned during 3 years after opening of it (450 000 already after first year);
- 60,42 mln. Lt of private investments attracted;
- 75 direct and indirect new job positions created.
- Decreased influence of seasons for service use;
- created attractive conditions to develop business;
- Increase transnational competitiveness of Druskininkai as resort;
- Visitors stay longer in Druskininkai because of complexity and variety of attractions and services

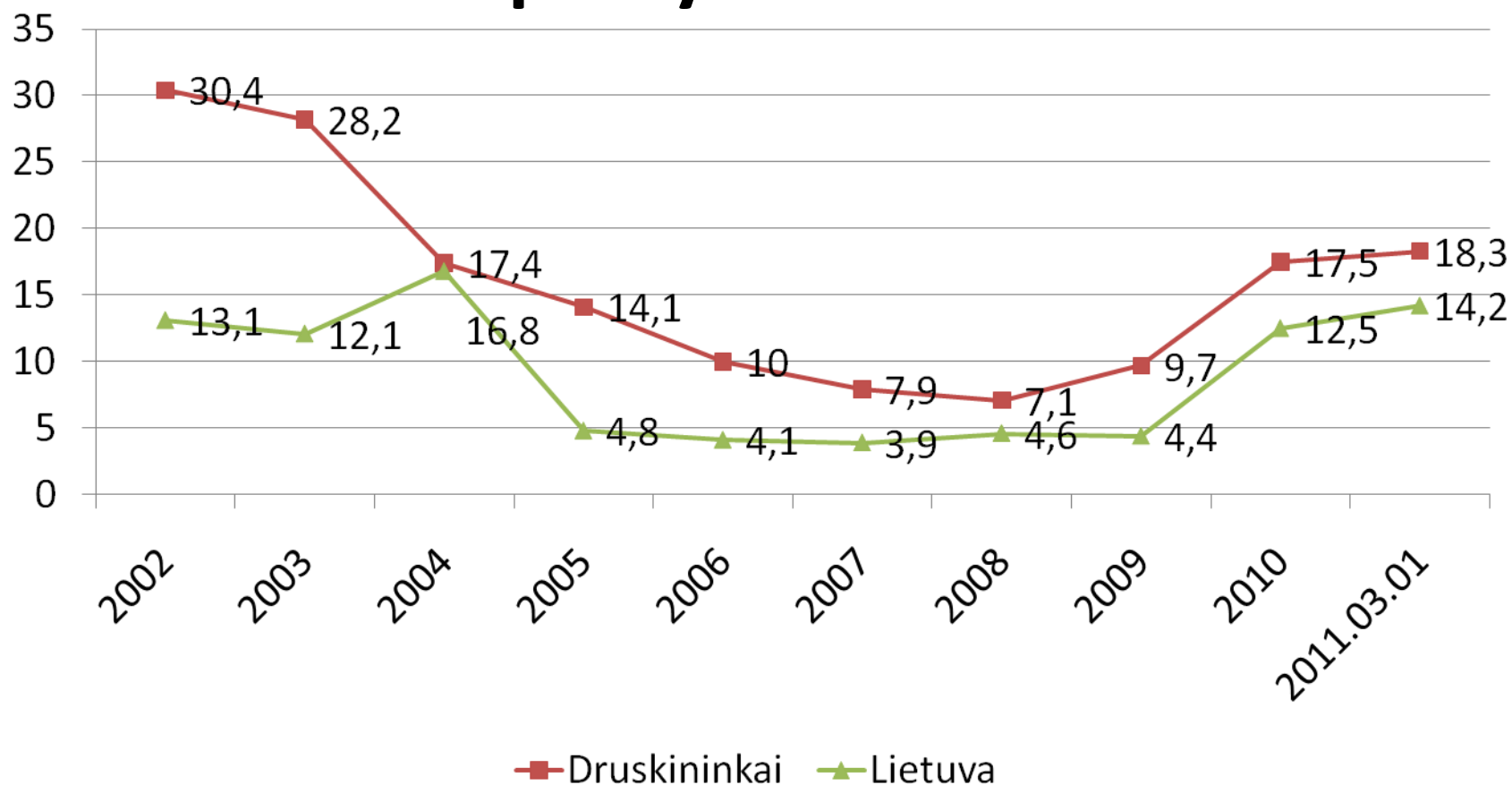
Investments during 1999 – 2010 (mln. Lt.)



Number of tourists 2000 – 2010



Unemployment rate in Druskininkai Municipality and Lithuania



Thank you and good
luck!

