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PEER REVIEW REPORT ON REGIONAL DEVELOPMENT IN LITHUANIA

*The present document was prepared by the Centre of Expertise for Good Governance,
Directorate General II – Democracy, Council of Europe,
in cooperation with peers from Iceland, Slovakia, Slovenia, United Kingdom as well as
CoE international experts*

Centre of Expertise for Good Governance

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Summary

Following a request from the Lithuanian Ministry of the Interior, the Council of Europe's Centre of Expertise for Good Governance organised a Peer Review of the draft law on regional development (*Law on amendment of the Republic of Lithuania Law on regional development no VIII-1889*) which will be debated soon in Parliament. A team of international peers and experts in cooperation with all major national institutional stakeholders reviewed the project, in view of a list of questions submitted by the Ministry.

On December 2017 the National Regional Development Council of the Republic of Lithuania adopted a "*White Paper for the Lithuanian regional policy*", setting the goal for creating a more effective and independent regional policy system. This document has paved the way for the forthcoming reform, whose general trends are now established by the draft law.

In the light of the European standards regarding regional self-government and the experience of the countries whereof are the members of the team, it wants to draw attention to some issues which are the object of the following general recommendations:

1. *Regarding the purpose of the reform, the Peer review team:*
 - recommends establishing more precisely the purpose of the regional tier and powers of the regions;
 - recommends that the Law determines a more precise range of regional goals and preserves the contractual basis for the creation of the Regional Development Councils;
2. *Regarding the question of political accountability at the regional tier, the Peer review team:*
 - recommends that the Law provides for at least one politically accountable authority;
 - o suggests that the Law reinforces the powers of a better structured executive body, which can be created by transforming the chairman of the Panel into a "president of the regional development council", and to establish clear procedures for decision taking and for the scrutiny of decisions *or/and*
 - o in the longer term establish direct elections at the regional tier;
 - draws attention to the role of the administrative director, which should be reviewed in order to be under the effective control of an elected representative;
 - recommends that safeguards for transparency, open meetings and availability of documents are provided for by the Law.
 - considers in the longer term that a constitutional reform will be essential to define precisely the future relationship between the regional and the municipal tiers.
3. *Regarding the lack of cooperation culture between municipalities, the Peer Review team:*
 - considers that the municipalities will not have a real choice to decide if they would prefer being involved in the new regions;
 - considers that the Law should not entirely frame the independent will of the municipalities – the law should not entirely remove the discretion of

municipalities to decide whether to collaborate, and if so how, including to decide within some set parameters the number of seats and voting procedures in a Regional Council;

- recommends that financial incentives are used in order to encourage the cooperation between the municipalities, but they should not entirely frame the independent will of the municipalities;
 - suggests in the longer term that the regional boundaries which are not linked to strong historical or cultural heritage, could be modified or adapted in some cases, presumably by the state legislating or with a constitutional reform in the longer term;
 - considers that it would be a great incentive to give more flexibility to the municipalities regarding the number of seats in the Panel.
4. *Regarding the association of economic and social partners, the Peer Review team:*
- strongly recommends that the modalities of participation of these partners in the decision-making are reviewed in order to establish a stronger separation between public and private interests and to ensure clear and effective accountability;
 - considers that it would be preferable to establish a specific body inside the Regional Development Councils, composed of economic and social partners, which should be consulted on relevant topics.
5. *Regarding expertise and financial resources to the regional tier, the Peer Review team:*
- considers that the origin of resources, their calculation method and the way they will dynamically evolve should be specified by the Law;
 - suggests that the Law also ensures, as a principle, that the Regional Development Councils will be able to manage freely their resources;
 - suggests that the Law provides for specific financial incentives (resources) for the Regional Development Councils which will be given operative functions by the municipalities;
 - recommends that for this kind of functions and regarding the associate investments, the capacity to borrow is recognised by the Law;
 - recommends that the procedures for using the services of the Centre of expertise are provided for by the law;
 - considers that the conditions of independence of the experts of the Centre of expertise, and their obligations regarding conflict of interests should also be specified;
 - suggests that the Law also provides for rights to training and other professional upgrading for the members of the municipalities and Regional Development Councils.

The present report is organised in three chapters: Introduction, I. Regionalisation in the Republic of Lithuania: current organisation, issues & planned reform and II. Peer review main findings and recommendations.

Introduction

1.1 Lithuania – Council of Europe cooperation

Lithuania became the 28th member State of the Council of Europe on 14 May 1993. It signed the European Charter of Local Self-Government (hereafter “the Charter”) in 1996 and ratified it in 1999. Lithuania also signed the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority in 2009 and ratified in 2012.

The “*White Paper for the Lithuanian regional policy*”¹, approved at the 15 December 2017 meeting of the National Regional Development Council plans to introduce changes to the Lithuanian regional policy based on international best practice and standards.

The last monitoring report on local and regional democracy in Lithuania led to the recommendation 420(2018), discussed and approved by the Chamber of Local Authorities on 6 November 2018 and adopted by the Congress on 7 November 2018, 2nd sitting. Regarding regional issues, the recommendation notices that “*there is an ongoing discussion, both at national and local level, on the strengthening of the Regional Development Councils and the possibility of establishing a second tier of local Government*” and requested that the Committee of Ministers invites the authorities of Lithuania “*to take measures to further develop the regional tier, increasing the competences and the capacities of their administrative apparatus*”.

1.2 The Peer Review

Following a request of the Ministry of the Interior of the Republic of Lithuania, the Centre of Expertise for Good Governance of the Council of Europe organised a Peer Review (PR) to assess a draft law and advise the Lithuanian Government on European standards and practices regarding regionalisation.

The Centre of Expertise has significant experience and expertise in designing and conducting Peer Reviews, which are a core element in the Centre’s toolbox to help prepare and implement relevant reforms in the member countries. The purposes of conducting peer reviews are multiple:

- ✓ PRs facilitate the exchange of recent experiences and good practices among countries engaged in decentralisation and territorial administration reforms;
- ✓ they help Governments to take stock of their progress in reform implementation, highlighting current stances and envisaged developments;
- ✓ they facilitate mutual understanding and dialogue among all parties involved in the reform, promoting the exchange of perspectives among peers;

¹ Available at [https://vrm.lrv.lt/uploads/vrm/documents/files/ENG_versija/Lithuanian%20Regional%20Policy%20\(White%20Paper\).pdf](https://vrm.lrv.lt/uploads/vrm/documents/files/ENG_versija/Lithuanian%20Regional%20Policy%20(White%20Paper).pdf)

✓ they contribute to identifying possible ways forward to consolidate and further progress on the commitment by Governments to achieve European standards.

In addition, PRs are based on the principles and mechanisms that contribute to making specific international experiences with local government reform relevant; they draw governance lessons and good practices that can be then adapted to the domestic context of each reviewed country, so that reforms can benefit from international benchmarking and peer-to-peer comparisons.

The Peer Review Team included the following experts and officials:

- **France** : Dr. Arnaud DURANTHON, Associate professor at the Faculty of Law, Political Science and Management of Strasbourg ; Director of the “*Administration locale et régionale en Europe*” Master 2 degree (Sciences Po Strasbourg), Council of Europe expert
- **Greece**: Prof. Yannis PSYHARIS, Director, Regional Development Institute Department of Economic and Regional Development Panteion University of Social and Political Sciences
- **Iceland**: Ms Laufey Kristín SKÚLADÓTTIR, Specialist, Development Division, Icelandic Regional Development Institute
- **Poland**: Prof. Paweł SWANIEWICZ, Head of the Department of Local Development and Policy, Faculty of Geography and Regional Studies, University of Warsaw
- **Slovakia**: Ms Monika FILIPOVA, Director, Local State Administration, Self-Government and Foreign Affairs Department, Ministry of Interior
- **Slovenia**: Mr Roman LAVTAR, Head of Local Self-Government Service, Ministry of Public Administration
- **United Kingdom**: Mr Paul ROWSELL, CBE, Head of Governance Reform and Democracy Unit, Ministry of Housing, Communities & Local Government
- **Council of Europe**: Mr Boris LAZOV, Programme manager, Democratic Governance Department

The direct involvement of the international peers has been instrumental for the success of the Peer Review. The team reviewed the existing legislation and the analysis of the current system of regional development in Lithuania. The peers prepared short contributions on the domestic institutional context and on specific legal and administrative arrangements of their local government systems. During the mission, the peers contributed to discussions with formal presentations; questions and feedback on their national experiences; and with oral advice and recommendations. After the mission, the peers amended the draft report with substantial comments, which have been integrated into this final Report.

The Peer Review took place on 3-6 December 2019, in Vilnius. The programme was well organised and structured in a manner that allowed the Peer Review Team to have a broad overview of the experiences and specific proposals from all major institutional stakeholders, namely: the Ministry of the Interior, the Parliament, the Office of the Prime Minister, the Ministry of Finance, the Association of Local Authorities in Lithuania, representatives of local authorities and socio-economic actors in Lithuanian regions.

The detailed programme is appended to this report.

The Council of Europe experts facilitated the discussion on a semi-structured basis. The discussions were held under the Chatham House Rule – i.e. the statements made during the meetings were confidential and not attributable. This element was welcomed by the participants as it helped stimulate frank and constructive exchanges of views on regional issues.

1.3 Methodology

Concerning its methodology, this report provides an analysis principally based on the draft law and specific questions provided by the Ministry of the Interior. To provide analysis, it relies on experiences of the peers, sometimes referring directly to their country practices, and analysis of the experts, who sought to highlight ways to improve the planned system. This analysis of course includes references to the information given during the meetings.

The Peer Review process originally started with a list of questions transmitted by the Ministry of the Interior of the Republic of Lithuania. These questions were formulated as follows:

- 1. In relation to the main institutional barriers in regional development, is systematic change needed? Is regional development currently limited due to the regulatory system, as the regional councils (consisting of municipal members and social economic partners) are only a board with advisory powers and cannot have a binding/mandatory say in regional development?*
- 2. To what extent is there currently a need to transfer competencies to a regional level, in light of the indications formulated by the regional councils and the needs of the municipalities? Does – the absence of a regional institutional body with its own statute set out by law constitute the main barrier (currently there is no official regional level administration in Lithuania)?*
- 3. If it is decided to establish regions by law as separate legal entity in the form of a regional development council or administration– what powers and/or functions should such a regional development council have? Also, should municipalities have a wide degree of discretion in terms of the functions/power they want to delegate to the regional level?*
- 4. If regional development council administrations become a regional hub, dealing with regional planning and regional initiatives, there will be a strong need for analytic competences in the administration. This may require a relevant scheme to finance the recruitment of highly skilled staff with strategic skills. What type of assistance should be provided by the government (at national level) to support such regional councils with expert knowledge or to create ad-hoc regional competence centres?*
- 5. What are the best practices to date in shifting focus from „municipal thinking“ to „regional thinking“. What incentives can be provided to facilitate municipalities in looking at the issues involved in a different way? How do municipalities succeed in finding the balance between municipal interests and regional interests?*
- 6. What might be good practices of inter-municipal/regional cooperation outside of formal structures (regional councils, regional agencies etc.)? For example, thematic networks, regional specialization hubs, involving local and regional actors, constantly changing urban structures such as functional zones and dipoles etc.*
- 7. What are best practices in regional PPP (public private partnership) initiatives, if any known by peers. Do municipalities cooperate to attract investors, or do they compete? What are the main institutional/regulatory obstacles municipalities and regions encounter in attracting investment? Would it be more helpful and suitable to leverage all interests at regional level and to strategically attract the major investment projects that are best for the region?*
- 8. In terms of best practice examples in inter-municipal cooperation – Do such initiatives in jointly organising service provision/implementing projects at the regional level improve (or do they have the potential to improve) cost effectiveness and efficiency of certain municipalities? Are there do's and don'ts in certain cases?*
- 9. Judging on the best practices from the peer countries, what would be an adequate regional representation model of elected politicians and social and economic partners, such as representatives of NGOs, regional business, trade unions, and civil society (voting rights in the decision-making body, targeted consultation procedure, wide public discussion on decisions etc.)? What could be the best selection criteria and proportions of parties to be involved?*

These questions were formulated before the draft law was prepared by the Ministry of the Interior and adopted by the Government. Meanwhile, the reform has advanced a lot and is about to be discussed by the Parliament. Some of these questions have taken on a new face with regard to the provisions of the draft law. Furthermore, certain cross-cutting topics raise a number of issues present in several places in the draft law and call for, in addition to a general response, some more specific clarifications.

The study on the draft law gave a very useful ground for a more precise advice. This is why it has been decided that, without putting it apart, the list of questions will be answered through an analysis of the provisions of the draft law, which mainly give their colour to most of the queries of the Ministry of the Interior. However, in order to preserve the link to the questions initially asked, a reference to the questions (**[ref. Question n° X]**) is added in the report when relevant. Certain questions, due to their exclusively economic nature, reached to general institutional comments and were not treated in-depth. The scope of these questions requires a separate analysis which could be provided by the Council of Europe in a follow up exercise.

In order to provide clearer recommendations, this report relies on European standards, such as the European Charter of Local Self-Government, and other reference texts of the Council of Europe. Among these documents, the report often refers to the *Council of Europe Reference Framework for regional democracy*, which is an adaptation of the principles of the European Charter to the regional institutions.

Concerning this text, its introduction indicates that *“the political strength of this document and the authority of the references it contains derive not just from the fact that this is a text of which the Council of Europe Conference of Ministers for local and regional authorities took cognisance at its session in Utrecht on 16 November 2009, but also from the fact that its content draws heavily on the so-called Helsinki principles and the draft European Charter of Regional Democracy adopted by the Congress in 2008. This veritable code of rights and duties of regional entities, aimed at intermediate authorities between central government and the basic (local authority) tier, has two principal functions. The first is to serve as a source of inspiration when countries decide to establish or reform their regional authorities. The second is to act as a corpus of political reference principles on which the Congress can rely in the context of its statutory task of monitoring regional democracy in the member states of the Council of Europe. Lacking as it does the binding force of the European Charter of Local Self-government, of which it is both the unofficial equivalent and the necessary adjunct, the “Council of Europe reference framework for regional democracy” nonetheless has major symbolic value, because the standards it embodies have the general approval of the Utrecht Ministerial Conference, the Congress, the Parliamentary Assembly, the EU Committee of the Regions and, more broadly, the regional community and its main associations. Over not binding, this reference framework must be considered as a step in the right direction”*.

Although this document is not mandatory from a juridical point of view, as it does not constitute an international agreement, it is nevertheless rich in lessons and advice, having been built on the experiences of European countries and seeking, in a consensual way, to define general rules of operation of the regional level. This document helped to shape most recommendations of this report and to give them an objective basis.

I. Regionalisation in the Republic of Lithuania: current organisation, issues & planned reform

I.1 Current organisation and context

I.1.a Constitutional provisions regarding the principle of local and regional self-government

The Constitution of the Republic of Lithuania contains several provisions regarding local and regional self-government. The relevant provisions read:

“Article 119: The right to self-government shall be guaranteed to the administrative territorial units of the State, which are provided for by law. This right shall be implemented through the respective municipal councils.

The members of municipal councils shall be elected for a four-year term, as provided for by law, from among the citizens of the Republic of Lithuania and other permanent residents of the respective administrative units by the citizens of the Republic of Lithuania and other permanent residents of these administrative units on the basis of universal, equal, and direct suffrage by secret ballot. [...]

Article 120: The State shall support municipalities.

Municipalities shall act freely and independently within their competence defined by the Constitution and laws. [...]

Article 123: At higher-level administrative units, governance shall be organised by the Government according to the procedure established by law.

The observance of the Constitution and laws and the execution of the decisions of the Government by municipalities shall be supervised by the representatives appointed by the Government.

The powers of the representatives of the Government and the procedure for the execution of their powers shall be established by law.

In cases and according to the procedure provided for by law, the Seimas may temporarily introduce direct rule in the territory of a municipality.”

According to these provisions, municipalities are the basic tier of the decentralized organization of Lithuania. The Constitution does not directly provide for another tier of local government and only empowers the Government to create specific governance measures regarding other administrative units.

According to the representatives of the Government, these provisions prevent the creation of a regional body that would be completely separate from the municipalities, which are the only tier constitutionally empowered to administer local affairs.

An encompassing and global reading of article 123 assumes that if it wishes to create a regional tier, the legislator must entrust the administration of the latter to an appointed agent.

This is why Lithuania traditionally has only one tier of local Government, constituted by its 60 municipalities. The regional level has been created in 1994 (Laws n° 558/1994 and 707/1994) as a deconcentrated general-purpose administration. 10 counties, called “*apskritis*” were created and headed by a Government-appointed governor (“*apskrities viršininkai*”) who had extended coordinative powers. After an important reform held in 2000 (Law n° 1889/2000), indirectly elected Regional Development Councils (“*regiono plėtros tarybos*”) were created inside the counties in order to assist in national and EU regional policy, anticipating the entry

of Lithuania into the European Union. Regarding the powers of these Regional Development Councils, article 13 of the 2000 law reads what follows:

“A regional development council:

- 1) shall approve its regulations and rules of procedure;*
- 2) shall consider and approve the regional development plan;*
- 3) shall submit conclusions to the Ministry of the Interior and the National Regional Development Council on the implementation of the regional development plan;*
- 4) shall consider and submit proposals to the Ministry of the Interior and the National Regional Development Council in relation to the programme for reduction of socio-economic disparities among the regions;*
- 5) shall submit proposals to the Ministry of the Interior in relation to the criteria of identification of problem areas and State aid to be granted to the projects under implementation in those areas;*
- 6) shall submit proposals to the Government and the Ministry of the Interior in relation to the problem area development programme and the implementation thereof;*
- 7) shall consider proposals by municipalities and state institutions in relation to socio-economic development projects submitted in the course of implementation of the programmes for reduction of socio-economic disparities among the regions, problem area development programmes, the regional development plan, municipal strategic development plans and the national EU structural assistance programming documents; in accordance with the provisions of the national EU structural assistance programming documents, other strategic planning documents and territorial planning documents and in accordance with the procedure established by the Government, shall select projects and draw up and approve the lists of projects proposed to be funded;*
- 8) shall elect the chairperson of the regional development council and his deputy, and shall dismiss them from office;*
- 9) may set up working groups and authorize them to examine specific issues within the powers of the regional development council and submit conclusions in relation to the issues, shall consider and adopt decisions in relation to the submitted conclusions;*
- 10) shall perform other functions prescribed by legal acts;*
- 11) shall consider proposals regarding the representation of the region in international organizations on regional cooperation and regarding cooperation with the regions of other states.”*

In 2010 (Law n° 248/2010), a new reform decided to abolish the *apskritis* and *apskrities viršininkai*. Their tasks were taken over by the Government and its different ministries and different national agencies. Despite these evolutions, the Regional Development Councils were maintained by the law (Law n° 735/2010), maintaining their consultative role regarding regional development issues and planning documents, which are mostly prepared by the Ministry of the Interior, responsible for coordination of the national regional policy.

I.1.b Current form and organisation of the regional level

According to the Law on regional development (last amended on 17 December 2013), the Regional Development Councils do not have legal personality and are not responsible for drafting and preparing regional development plans, which are prepared by a department under the Ministry of the Interior. Their role, as defined in Article 13, is mainly advisory and is constrained by the broad powers recognized to the Ministry of the Interior regarding their composition and the content of regional development plans. Nevertheless, the Regional Development Councils currently have the competence of considering and approving the regional development plan prepared by the Ministry of the Interior (Art. 13.7-2). In this procedure, they also have some advisory powers consisting of helping the Government when drafting the priorities of the regional development plan. Regarding the implementation of the regional development plan, they can only submit conclusions to the Ministry of the Interior and the National regional development council, which is “*an advisory body consisting of the*

ministries, other State institutions and agencies, the Association of Local Authorities in Lithuania, representatives of social and economic persons and the chairpersons of Regional Development Councils” (Art. 12).

The Regional Development Councils in 2013 consisted “*of the mayors of the region’s municipalities, delegated members of municipal councils and a person appointed by the Government or an institution authorized by it” (Art. 13.1), while currently they consist “of the mayors of the region’s municipalities, delegated members of municipal councils, a person appointed by the Government and representatives of social and economic partners (Art 15 of the 2018 Law on Regional Development, which is in force). The representatives of social and economic partners that are appointed by the Government or an institution authorized by it, has to make up at least 1/3 of all regional development council members (their number is rounded up arithmetically when being calculated)”. Their final composition is “approved by the Minister of the Interior within three months after the announcement of final results of elections to municipal councils” (Art. 13.2). The number of seats per municipality at the Regional Development Councils depends on the number of residents in each municipality. It was also specified that (cf. infra, II.4) that “social and economic partners shall take part in the work of a regional development council in an advisory capacity. A regional development council shall invite social and economic partners to attend in meetings”.*

It then appears that the current Regional Development Councils can be seen as embryos of regions. An appointed official does not anymore represent the regional level, making the regional dynamics only incarnated in the Regional Development Councils. However, even? if these councils are made up on an ascendant and democratic basis, their role is still purely advisory. The Government still has full control over the content and implementation of regional development plans.

I.2 Issues

On December 2017 the National Regional Development Council adopted a “*White Paper for the Lithuanian regional policy*”, setting the goal for creating a more effective and independent regional policy system. This document has paved the way for the forthcoming reform. According to the White Paper, “*The aim is for the Regional Development Councils to embody regions operating on the basis of municipal cooperation and to become regional managers possessing legal status and real powers along with the regional competency offices (development agencies) or regional service centres subordinate to them*”.

It is particularly noticeable that all the stakeholders, from the State to the municipalities, including the economic partners, support the reform of the regional level. The model inherited of the 2010 law was designed for transitional purposes, and now raises a number of issues.

✱ [ref. Question n° 1-2] This intention complies with the recommendations of the Congress of Local and Regional Authorities, which invited Lithuania to “*take measures to further develop the regional tier, increasing the competences and the capacities of their administrative apparatus*”, based on the Monitoring Committee Report on local and regional democracy in the Republic of Lithuania (Recommendation 420(2018)). It would also contribute to reinforcing the principle of subsidiarity in local and regional organisation, which was also a recommendation of the Congress.

I.2.a Planning system and regional development

Firstly, it appears that the current planning system does not provide for an efficient and well-balanced regional development. Despite all the efforts of the Ministry, the central authorities cannot find a way to streamline the priorities of different municipalities in one real regional direction. Regional disparities increase and it appears to all the stakeholders that if municipalities cannot take over a number of competences that go beyond their current scope, the State also fails to stimulate a unitary regional policy, being too far removed from a certain number of realities.

This is why a new model, designed around subsidiarity considerations, is now planned. Looking for a new balance in regional development policies, it aims at giving the regions more independence in the regional planning system, considering that a more decentralized system will help the State to improve effectiveness of its regional development policy; and municipalities – particularly the smallest ones – to address some of their problems.

Secondly, it appears that the current planning system does not provide for a clear and simple strategic guidance. According to the Ministry of the Interior, more than 300 planning documents drawn up within different structures (ministries, agencies ...) contribute to irrigate the regional development policy, making it particularly fragmented. This is one of the reasons why the Republic of Lithuania is now trying to decentralize the planning policy and establish a new kind of relationship between national and regional planning documents and orientations. This new institutional arrangement could help rationalize the process of access to EU funding. After this reform, Regional Development Councils should become intermediaries in the process of negotiation for EU structural funds. This reform therefore tends to adapt the institutional framework in the perspective of the new 2020 -2027 EU funding period.

I.2.b Evolution of society and limits of the municipal tier

Even if it does not seem to be its prominent goal, the reform also tends to establish a new framework that could help overcome the inherent limits of the municipal level regarding certain tasks, which go beyond the municipalities or involve common interests, but are not necessarily subject to integrated management. The absence of a regional institutional body with its own statute set out by law seems to constitute the main barrier to the development of more integrated public networks and infrastructures.

It clearly appears that regarding some fields like interurban public transportation, intercity roads maintenance or waste disposal there is no proper institutional organisation that could create a supra-level space for discussions, an administrative support or a structure for operational management of certain tasks.

Certain public investments or planning issues seem to need a new tier of governance that should shift the focus from “municipal thinking” to “regional thinking” in order to generate a more transversal and efficient public management. These evolutions seem to be unavoidable, especially around the biggest cities in Lithuania, where important movements of residents between several municipalities lead to infrastructure maintenance and financing issues that go beyond the municipal tier. These evolutions, which in some respects reduce the exclusivity of the link between citizens and their municipality, lead to major coordination issues that do not seem to be effectively solved at the moment.

I.3 Planned reform: main provisions

The draft-law proposed by the Lithuanian Government, which is to be discussed during the December session of the Parliament, provides for an amended model for the 10 Lithuanian counties.

I.3.a A new tier of self-government structure based on intermunicipal cooperation

Firstly, the reform (Art. 12.1) plans to give the Regional Development Councils a legal personality, juridically detached from the State and the municipalities. However, due to the constitutional constraints mentioned previously (cf. supra, *I.1.a*) the regional level will be a form of a municipality union as it will be “*established jointly by all municipalities whose territories, according to the Law on territorial administrative units and their boundaries, constitute the territory of one county*” (Art. 17.1). Therefore, the legal basis for the establishment of a regional development council shall be an agreement between municipalities (Art. 17.2), which makes these regions a sort of regional intermunicipal cooperation. Two bodies, the “General meeting of participants” and the “Panel”, are mainly made up of representatives of municipalities (mayors and members of the municipal councils).

✱✱ [ref. Question n° 4-5] This solution is **compliant with the provisions of the Council of Europe Reference Framework for regional democracy**, which reads:

Article 33: “*Regional authorities shall have a representative assembly. [...]*”

Article 35: “*Regional assemblies shall be directly elected through free and secret ballot based on universal suffrage, or indirectly elected by and composed of popularly elected representatives of constituent local self-government authorities*”.

✱✱ It is also **comparable to other European systems**, like Finland, Portugal or Albania, for example.

✱✱ The principle of foreseeing agreements for the setting up of the Regional Development Councils, also seems to be a **good method for defining the mutual relationship** between the regional and the municipal tiers, creating a co-operation frame (articles 15-16 of the *Council of Europe Reference Framework for regional democracy*) (for a moderation of this point of view regarding the provisions of the draft law, cf. infra, *II.3*).

✱✱ However, following the provisions of article 3 of the *Council of Europe Reference Framework for regional democracy* and **in order to encourage the development of a real “regional thinking”**, it could be recommended to provide as a general principle that the Regional Development Councils will “*regulate and manage a share of public affairs under their own responsibility, in the interests of the regional population and in accordance with the principle of subsidiarity*”. Without challenging the fundamental place of the municipalities in the regional organisation, this provision would make it possible to give to the regional tier a theoretical content reflecting the existence of distinct regional interests based on subsidiarity. This could also help to improve the tasks of the regions in the future.

I.3.b A new regional function: planning for regional development

After the reform, the regional development council will be a “*a non-profit limited liability public legal person [...] whose goal is to plan and coordinate implementation of the national regional policy in the specific region and regional development promotion measures being jointly implemented with other Regional Development Councils, to assist municipalities*”

in organizing common performance of public service functions as well as to represent a region”. Therefore, article 12 of the draft-law reads:

“A regional development council shall:

- 1) prepare, approve a regional development plan, amendments thereto, coordinate and control implementation of the regional development plan;*
- 2) consider and make proposals to the Ministry of the Interior and other state institutions and bodies preparing planning documents regarding the Regional Development Programme and other planning documents to be approved by the Government, whereof implementation will have impact on regional development;*
- 3) make proposals to municipal councils regarding strategic development plans of the municipalities;*
- 4) coordinate implementation of preconditions established for a region in the Regional Development Programme or shall implement them within its competence;*
- 5) set forth, upon coordination with other Regional Development Councils, goals, objectives for development of functional areas, which are common with other regions, and shall coordinate their implementation;*
- 6) make proposals to the Ministry of the Interior and other Ministries regarding legislation whose implementation shall have impact on regional development;*
- 7) recognize projects as the regional interest projects, shall supervise implementation of those projects and shall make decisions on annulment of decisions of the regional development council by which projects have been recognized as the regional interest projects;*
- 8) participate, within its competence, in preparation of programs to address challenges of regions located at common land or sea borders with neighbouring states and in monitoring implementation thereof;*
- 9) represent a region in the international regional cooperation organizations and shall cooperate with regions of other states;*
- 10) implement, in accordance with the Republic of Lithuania Law on Local Self-Government, the powers delegated by several or all municipalities of the region to administer rendering of public services;*
- 11) perform other functions of the regional development council prescribed in this Law, other laws and resolutions of the Government.*

3. A regional development council may also perform other functions established in the regulations of the regional development council which are inextricably linked to the goal of activities of the regional development council referred to in paragraph 1 of this Article.”

The main powers of the regions seem therefore to be designed to make this level a key actor in the regional development policy. The reform tends to reinforce the powers of the Regional Development Councils by giving them new competencies regarding the preparation and the implementation of the regional development plans.

❖ [ref. Question n° 1-2-3-4-5] Reinforcing the control of the regional tier upon the regional development planning and reducing the competencies of the State in this regard, this reform will therefore make the regional organisation of Lithuania **more compliant with the provisions of the Council of Europe Reference Framework for regional democracy**, which reads:

Article 5: *“Regional authorities shall have decision-making and administrative powers in the areas covered by their own competences. These powers shall permit the adoption and implementation of policies specific to the region”*.

Article 7: *“When powers are delegated to regional authorities, they shall be allowed discretion to adapt the exercise thereof to regional conditions, within the framework set out by the constitution and/or the law”*.

Article 9: *“Regional economic development shall constitute an important aspect of regional responsibilities [...]”*.

❖ [ref. Question n° 3-4-5-10] However, in the interest of the project, it seems that **the functions of the regions should be defined more precisely** (cf. infra, II.1) and maybe extended to some other fields. In addition, when the regions are to be given some other functions established by other laws and Government resolutions (Art. 12.2-11), **the law shall precise the financial conditions of this transfer**. In this regard, the *Council of Europe Reference Framework for regional democracy* reads:

Article 44: “Regional authorities shall have at their disposal foreseeable resources commensurate with their competences and responsibilities allowing them to implement these competences effectively”.

Article 52: “Any transfer of competence to regional authorities shall be accompanied by a transfer of corresponding financial resources”.

I.3.c A new institutional arrangement

The draft law provides for a new institutional arrangement inside and around the Regional Development Councils.

From the inside, the Regional Development Councils will be given a new internal organisation made up of:

- The “*general meeting of participants*”, composed of the members of the Regional Development Councils. This body has the following powers:

“The general meeting of participants of the regional development council shall:

- 1) amend the regulations of the regional development council;*
- 2) appoint and remove the administrative director of the regional development council;*
- 3) approve staff composition and the rules of procedure of the Panel;*
- 4) approve the annual operational plan, annual activity report and the set of annual financial statements of the regional development council;*
- 5) make decision on carrying out the audit of the set of annual financial statements and the performance audit of the regional development council and shall elect an auditor or an audit firm;*
- 6) make decision regarding establishment of other legal entities or regarding participation in other legal entities;*
- 7) make decision regarding dissolution of the regional development council;*
- 8) appoint and recall a liquidator when, in the events provided for in this Law, the general meeting of participants of the regional development council makes decision to liquidate the regional development council;*
- 9) make decision on amount of entry contributions and fees of participants of the regional development council, the payment procedure unless such procedure is established in the regulations of the regional development council;*
- 10) establish the procedure for use of funds of the regional development council as well as the internal control procedure of the regional development council;*
- 11) approve terms and conditions for remuneration of administrative staff;*
- 12) make decisions within the competence of the general meeting of participants on other matter under this Law and the regulations of the regional development council.”*

- The “*Panel*”, composed of:

- (1) mayors of the regional municipalities,
- (2) members of the municipal councils appointed by the regional municipal councils according to the number of inhabitants of each municipality in the region, and
- (3) representatives of employers, trade union organisations, community and other non-governmental organisations, who will represent one third of the members of the Panel.

This body, which is to be considered as the main deliberative body of the Regional Development Councils, has the following competencies:

“A Panel shall perform the following functions:

- 1) shall approve the regional development plan and amendments thereto;*
- 2) shall approve regional development plan implementation reports;*
- 3) shall make decisions on performance of functions of the regional development council referred to in paragraphs 2–6 and 8 of Article 12 of this Law;*

4) shall make decisions on recognition of projects as the projects of the regional interest and on annulment of decisions of the Regional Development Councils on recognition of projects as the projects of regional interest;

5) shall identify needs for a regional development council to obtain services of the centre of excellence;

6) shall make decisions on representation of the region in the international regional cooperation organizations and cooperation of the regional development council with regions of other states;

7) shall make decisions on proposals to the municipal councils to delegate powers of administration of municipal public services provided to the regional development council, and, upon deciding by municipal councils to delegate specific powers of administration of the municipal public services to the regional development council, shall make decision regarding exercise of such powers;

8) shall consider annual operational plans and annual activity reports of the regional development council;

9) shall make decisions on performance of functions prescribed to the regional development council in other laws and resolutions of the Government as well as shall perform other functions prescribed to the Panel in this Law”

- The *Chairman of the Panel*, who is elected by the Panel (Art. 23.9) has the following powers:

“The chairman of the Panel, and in his absence – the deputy chairman, in addition to the duties referred to in paragraph 1 of this Article, shall have the following duties:

- 1) to draft agendas of meetings of the Panel;
- 2) to chair meetings of the Panel;
- 3) to sign minutes of the meetings of the Panel and made decisions;
- 4) to participate in meetings of the National Regional Development Council.”

- The *administrative director of the regional development council*, who is appointed by the General meeting of Participants (Art. 21.1-2) has the following competencies:

“An administrative director of the regional development council shall be a sole governing body of the regional development council – a manager of the legal person. The duties of the administrative director shall include the following:

- 1) to organize and control work of the regional development council administration with the aim to implement the goal of activities of regional development council, and perform functions of the regional development council and its bodies;
- 2) to conclude and terminate employment contracts with staff of the regional development council administration and perform other powers of the employer in the field of labour law;
- 3) to organize management of property of the regional development council;
- 4) to ensure drawing up of the annual operational plans and submission thereof to the general meeting of participants and the Panel;
- 5) to ensure preparation of the set of the annual financial statements and submission thereof together with the auditor’s report (in the events when the audit of the statements is performed) to the general meeting of participants and the Register of Legal Entities;
- 6) to ensure submission of the data specified in Article 2.66 of the Civil Code to the Register of Legal Entities;
- 7) to ensure providing the public with information on activities of the regional development council and announcement of public notifications in accordance with the procedure prescribed in this Law, other legal acts and the regulations of the regional development council;
- 8) to approve the rules of procedure of the regional development council administration;
- 9) to ensure effective functioning of the internal control system of the regional development council;
- 10) to perform other duties assigned to him by this Law and other legal acts.”

✳ [ref. Question n° 4] These provisions tend to find a balance between municipal and regional dynamics. Therefore, it appears that **the new law will not reduce the autonomy of the municipalities and will guarantee their representation inside the regional bodies**, which is compliant with the provisions of the *European Charter of local self-government*.

✱ However, **the draft law remains unclear regarding the composition of the General meeting of Participants.** In order to preserve the autonomy of the municipalities and to guarantee their free participation at regional level, details could be given as to the composition of this body.

✱ A key issue for the success of the reform seems to lie in the executive function. In addition to what will be presented infra (II.2) regarding the question of accountability, it appears that the chairman of the Panel has highly restricted powers. **Main executive functions will be in the hand of the Administrative director, whose link to citizens will be quite distant. There is a risk of seeing the Administrative director forming a bureaucratic power.** As he/she will only be accountable to the General meeting, which may not be reunited very often, it seems that the link between elective representatives and the Administrative director is not strong enough. **A solution to this issue could be to increase the powers of the elected Chairman of the Panel, for example by turning this body into a real “president of the regional development council”, who should become the real head of the regional development council and will embody the regional interest, and/or to place the Administrative director under his/her hierarchical control.**

From the outside, the Regional Development Councils will be in relation with other structures whose main objective is to establish a network of institutions coordinating the regional development policy:

- *Government*, who gives the general planning orientations and especially approves the National Progress Plan, the Regional Development Program and other national development programs implementing the provisions of regional development established in the Comprehensive Plan of the territory of the Republic of Lithuania (Art. 9)
- The *Ministry of the Interior*, who has a general coordination task and is an advisor to the Regional Development Councils. Article 10 reads:

“While formulating the national regional policy and organizing, coordinating and controlling implementation of the national regional policy, the Ministry of the Interior, shall:

- 1) prepare the regional development programme, and coordinate and control its implementation;*
- 2) make proposals to other state institutions regarding implementation of the strategic planning documents, development programs and national programming documents for financial assistance of the European Union and other international financial support necessary for implementation of the goal and objectives of the national regional policy;*
- 3) within its competence, advise Regional Development Councils on preparation, implementation of regional development plans and monitoring of implementation thereof;*
- 4) assess whether draft regional development plans and draft amendments thereof are consistent with the goal and objectives of the national regional policy and shall provide conclusions and proposals regarding them to Regional Development Councils;*
- 5) monitor, in accordance with the procedure established in the Strategic Management Methodology to be approved by the Government, progress of indicators of outcomes and implementation of preconditions of regional development plans and shall submit proposals to the Regional Development Councils for adjustment of regional development plans in order to achieve impact indicators and outcome indicators in the specific region and to implement preconditions;*
- 6) control the use of the state budget funds allocated for activities of Regional Development Councils and shall administer the state budget funds allocated for implementation of the Regional Development Program;*
- 7) evaluate impact of planning documents, regulations and their drafts on regional development, shall provide their drafters (if necessary, the Government) with conclusions as to whether the planning documents, legal acts and their drafts are consistent with the goal and objectives of implementation of the national regional policy and shall make proposals for their improvement;*
- 8) prepare proposals to the Government regarding formation of the regions;*
- 9) provide methodological and technical assistance to state institutions and bodies in the matters of preparation and implementation of measures promoting regional development;*

10) make proposals to the Government for inclusion of fully or partially state-owned institutions to the list of state expert institutions;
 11) organize meetings of the National Regional Development Council;
 12) perform other functions prescribed in this Law, other laws, resolutions of the Seimas of the Republic of Lithuania and the Government concerned formulation, organization, coordination and control of the national regional policy.”

- The *National Regional Development Council*, which is a collegiate advisory council to the Government and the Ministry of the Interior, composed by the chairmen of the Regional Development Councils, representatives of the ministries and State agencies, a representative of the Association of Local Authorities in Lithuania, a representative of employers and trade union organisations and a representative of NGO. This council plays an advisory role to the Minister of the Interior, as specified at article 11.3:

“*The National Regional Development Council shall:*

1) *consider, on recommendation of the Ministry of the Interior, projects of the Regional Development Programme and other planning documents to be approved by the Government, implementation of which shall have an impact on regional development; shall provide conclusions on these documents to the Government and the Ministry of the Interior;*
 2) *consider, on recommendation of the Ministry of the Interior, draft regulations, implementation of which shall have impact on regional development, and concerning them conclusions on assessment of foreseeable impact, shall submit conclusions and proposals regarding these documents to the Government and the Ministry of the Interior;*
 3) *consider progress of implementation of planning documents referred to in subparagraph 1 of paragraph 3 of this Article and, if necessary, make proposals to the Government and the Ministry of the Interior regarding improvement of these documents;*
 4) *consider other issues related to formulation and implementation of the national regional policy.”*

✱ [ref. Question n° 4-5] This new institutional arrangement seems to be **generally compliant with the standards** of the *Council of Europe Reference Framework for regional democracy*. It should particularly be noted that the role given to the National Regional Development Council will give a useful compliance framework to the *Council of Europe Reference Framework for regional democracy*, which reads:

Article 17: “*Local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly*”.

Article 18: “*Regional authorities shall have the right as described in paragraphs 3.2 and 3.3 below to be involved in state decision-making affecting their competences and essential interests or the scope of regional self-government*”.

Article 19: “*This involvement shall be ensured through representation in decision making bodies and/or through consultation and discussion between the state and regional authorities concerned. Where appropriate, participation may also be ensured through consultation and discussion between state authorities and representative bodies of regional authorities*”.

✱ This institutional arrangement also seems to be compliant with the general guidelines for participation to the regional development policy by the regional tier, which are specified by the *Council of Europe Reference Framework for regional democracy* as follows:

Article 28: “*The exercise of regional self-government shall contribute to the central Government's economic and social cohesion objectives and to central Government activities aimed at achieving comparable living conditions and balanced development throughout the national territory, in a spirit of solidarity between regional authorities*”.

✱ [ref. Question n° 1-2-7-8] However, it is recommended that the law provides **more precisions about the precise content of the planning guidelines** decided by the State **and the consultation procedures** (optional advice, mandatory advice, conditions of information, voting rules ...) of the National Regional Development Council. In addition, the law could be **more**

precise on the room for manoeuvre left to the regional planning documents to precise the general directions decided at the level of the State.

II. Peer Review main findings and recommendations

II.1 Findings regarding the purpose of the reform

The general purpose of the reform, as it stands in the draft law and as it was presented to the Peer Review Team by the representatives of the State, seem to be strongly linked to a main goal – regional development, which is to be reached by using a particular mechanism – EU structural funds – that strongly guides the direction of the reform. This reform project thus tries to develop new planning strategies for regional development, using decentralisation as a tool for a better efficiency and a better allocation of resources, in order to tackle regional disparities. This reform therefore places the Lithuanian project on a usual track, i.e. as the regional programs of the EU often encouraged most European countries which did not have regional tiers, to create them and give them competences regarding regional planning.

However, some provisions of the draft law (articles 10 & 11) tended to highlight that this reform could also have some additional purposes, which could be summarized as follows:

Firstly, it appeared to all of the members of the Peer Review team that this reform also tries to find a way of bringing a larger part of the decision-making, regarding certain powers, at a most appropriate scale. In addition to the regional development considerations, it seems that the State like the municipalities would generally like to find, with these regions, a tool that may help to tackle certain issues that go beyond the municipalities, and for which the state is also not the most appropriate level. Certain competencies were very often mentioned as major issues, both by the municipalities and by the representatives of the State: waste collection and disposal, maintenance of intercity roads and public transportation between municipalities, which all raise cross-cutting financial and organisational issues.

Secondly, it appeared to all the members of the Peer Review Team that this reform also tries to create a framework to allow for the creation of “great agglomerations”, especially in the case of large cities and their “ring-municipalities” which sometimes have strong collaboration issues. Because of the commuting of the population, the use of public services has become more diffuse and dissolves the link between taxpayers and the use of public services. Large cities, in particular, bear heavy financial burdens because of the use of some of their services by people who work there, but live in neighbouring municipalities. Therefore, it seems that the reform, which intends to allow municipalities to delegate competences to the regions, also wishes to allow the emergence of large regional intermunicipal structures that would replace the occasional and limited collaborations that may exist.

There is no official and general European standard regarding the powers of the regional tier. Defining the objectives assigned at the regional level is a fairly complex exercise, especially when a midlevel structure between the municipalities and the State does not already exist. However, some useful considerations can be mentioned, which stem from both the existence of certain general recommendations and the feedback of some countries having experienced a reform close to that of Lithuania.

Regarding the standards, it should be noted that the *Council of Europe Reference Framework for regional democracy* tried to define, in addition to the regional development, the fields where the regions should be given decision-making powers:

Article 8: “Regional authorities shall be responsible for promoting regional culture and defending and enhancing the region's cultural heritage, including regional languages”.

Article 9: “Regional economic development shall constitute an important aspect of regional responsibilities, to be carried out in partnership with economic operators in the region”.

Article 10: “Regional authorities shall help to adapt education and training facilities to employment development requirements in the region”.

Article 11: “Social welfare and public health shall be among the areas of activity of regional authorities, which shall also be responsible for promoting social cohesion in the region”.

Article 12: “Balanced development of the territory shall constitute a major objective of any action by regional authorities affecting the territorial organisation of the region”.

Article 13: “Regional authorities shall be responsible for protecting and enhancing natural resources and biodiversity and shall ensure the sustainable development of the region, with due regard for local, national, European and international policies in this respect”.

If these references are to be considered, they do not provide a precise framework of competencies and powers and leave open all the other possibilities. Therefore, and as foreseen in article 10 of the *European Charter of Local Self-Government*, municipalities can be included in a general cooperation structure with specific competences, chosen according to the needs highlighted in the facts. From this point of view, the principle of subsidiarity constitutes an important key of analysis which must enable the State to identify the competencies to be transferred to a higher level and to define the manner in which this transfer must take place (compulsory transfer, optional transfer, conventional transfer ...).

Regarding the feedback of some countries having experienced a reform close to that of Lithuania, it seems that the experience of **Slovakia**, **Portugal** and **Finland** can be particularly instructive, even if Lithuania has among the largest municipalities in Europe (in terms of population size), which make the demand for regional coordination a little bit different.

In Slovakia the regional self-governance is represented by eight so-called “higher territorial units” (self-governing regions) which were created as the second tier of self-governance in 2002. The head of the region is the chairman elected in direct elections, while the decision-making body is the regional council consisting of directly elected councilors. The regions have both original competencies and competencies delegated from the state to regulate social, economic and cultural life, as well as education within their territory. Each self-governing region draws up a plan of economic and social development of the region, which is a kind of vision for the future, and describes in detail the direction of individual sectors (education, health care, transport...). The self-governing region cooperates in the preparation and commenting of operational programs for EU funds and other strategic documents. It prepares and processes information for applicants on the possibilities of project financing. It cooperates with municipalities in drawing up economic and social development programs. The self-governing region has competences in the area of education: it is primarily the establishment and abolition of schools and school facilities in the case of secondary schools and practical training centers (delegated competence). It also establishes and abolishes schools and school facilities in particular primary art schools, language schools, school dormitories, school catering facilities, professional practice centers and, for example, schools in nature (original competence). The self-governing region is the founder of facilities for social services, retirement homes, crisis centers, shelters and other specialized facilities. In addition, the region also supervises the provision of healthcare to the extent that it is required by law. The self-

governing region also has significant powers in the area of transport when managing II. and III. class roads and provides bus operators in the region to offset losses from the provision of services of general interest in suburban bus services. Although these regions were created due to various reasons (high fragmentation of local self-government, decentralization, European and international standards, EU funds, etc.), even after almost two decades of existence, they have been unable to fully utilize their potential. There are some lessons to be learnt from the way self-governing regions were established in Slovakia. To name a few: the eight regions do not represent the historical and thus natural territorial division of the country, they are not legally connected to municipalities (there is no hierarchy), they did not receive sufficient competences and finances to efficiently manage regional development, and do not manage EU funds. Due to the low visibility of actions of the regions, citizens do not know about their powers causing low turn-out in elections (less than 20%). Moreover, there are almost 3000 municipalities in Slovakia causing an extremely high fragmentation. These deficiencies stand in the way of efficiently implementing regional development and policy. In 2016 the State decided to introduce a new policy helping the so-called least developed districts which provides these territorial areas with direct financial incentives from the central administration. These financial incentives are not systematic and lessen the influence of the self-governing regions, providing the State with more power vis-à-vis the local self-government. Currently, due to the above reasons, there have been discussions on abolishing the self-governing regions, which, however, would imply recentralization...

In Portugal, the regional tier has been created in order to facilitate absorption of EU funds. However, it has also been given some operative powers, voluntarily transferred by municipalities. A reform, compulsory as of 2021, should give them automatic competencies, like waste management, forest protection or secondary education. The Portuguese regions are managed by an Executive Council consisting of mayors of member municipalities, and a Deliberative Council which consists of delegates of municipal councils. There is also a specific body including representatives of local businesses, universities and other public institutions, but since it does not have a democratic mandate it plays only an advisory role in the decision-making.

In Finland, the regions have been designed around regional development purposes. They have two main tasks according to the law: regional development and regional planning of the use of land. However, a major reform is currently discussed that should reinforce the regions in order to better fulfil the objective of creating real regional dynamics. They should be given lots of new powers: health and social services, promotion of health, wellbeing and safety and security, rescue services, environmental healthcare, regional development, steering of regional use and construction of land, employment and business services, planning of transport system, planning of regional public transport, rural development and farm relief services.

** [ref. Question n° 1-2-3-4-5] The necessity to **establish more precisely the purpose of the regional tier** has been noticed by all members of the Peer Review Team. Linked to the lack of a true culture of cooperation between municipalities, an ambition that would be too imprecise and cross-cutting, and too little associated with specific incentives or systems for the allocation of competences decided by the State, it could make the reform relatively ineffective.

** [ref. Question n° 7] If the ambition of the reform is, in addition to the regional development chapter, to find solutions for issues stretching beyond the territorial limits of a municipality by means of inter-municipal co-operation, it seems that the law could be more detailed and **propose precise incentives for intermunicipal collaboration**.

**** [ref. Question n° 7]** In this regard, it seems that this reform could be the first step towards a more precise regional framework to come in the next years. **A constitutional reform seems to be essential to define precisely the future relationship** between the regional and the municipal tiers. If the current constitutional constraints prevent Lithuania from creating a strong regional level, it appears that the law can already **determine a more precise range of regional goals and preserve the contractual basis for the creation of the Regional Development Councils.**

II.2 Findings regarding the question of political accountability at the regional tier

The draft law provides for a link between the regional tier and the municipalities, making the regions large intermunicipal structures pursuing regional objectives. As already said (cf. supra, I.3.a), this kind of organisation is a good option, and seems to correspond to the social, political and geographical structure of Lithuania.

However, all of the members of the Peer Review Team expressed their concerns about the question of political accountability and considered it as a major risk for the efficiency of the reform. Indeed, the draft law does not permit to find any accountable authority at the regional level. Neither the chairman of the region, whose powers are maybe too restricted, nor the members of the General meeting or the Panel are directly accountable to citizens regarding regional issues. This situation leads to two main problems:

- It does not allow the regional interests to be embodied in one or more representatives directly elected at a regional level and accountable to all the inhabitants of the region.
- It does not allow for a proper control by citizens in the regional functioning, keeping citizens' voices away from decisions made at the regional level.

This analysis is reinforced by the fact that the administrative director of the regional development council, who is an official and not an elected body, will be granted important powers that are only under the control of the General meeting. Doubts may be expressed about the ability of this body to ensure regular control, which cannot otherwise replace real citizen control through elections.

Regarding the standards, article 33 of the Council of Europe Reference Framework for regional democracy reads:

Article 33: "Regional authorities shall have a representative assembly. Executive functions, where they are not exercised directly by the representative body, shall be entrusted to a person or a body answerable to it in accordance with the conditions and procedures laid down by the law. Where the executive body is directly elected by the population, it needs not necessarily be answerable to the representative assembly but should give it account of its acts".

These provisions make the question of answerability decisive, especially when the members of the Regional Development Councils are not directly elected. The derivative legitimacy of the regional Assembly seems to command the creation of an organ more directly controlled.

Regarding the experiences of European countries, it appears that United Kingdom's experience of devolution as well as the French experience of intermunicipal cooperation may give two possible solutions to this issue.

In **the United Kingdom** where in England major agglomerations can be formed with the establishment of a Combined Authority with an assembly made up of the leaders of the constituent municipalities chaired by a mayor directly elected by the residents of the areas of all the constituent municipalities. The mayor also has certain functions which he or she can exercise personally. The mayor is thus a single point of accountability to the whole area who helps to build common interests and consensus across that area and gives the agglomeration level a clear accountable organ.

In **France**, where the intercommunal structures are managed by an assembly composed of municipality representatives, this assembly elects a President from among its members. This President exercises the executive power inside the structure and has full authority over the administration. He is assisted by a number of vice-presidents who are elected in the same way and are given the supervision of a particular area of competence of the inter-municipal structure. This allows the appearance of a certain political balance with regard to the president, making the municipal representatives also clearly responsible for some regional fields. Nevertheless, France has been considering for some years to provide these structures with an elected assembly, which would then elect its president.

✱✱ [ref. Question n° 7-10-11] The Peer Review Team recommends that the law **provides for at least one accountable authority**, in order to ensure that the regional tier will be politically incarnated as a whole and identified and controlled by citizens. A proper regional tier cannot be absolutely efficient if it is not recognised by the citizens and therefore become the subject of social representations. Usually, elections are the best way to fulfil this objective.

✱✱ [ref. Question n° 7] A more immediate solution could be **to reinforce the powers of a well identified executive body of the regional development council** (which can be created by **transforming the chairman of the Panel into a clear and accountable executive body**, which could be named “president of the regional development council”) and to establish procedures that may allow the Panel and/or the General meeting of participants to dismiss him/her or, at the very least, to ask publicly and periodically that s/he pays account for his/her management to the Panel and/or the General meeting of participants.

✱✱ [ref. Question n° 7] However, the best solution would be to **establish direct elections at the regional tier**. If the current constitutional provisions seem to limit the room of manoeuvre, a revision should be considered for the next steps.

✱✱ The Peer Review Team wants to **draw attention to the role of the administrative director** of the regional development council, which according to the draft-law is very strong and tends to give to an administrative body what should come to an elected organ and be managed upon its hierarchical control. Administrative functions are never neutral and always raise political issues. Therefore, it is preferable that the administrative body is placed under the close control of an elected representative.

✱✱ Finally, the Peer Review Team also considers that the law could be more specific about the **arrangements for transparency, open meetings and availability of documents**, which are key issues for transparency, hence accountability at the regional level.

II.3 Findings regarding the lack of cooperation culture between municipalities

As mentioned above, this reform tends to give to Lithuania a new institutional skeleton for the development of regionalisation. The different meetings organised during the Peer Review clearly showed that this ambition could be shared by all stakeholders, including the

municipalities. However, the meetings also highlighted that the Lithuanian municipalities are not used to collaborating within larger institutional structures. In the opinion of most participants, the regional level in its current formulation, reflects more of some individual logic and ambitions of municipalities than a desire to build together a common destiny. Despite the existing mechanisms enabling municipalities to associate, despite the existing common difficulties, Lithuanian municipalities have thus far not managed to structure a truly joint effort. In some cases, notably concerning the big cities, very strong differences exist between municipalities, which testify to the legitimate will of all of them to defend their interests. The construction of effective regions however supposes that an area of common interests is created and that it is the intention of each participant to contribute to it.

In this regard, the Peer Review Team unanimously considers that the reform cannot fulfil its goals if there are no strong incentives for collaboration. These incentives can be various but may help to build a new “regional-thinking”.

❖ [ref. Question n° 7-8-10] Regarding the principle of foreseeing agreements for the setting up of the Regional Development Councils, the Peer Review Team unanimously considers that, as said by all stakeholders during the discussions, **the municipalities will not have a real choice to decide if they would prefer being involved in the new regions**, because of the necessity for them to be properly involved in the regional development plans, which conditions their access to funding. A clarification of the law should be decided in order to make the situation clearer and decide whether municipalities have or have not the choice of participating in the creation of the regions. Without this clarification, mistrust between municipalities will probably take over the emergence of a real “regional-thinking”, each municipality having different advantages coming with the reform, depending on its size. An intermunicipal framework for the regions cannot work properly if a precise and transparent cape is not established. Of course, **financial incentives may be used** in order to encourage the discussions between the municipalities, but **they should not entirely frame the independent will of the municipalities**.

❖ [ref. Question n° 7] Regarding the boundaries of the regions, the Peer Review Team considers that, on the one hand, **it is a factor of stability and efficiency to maintain the current boundaries** (article 16.5). This may be seen as a guarantee regarding the article 31 of the *Council of Europe Reference Framework for regional democracy*, which reads: “*Regional boundaries shall not be altered without prior consultation of the region(s) concerned. Prior consultation may include a referendum*”. On the other hand, the discussions with the different stakeholders showed that the current boundaries may constitute a brake to the development of real regional wills from the municipalities. **These boundaries, which are not linked to strong historical or cultural heritage, could be modified or adapted in some cases**. It appears that some municipalities may want to consider a new regional mapping that would take into account their will to collaborate with other municipalities with which they are having common interests. More room for manoeuvre to adapt the current boundaries may help to encourage more effective regional constructions, which would bring together volunteer municipalities and help find the good scale regarding their issues or their geographical, sociological, cultural or historical proximity. This evolution may be framed by procedures involving the Government, that could have the final decision-making power to establish the new boundaries, but framed by general cutting principles specified by the Law.

❖ The discussions with the stakeholders also showed that there is an issue of managing agglomerations going beyond boundaries of central cities. The clearest cases are Vilnius and Kaunas, but some other agglomerations, such as Sauliai, may also be affected. The point is that while the central cities are too small to manage those functions, the current regions’ boundaries are too wide at the same time. Therefore, there might be a demand for separate agglomeration (or metropolitan) arrangements. If the regional reform may help in some cases to find general arrangements, **the present regional scale is probably too large to tackle effectively all the**

agglomeration problems and will probably imply that special provisions are put in place (including incentives) for these particular cases.

**** [ref. Question n° 7-9]** Regarding the number of seats and voting rights in the Panel, the Peer Review Team considers that **it would be a great incentive to give more flexibility to the municipalities and to delegate the power to find the solution to this issue to the municipalities which could be able to determine together the number of seats by an agreement.** Two models can be proposed in this regard.

The first one would be to give full liberty to the municipalities, framing the system by only two principles:

1° a municipality should not have more than a half of the seats and/or the voting rights;

2° every municipality should have at least one seat in the Panel. This will give strong incentives to build a common and consensual view and will help to involve the big cities in the regional reform, without which the reform cannot be efficient, and is considered by the Peer Review Team as the best solution.

The second model, inspired by the French model of intermunicipality, would be to make the rule of organisation provided in the draft law a subsidiary rule, applied in the case when no agreement can be found between municipalities (article L5211-6-1, 2° of the *Code général des collectivités territoriales* provides for more criteria for the determination of the number of seats). This solution may give some insurances to the State but will limit the will of the smallest municipalities to negotiate. However, the members of the Peer Review Team consider that, above its factual advantage, this solution would make the regional framework more compliant with the article 39 of the *Council of Europe Reference Framework for regional democracy*, which reads:

“Regional authorities shall freely determine the internal structures of their administrative system and their bodies, within the framework defined by law”.

**** [ref. Question n° 7-10]** Regarding the regional functions, it seems that incentives can be found in order to increase the shift from “municipal-thinking” to “regional thinking”. For example, **a list of regional operational tasks which could be open to discussions between municipalities during the negotiation of the agreement may be more clearly established.** The law may provide, as it does for example in France regarding the intermunicipal structures, that the municipalities may decide together to set a predefined number of optional functions. Such a procedure helps to create spaces for discussions around the regional interests and, if municipalities fail to find an agreement, it can be decided to transfer automatically all or some of these competencies. If such a procedure is somehow strict for the municipalities, it would open the road for real regional-centred discussions and will give basis for discussions around the issues that should be lifted up to the regional level.

II.4 Findings regarding the association of economic and social partners

Article 22.1-3 of the draft law provides that:

“Representatives of employers, trade union organisations, community and other non-governmental organisations (hereinafter – partners), who make up one third of the members of the Panel.”

This provision tends to give to these partners a real participating role in the regional planning system. The necessity of having economic and social partners associated to the functioning of the regional level appears as an important necessity. Moreover, the *Council of Europe Reference Framework for regional democracy* clearly encourages European States to

involve these partners, and more generally the citizens, in the decision-making. In this regard, it reads:

Article 9: “Regional economic development shall constitute an important aspect of regional responsibilities, to be carried out in partnership with economic operators in the region”.

Article 41: “Regional authorities shall encourage the exercise of citizens' right to participate in the management of public affairs and shall aim to bring the administration closer to the public”.

Article 42: “The exercise of regional self-government shall comply with the principles of informed decision-making and evaluation of decisions made, as well as pursue aims of flexibility, openness, transparency, participation and public accountability”.

It is thus a good thing to involve economic and social partners in the regional decision-making. However, some other provisions of the *Council of Europe Reference Framework for regional democracy* tend to frame the methodology of this involvement:

Article 34: “The right of regional self-government shall be exercised by assemblies elected through direct, free and secret suffrage. This provision shall in no way affect recourse to citizens' assemblies, referendums or any other form of direct citizen participation, where it is permitted by law”.

In this regard, the official commentary on the articles indicates that “*The text goes on to add that this principle of democratic election of assembly members, whether direct or indirect, in no way hinders recourse to other forms of **participatory democracy**, where permitted by law, for example through citizens' assemblies or referendums*”. This commentary of course uses a traditional distinction between representative democracy and participatory democracy that are complementary ways of improving democracy.

Regarding participatory democracy, the Council of Europe has specified its standards in various documents. The *European Charter of Local Self-Government* does not directly specify the different forms of citizen participation that can be provided. However, paragraph 2 of the Article 3 refers to assemblies of citizens, referenda or any other form of direct citizen participation – these provisions have been extended to the regional level by the *Regional Framework*.

The right to participate in the affairs at the local level was specified by the *Additional Protocol to the European Charter of Local Self-Government* (Article 2.ii.2a), which develops more directly the procedures that can be provided:

“procedures for involving people which may include consultative processes, local referenda and petitions and, where the local authority has many inhabitants and/or covers a large geographical area, measures to involve people at a level close to them”.

Article 2.ii.d also provides that these measures shall include

“mechanisms and procedures for dealing with and responding to complaints and suggestions regarding the functioning of local authorities and local public services”.

These provisions, of course, are not limitative: the purpose of the additional protocol is to encourage innovations in this domain. However, article 1.5.2 of the additional protocol requires that the law should provide for

“formalities, conditions and restrictions necessary to ensure that ethical integrity and transparency of the exercise of local authorities' powers and responsibilities are not jeopardised by the exercise of the right to participate”.

Encouraging citizen and economic and social partners participation², these standards tend not to mix representation and participatory democracy, making the second one a complement to the representative decision-making. In this regard, it should be noted that the public decision process can be divided into three different temporal stages and functions:

- The *drafting*, where citizens' participation is necessary to enlighten public decisions and guarantee that all of the aspects of the topics are taken into account;
- The *decision* itself, which should only be taken by elected representatives in a democratic State, who are given a political legitimacy to do so;
- The *implementation*, which of course greatly relies on the participation of economic and social partners.

No example has been found by the members of the Peer Review Team of countries involving economic and social partners in the decision step itself. In addition, the team unanimously considered that involving the economic and social partners directly in the deliberative assembly is risky because it will give private interests a voice and value equal to the voice of elected officials. This tends to replace political legitimacy by a sort of 'technical legitimacy' which is not neutral and can jeopardise neutrality and transparency of public decisions. The members of the Peer Review Team unanimously considered the present arrangement as particularly dangerous for regional democracy.

✱ [ref. Question n° 11] The principle of involvement of economic and social partners is, of course, to be maintained. As the new regions would not be advisory bodies anymore, **the modalities of participation of these partners in the decision-making should be reviewed** in order to establish a stronger separation between public and private interests. The provisions of article 24.1.3 of the draft law do not provide for sufficient control over potential conflicts of interests, as it only provides for declarative obligations.

✱ [ref. Question n° 11-9] In this regard, all the members of the Peer Review Team consider that it would be **preferable to establish a specific body inside the Regional Development Councils**, which would be only advisory and would have specific consultation and reporting competencies. This council could also find a balance between the different types of interests that could be involved, and which should be specified by the law: economic, cultural, scientific, environmental, youth...

It is particularly interesting to note that some European countries already practice this solution:

In **Portugal**, a consultative regional commission including business community, NGO, public institutions (e.g. deconcentrated state administration) and universities representatives has been created.

In **France**, each level of local and regional self-government can have a consultative body whose name varies regarding the level. All of the regions have an "Economic, social and environmental regional council". It represents key economic, social and environmental interests, promoting cooperation between different socio-professional or societal interest groups and ensuring they are part of the process of shaping and reviewing public policy. Each Economic, social and environmental regional council is composed of four colleges representing companies and self-

² See also [CM\(2017\)83-final / Guidelines for civil participation in political decision making](#) (Adopted by the Committee of Ministers on 27 September 2017); CM/Rec(2018)4 - [Recommendation of the Committee of Ministers to member states on the participation of citizens in local public life](#) (21 March 2018); CM/Rec(2009)2E - [Recommendation of the Committee of Ministers to member states on the evaluation, auditing and monitoring of participation and participation policies at local and regional level](#) (11 March 2009); CM/Rec(2004)13E - [Recommendation of the Committee of Ministers to member states on the participation of young people in local and regional life](#) (17 November 2004).

employed professionals, trade unions, NGOs and other bodies involved in community life in the region; and qualified individuals (University experts...). Members are not elected but appointed by the local representative of the State every six years. Any budget and master plans for the region must be submitted to the council before they are approved. The president of the Region, which is the executive body of the tier, may also consult the council for an opinion or ask the council to report on a given topic. The council may also issue opinions of its own on any matter of regional interest. Each Council promotes partnership, contributing to balanced growth throughout the region and encouraging unity and solidarity.

II.5 Findings regarding expertise and financial resources to the regional tier

Regarding the financial resources of the Regional Development Councils, the draft law provides that:

Article 27: “1. Sources of funds of the regional development council shall include:

- 1) State budget appropriations allocated to the Ministry of the Interior;
- 2) monetary entry contributions and fees of participants of the regional development council;
- 3) funds obtained through support;
- 4) other lawfully obtained funds.

2. The funds referred to in subparagraph 1 of paragraph 1 of this Article shall be allocated to the regional development council for performance of functions established in subparagraphs 1–8 of paragraph 2 of Article 12 of this Law. The State budget funds to be allocated to the regional development council shall be calculated and allocated to the regional development council in accordance with the procedure established by the Government or an institution authorised by it. [...]

The Council of Europe Reference Framework for regional democracy defines regional financial standards as follows:

Article 44: “Regional authorities shall have at their disposal foreseeable resources commensurate with their competences and responsibilities allowing them to implement these competences effectively”.

Article 45: “Regional authorities shall be able to dispose freely of their resources, for the implementation of their competences”.

Article 46: “In the implementation of their own competences, regional authorities shall be able to rely in particular on resources of their own at which they shall be able to dispose freely. These resources may include regional taxes, other revenues decided by regional authorities, fixed shares of state taxes, non-earmarked funding from the state and constituent territorial authorities, in accordance with the law”.

Article 47: “The financial systems on which resources available to regional authorities are based shall be of a sufficiently diversified and buoyant nature to enable them to keep pace as far as practically possible with the real evolution of the cost of carrying out their tasks”.

Article 49: “Financial transfers to regional authorities shall be governed by predetermined rules based on objective criteria related to regional competences. As far as possible, grants to regional authorities shall not be earmarked for the financing of specific projects”.

Article 50: “Financial transfers to regional authorities shall not limit the basic freedom of regional authorities to exercise policy discretion in the implementation of their competences”.

Article 51: “Financial transfers to regional authorities shall be governed by rules established by law and based on objective criteria relating to regional competences”.

Article 53: “For the purpose of borrowing for capital investment, regional authorities shall have access to the capital market within the limits of the law”.

These provisions aim at giving to the regions predictable resources, sufficient for the realisation of their competencies, freely available, relatively constituted of own resources and sufficiently dynamic to face the evolution of the cost of their competencies.

Local financial management should be an important attribute of local government reform. In this regard, the Local Financial Benchmarking (LFB) programme of the Council of Europe could be an interesting help for the assessment of local financial management and for the support of the reform.

✱ [ref. Question n° 6] Regarding the structures of resources, the members of the Peer Review Team consider as a remarkable evolution the attribution of the State resources previously used for the management of the regional planning to the Regional Development Councils. However, it could be considered to specify more deeply in the law **how these resources would be calculated and how would they dynamically evolve**. Indeed, the current provisions do not permit the regions to rely on particular foreseeable resources. The **origin of resources and their calculation method should be specified in the law**, and not by Governmental decisions, in order to protect the financial autonomy of the regions.

✱ Regarding the use of resources, the law should also **provide as a principle that the regions will be able to manage freely their resources**, whether it is within the powers conferred upon them by the law or in the powers conferred upon them by the municipalities.

✱ The law should also provide for **specific financial incentives (resources) for the regions** which will be given operative functions by the municipalities, in order to encourage the transfer of these tasks to the regions. **If necessary, for this kind of functions and regarding the associate investments**, it could also be provided that the regions have **the capacity to borrow** and align financing of these functions on general provisions made for the municipalities.

Regarding the issue of human resources, the draft law provides for a control by the Regional Development Councils over the hiring of their staff. It also provides for a very ambitious model of expertise with the constitution of a new national body, called “Centre of expertise”, which would provide research, analysis, forecasting and consulting services to the ministries and the regional development boards.

✱ [ref. Question n° 6] These provisions tend to improve capacity building at the regional level and will help the Regional Development Councils to correctly take charge of their new planning competences. Therefore, it will clearly help the regions to involve highly skilled experts in their functioning. This body thus appears as a good assistance solution provided by the Government. However, in order to preserve the autonomy of the Regional Development Councils, **the procedures for using these services should be provided for by the law** and not by the Government; and provide that **the Regional Development Councils can freely choose their experts and participate in the constitution of the list** of the members of the Centre of expertise. It could also be specified that the Regional Development Councils will remain free to use their services or at least give **precisions as to the enforceability conditions of the expertise**, which should not limit the power of decision of the regions regarding their planning competences. Indeed, carrying out of expertise should not constitute a mean for the State to determine too strongly and too precisely the content of regional planning documents.

✱ [ref. Question n° 6-11] The **conditions of independence of these experts and their obligations regarding conflicts of interests** should also be specified, in order to protect neutrality of this body.

✱ [ref. Question n° 6] The law may also provide for **rights to training and other professional upgrading for the members of the municipalities and Regional Development Councils**, in order to improve the capacities and protect control over the decision-making of their representatives, for example in relation with Universities.

Appendix : Peer Review programme



Delivering Good Governance in Lithuania

Association of Local Authorities in Lithuania / Council of Europe – Centre of Expertise for Good Governance

Peer Review on Regional Development in Lithuania

3 – 6 December 2019, Vilnius

Programme

Tuesday, 3 December 2019	
<i>Time</i>	<i>Arrival to Vilnius</i>
19.30	Dinner: hotel Courtyard by Marriott Vilnius City Center, Rinktinės st 3, Vilnius Participants: CoE peers, representatives of MoI, representatives of ALAL, project staff, other guests

Wednesday, 4 December 2019	
Location: Conference room 1 (2 nd floor), Ministry of Interior, Šventaragio str. 2, Vilnius	
9:00	<i>Participant registration and morning coffee</i>
9.30	Welcome and introductions Tautvydas Tamulevičius , Vice-minister at MoI
9.40	Presentation of the programme Boris Lazov , Programme manager, Democratic governance Department, Council of Europe
9.50	Presentation on the System of the Local Government in Lithuania Aleksandras Tiaškevičius , Advisor on Legal Issues, Association of Local Authorities in Lithuania
10.00	Presentation on the current situation in the Regional level of Local Governance in Lithuania: detected challenges Andrius Valickas , Senior advisor at Regional Development Group at Ministry of Interior
10:45	<i>Coffee break</i>

11.00	Presentations from international experts: comparative experience related to regional development (part I)	<p>Prof. Arnaud Duranthon, Director of the “Administration locale et régionale en Europe” Master 2 degree (Sciences Po Strasbourg)</p> <p>Mr Paul Rowsell, CBE, Head of Governance Reform and Democracy Unit, Ministry of Housing, Communities & Local Government, United Kingdom</p> <p>Ms Monika Filipova, Director, Local State Administration, Self Government and Foreign Affairs Department, Ministry of Interior, Slovakia</p> <p>Mr Roman Lavtar, Head of Local Self-Government Service, Ministry of Public Administration, Slovenia</p>
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12.30	Lunch: “Kitchen”, Didžioji str. 11, Vilnius	
14.00	Presentations from international experts: comparative experience related to regional development (part II)	<p>Ms Laufey Kristín Skúladóttir, Specialist, Development Division, Icelandic Regional Development Institute, Iceland</p> <p>Prof. Yannis Psyharis, Director, Regional Development Institute Department of Economic and Regional Development, Panteion University of Social and Political Sciences, Greece</p> <p>Prof. Paweł Swianiewicz, Head of the Department of Local Development and Policy, Faculty of Geography and Regional Studies, University of Warsaw, Poland</p>
15.00	Discussion / Q&A	<p>Preliminary discussion points:</p> <ul style="list-style-type: none"> • Systematic change in regional development: positive and negative aspects and experiences • Powers and functions of regional development council: future directions • Representation models in regional councils: selection criteria, proportions and procedures • Finding the balance between „municipal thinking“ and „regional thinking“ • other
18.00	Dinner: “Grey” Pilies g. 2, Vilnius	

Thursday, 5 December 2019		
Location: Conference room 1 (2 nd floor), Ministry of Interior, Šventaragio str. 2, Vilnius		
9.30	Welcome note	Paulius Skardžius , Senior advisor at Public administration and local government policy group at MoI
9.40	Bilateral meetings and discussions with stakeholders 1st group: representatives of Ministry of Interior working in the field of regional development	<p>Elida Drapienė, director of Regional development department at MoI</p> <p>Andrius Valickas, Chief Adviser at Regional Development Group at Ministry of Interior</p> <p>Mindaugas Kauzonas, Head of Division for Europe’s Regional Development Fund, Ministry of the Interior</p>

11:00	<i>Coffee break</i>	
11.15	Bilateral meetings and discussions with stakeholders 2nd group: regional development council members, mayors, representatives of municipalities	Andrius Palionis , Deputy Mayor of Kaunas, Member of Regional Development Council of Kaunas Tadas Metelionis , Deputy Director of Administration, Kaunas city municipality Tomas Martinaitis , deputy Mayor of Akmenė, Member of Regional Development Council of Šiauliai Artūras Klangauskas , Member of Regional Development Council of Šiauliai
12.30	Lunch: “Kitchen”, Didžioji str. 11, Vilnius	
14.00	Bilateral meetings and discussions with stakeholders 3rd group:	Rugilė Andziukevičiūtė-Buzė Advisor to the Prime Minister, Local Government, Regional and Social Policy issues, Government of Lithuania Algirdas Astrauskas , Advisor at Committee on State Administration and Local Authorities, Seimas of the Republic of Lithuania Simona Daukilitė , Head of the Investment Policy Division, Ministry of Finance Aurelija Damašiūtė , Advisor at Investment for Growth Division, Ministry of Finance
15:15	<i>Coffee break</i>	
15.30	Bilateral meetings and discussions with stakeholders 4th group: Social partners	Giedrė Ražinskienė , Managing Director, The Association of Lithuanian Chambers of Commerce, Industry and Crafts Gediminas Rainys , Advisor on Economic Issues, The Association of Lithuanian Chambers of Commerce, Industry and Crafts Andrius Nikitinas , Managing Director, Lithuanian Confederation of Industrialists Gabrielius Makuška , Analyst at Lithuanian confederation of industrialists Aivaras Katinas , Project Manager at Regional Development, Invest Lithuania
18.00	Dinner: hotel Courtyard by Marriott Vilnius City Center, Rinktinės st 3, Vilnius	

Friday, 6 December 2019			
09.30	Debriefing and closing remarks	Moderator: Arnaud Duranthon, international expert	Ministry of Interior, Room 1
12.00	Lunch: “Kitchen”, Didžioji str. 11, Vilnius		