

Cooperation with

Lithuania

a results analysis

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DEVELOPMENT COOPERATION WITH LITHUANIA

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SUMMARY

The report provides a summary and an analysis of Swedish development cooperation with Lithuania during the years 1995-1998. The analysis refers to the relevance of programmes of development cooperation in respect of both Lithuania's need of support for its reform process and the objectives and the country strategy which has governed development cooperation on the Swedish side. The report also discusses the concrete results of the projects, their implementation, effects and sustainability, and takes up experience gained from the programmes which is of relevance for cooperation in the future. It is based on previous studies and evaluations as well as interviews with persons from both sides who have been involved in the programmes of cooperation. In addition a number of projects were studied in detail during a two-week field visit to Lithuania.

In total an amount of slightly less than SEK 620 million was allocated to programmes of bilateral development cooperation with Lithuania between 1991 and 1997. Almost 30 per cent of this amount refers to support for nuclear safety and radiation protection, in particular at the nuclear power station at Ignalina.

The main goals of development cooperation with Lithuania for the period 1995-1997 are reflected in real costs as follows: promotion of common security SEK 37 million, 13 per cent; deepening the culture of democracy SEK 18 million, 6 per cent; support for socially sustainable economic transition SEK 83 million, 29 per cent; support for environmentally sustainable economic transition SEK 146 million, 52 per cent¹. Just over half of the support has been channelled via Sida after the reorganisation of the Swedish development cooperation agencies in 1995.

All projects lie well within the fairly broad framework of the main goals. No priorities are deliberately made on the Swedish side where allocations of resources between the goals is concerned. Hitherto environmental and energy projects have required considerable investments and this goal is thus reflected in large amounts. The democracy projects have not included any investments. They have been based to a great extent on twinning cooperation in which municipalities, county administration boards and voluntary organisations have supplied considerable resources of their own. As in cultural exchanges and the exchanges of experts via the Swedish Institute, the twinning projects involve a large number of people in different sectors of society, both on the Swedish and the Lithuanian side. These areas of cooperation are thereby more extensive than is reflected in monetary terms.

Furthermore it can be noted that many projects contribute simultaneously to several goals. An environmental project which refers to water treatment can also include aspects of democracy since it concerns the municipal administration. Twinning cooperation can strengthen trade relations, and projects in the central public administration can have an effect on democracy. All in all the Swedish support is considered to be extremely relevant in relation to the main goals.

The Swedish support is also judged to have a great deal of relevance in relation to the country strategy. On the whole the general guidelines for support to the reform process have been followed in different social sectors, the transfer of knowledge and institutional capacity building, and regional coordination and with other donors. The special guidelines for support in the four main areas have been followed.

¹ All figures are taken from the Ministry for Foreign Affairs' database which is incomplete. Many government agencies have not submitted reports on their projects after 1995. See also tables 2.1 - 2.5 in the report.

Where shortcomings are concerned, special note can be made of the gender equality perspective which shall permeate all Swedish development cooperation. This is not reflected to the extent laid down in the strategy. Sida's Department for Central and Eastern Europe (Sida-East) has now produced an action plan for improvements in this respect. Furthermore support in the judicial field has been weak hitherto since projects have had problems in getting underway. In general there appear to have been difficulties in working with legislative issues in several areas. Also here action has been taken and cooperation is expected to improve.

Swedish development cooperation is well in line with the focus of development in Lithuania. Support in the area of *security* has recently been evaluated and is judged to be of great relevance. The Lithuanian side has expressed great appreciation of the programme of cooperation in respect of both technical solutions and the awareness and understanding of local needs, and has recommended a higher Swedish profile in EU cooperation. At the same time the support serves a considerable self-interest on the Swedish side, nationally and regionally, as well as on the part of the agencies concerned.

Swedish support to the development of *democracy* has been of great importance for the country during its first years of independence. The different components in the municipal and county administration board programmes of cooperation have been combined well with the training of journalists, support to non-governmental organisations and the many small projects via the Swedish Institute.

Lithuania has come more or less halfway in its process of transition to a market economy and aspires to become a member of the EU in the future. The Swedish support for institutional, legislative and infrastructure development in the area of *socially sustainable economic development* has therefore been relevant. Support has been directed towards the private sector, the social sectors, public administration and infrastructure. Support has been allocated to a great extent for long-term institutional development as well as for providing essential expertise where none existed in Lithuania.

The progress and human resource development already achieved now makes it necessary for a more thorough analysis to be made of the areas in which future support can be most relevant. It can also be stated that today, in many areas, there is a greater need for investment resources and institutional development than pure transfer of knowledge. The term "transfer of knowledge" therefore could well be replaced by "human resource development" or "capacity building" when the type of support shall be defined prior to the next period of cooperation.

Sweden has a considerable self-interest in providing support in the area of the *environment*. This support mainly refers to the improvements to security at the nuclear power station in Ignalina, but water treatment projects which improve the situation in the Baltic Sea are also included. In Lithuania today there is no strong public opinion where the environment is concerned, and there is a lack of resources for these types of measures as well as, to a certain extent, the necessary expertise. Support in the area of the environment may be considered as particularly relevant where adjustment to EU norms is concerned. Several of the projects are being implemented in cooperation with other donors.

Apart from investments the support also includes components such as the restructuring of municipal companies and municipal administrations in different areas, and is therefore of relevance to the goal of democracy and institutional development. In the future greater attention should be paid to how local decision-makers and the local administrations are involved in these projects in order that they fulfil their commitments. By creating the conditions necessary for greater local acceptance and support, and a higher environmental

awareness in politicians and the general public, friction and political obstacles can hopefully be reduced.

The evaluations which have been made, as well as the limited amount of follow-up which was performed in connection with the results analysis, show that most projects show results in line with the framework given for each individual project and that they have been implemented well. A high degree of expertise and a culturally similar approach on the Swedish and Lithuanian side have been strong contributory factors to the good results and effective implementation.

In cases in which problems have arisen these have often been connected with the fact that the person or organisation responsible for the implementation of the project on the Swedish side has not had sufficient expertise to do this type of work. A number of agencies and organisations which are involved in programmes of cooperation do not usually work with international cooperation and lack experience of this type of project work. The time and commitment which this type of work requires has often been underestimated by top management in these organisations. This has led to a considerable workload for the few persons actively involved. It has been noted that it is of great value if agencies and other organisations are involved in different forms of transfer of knowledge and programmes of twinning cooperation. In certain cases the resource base at these organisations must be strengthened in order to permit development cooperation to develop into normal cooperation between neighbouring countries.

Another problem is that the conditions necessary for implementation have not been sufficiently analysed prior to the start of the project. In the report there are examples which show that inadequate knowledge of the institutional and political situation has created problems for purely technical projects.

A third problem which has an effect on implementation is that Sida does not have the capacity to discuss and follow up the large number of projects it supports. In certain cases there is also a lack of clarity where reporting routines are concerned. The report points out the need of increasing capacity to permit the continuous follow-up of projects, for example with the assistance of consultants and/or a Sida presence at the embassy in Vilnius.

The quality of the evaluations made today varies. It is recommended that a review of methods be made and a better awareness be created in respect of the use of evaluations and their dissemination

Sometimes there is a lack of a real "ownership interest" on the part of the recipient since certain projects are governed by those offering to implement them and the Swedish implementing organisation in reality, if not formally, has full control of the resources. When projects are prolonged the interests and points of view of the Lithuanian side should be studied more thoroughly. For cost reasons several projects need to be made subject to a competitive tendering procedure.

Probably Swedish cooperation with Lithuania could be even more effective if there was better coordination between all the Swedish donors in the country. This applies in particular to the coordination of investment resources and technical and organisational know-how. There is still little knowledge in Lithuania of the different possibilities for support and cooperation which exist in Sweden.

In brief, development cooperation with Lithuania is judged to be successful in all aspects covered by the results analysis. Factors which have contributed to this positive assessment are the high levels of skills on the part of the recipients, effective and flexible administration on

the part of Sida and other Swedish organisations, skilled and committed implementing organisations, and projects which have the right focus and emphasis in relevant areas.

The weaknesses in cooperation hitherto are partly the results of the short-term contract model which forms the basis of the work of Sida-East. This model has great advantages, for example when initiating a programme of cooperation, but certain types of projects are far too complicated and long-term to be designed and run in this way. Several parties can be involved on both sides, the projects can require a greater amount of long-term planning and an entirely different type of support is needed.

Furthermore in many cases no pre-studies have been made which survey the environment in which the project will be implemented and which can exert a great influence on the implementation of the project. Better pre-studies would also serve as a point of reference and contribute to a better evaluation of the results and effects of projects. In those projects which have encountered difficulties and where friction has arisen between the parties or between the implementing organisation and Sida, the project organisation has not been entirely professional and there has been a lack of clearly formulated objectives and concrete activity plans.

In the future consideration can be given to making stricter priorities in the country strategy, partly in respect of the needs in Lithuania and partly in respect of the Swedish self-interests and the relative survival potential of the project goals aimed at. Here the recipients' interests and the real possibilities available to them of taking over and improving results within a reasonable period of time in the sectors in question should be taken strongly into consideration.

The projects' time perspective should also be clarified. In many cases support is provided for institutional development which takes time. Today projects continue for several years but their funding is often only approved for one year or one and a half years and a new request is required for each decision on funds. Sida-East has started to seek a longer time perspective but not all implementing organisations are aware of this. Where it is intended that programmes in a certain area should be discontinued, a model for this should be produced which clearly describes the division of responsibilities and resources between the different parties concerned in the transition to normal cooperation between neighbouring country.

Sida cooperates successfully with the World Bank in projects in several areas. Cooperation with the EU is, however, weak. Greater Swedish participation in EU projects has been put forward by the Lithuanian side. To make this possible a national strategy is required which would give greater support to potential implementing organisations.

Development cooperation with Lithuania

A results analysis

1 introduction

Sweden started programmes of development cooperation with Lithuania in connection with the country's independence from the Soviet Union in 1991. During the period 1991 - 1997 support has amounted to slightly less than SEK 620 million. In 1996 the government approved country strategies for development cooperation for the period 1997-1998 with those countries in Central and Eastern Europe which had been given priority. These strategies identify the goals given priority for cooperation and define the sectors and the guidelines which shall apply to Swedish programmes of cooperation.

Thereafter the Government has proposed a new three-year programme for development cooperation with Central and Eastern Europe for the period 1999-2001 (Govt bill 1997/98:70). This results analysis of development cooperation for the period 1995-1998 shall form the basis of the preparation of a new country strategy which shall govern Swedish support to Lithuania during the forthcoming three years.

Project support to Lithuania, as to other parts of Central and Eastern Europe, has been channelled through a wide spectrum of Swedish agencies. During the period 1991-1997 most of the funds were channelled via BITS, Sida-East and the Swedish International Project Nuclear Safety (SIP), the international organisation of the Swedish Nuclear Power Inspectorate (SKI). Projects were also supported directly via the Ministry for Foreign Affairs, the Swedish Institute, the National Institute of Radiation Protection (SSI), the National Board for Industrial and Technical Development (NUTEK), Swedfund, SwedeCorp and the Ministry of Defence. During the period 1991-1997 just over 40 per cent of all bilateral support to Lithuania has been channelled via Sida-East /BITS. Sweden also contributes to the EU budget for development cooperation with Central and Eastern Europe. On an annual basis the contributions to PHARE and TACIS correspond to 40 per cent of the total bilateral support to Central and Eastern Europe.

The results analysis has concentrated on the support channelled via Sida-East since 1995. Other forms of cooperation are taken up in a very general way. The report merely presents the conclusions presented in earlier evaluations, where applicable, but draws its own conclusions from these. A comprehensive evaluation of all Swedish development cooperation with Central and Eastern Europe and an evaluation of support to promote common security have already been made (Ministry for Foreign Affairs, Ds 1997:30, Ds 1998:30).

1.1 The assignment

The main aim of the report is to summarise and analyse the results of Swedish development cooperation with Lithuania during the last four years, 1995 - 1998. The analysis covers the *relevance of programmes of development cooperation* in respect of the reform process in Lithuania as well as the main Swedish goals and the country strategy, the *results and implementation of projects* and *effects and sustainability*. The analysis ends with a brief assessment of development cooperation with Lithuania which can be used in the preparation of the new country strategy.

1.2 Methods

The study is based to a large extent on previous studies and on evaluations made of the development cooperation programmes of Sida-East. For the overview of Swedish support to Lithuania, use has been made of the database for Swedish development cooperation at the Ministry for Foreign Affairs and a summary of cooperation with non-governmental organisations of Sida's Department for cooperation with Non-Governmental Organisations and Humanitarian Assistance.

In order to meet the requirements of the assignment in respect of a concrete review of the relevance of project cooperation, actual results, quality of implementation and aspects of sustainability, a number of projects were selected for an in-depth assessment. During a two-week field visit in Lithuania some ten projects were visited and discussions held with the Lithuanian parties concerned at various levels. Swedish partners in cooperation have been interviewed as have representatives of international donor organisations.

The projects selected have been of central importance in Swedish cooperation in one way or another and can serve as examples. We have therefore looked more closely at the democracy project with the Baltic Sea Institute and the twinning programmes between Swedish municipalities and the towns of Klaipeda and Panevezys, as well as the twinning arrangement between Stockholm Water and Kaunas Water. This arrangement is interesting since Swedish support to the institutional development of the Lithuanian water company has been given to supplement the major multilateral funding of an extension of the waste water treatment plant in Kaunas.

In addition we selected a number of projects which have not yet been evaluated, for example:

- The twinning arrangement between Malmö Water and Klaipeda Water, which is not directly linked to a similar major investment as is the case in Kaunas
- The development of information systems for the Lithuanian Parliament, *Seimas*, and other parts of the public administration
- Training of Lithuanian journalists
- Advisory services for the Lithuanian Ministry of Finance
- The support given by the Southern Sweden Chamber of Commerce for the development of chambers of commerce in Vilnius and Panevezys and support to Lithuanian companies through Baltic Corps
- The project of Stockholm University, School of Social Work and Public Administration, for the training of social workers and development of the Lithuanian social services

The conclusions which have been drawn on the basis of this short and relatively superficial analysis in respect of these projects cannot be compared with those which normally result from a normal evaluation. On the other hand we are of the opinion that the analysis of them, in combination with the evaluations we have used, has given us a broad picture of Swedish cooperation with Lithuania and contributed to the conclusions we have arrived at.

Constraints

For the implementation of this assignment the two evaluators have each had just under two months at their disposal. Shortcomings in existing statistics on cooperation have made it difficult to provide a full, systematic picture of cooperation during this limited period of time. Swedish support to Lithuania is similar to the support to the other Baltic states, widely spread over many subject areas and divided into a large number of small projects. Over the years the responsibility for different projects has moved from BITS and SwedeCorp to Sida-East and it

has been difficult to follow in detail what has been financed in different areas. Furthermore it is possible to attribute the support to certain projects, for example to the forestry sector and municipal development, to several areas.

2 Development Cooperation With Lithuania

As early as during the last few years of the 1980s, when the Baltic states were still part of the Soviet Union, Sweden started a modest amount of cooperation in the areas of the Baltic Sea environment, safety at the nuclear power station in Ignalina and municipal cooperation on a small scale. The more highly organised Swedish support to the Baltic states started in 1990, just before the countries' independence from the Soviet Union. This first phase was dominated by regional projects and support to Estonia, while support to Latvia, and even more to Lithuania, was considerably smaller.

Table 2.1 Breakdown of funds allocated to the Baltic states 1990-1996
(Per cent and 1,000 SEK)

	1990	1991	1992	1993	1994	1995	1996	Total 1990-1996
<i>Proportion of bilateral support to the Baltic countries %</i>								
Estonia	69	49	28	31	33	22	17	27
Latvia	22	21	36	25	39	27	37	33
Lithuania	9	31	36	44	28	51	46	40
Bilateral '000 SEK	9 066	43 768	105 670	223 142	404 378	338 698	293 844	1 418 566
<i>Proportion of total support %</i>								
Estonia	42	24	21	23	24	18	12	20
Latvia	14	10	28	19	28	22	26	24
Lithuania	6	15	28	34	20	42	32	30
Regional	39	50	23	24	28	17	29	26
Total, '000 SEK	14 933	88 323	137 324	292 564	558 085	409 263	415 429	1 915 921

Source: Ministry for Foreign Affairs

During 1992 and 1993 support to Lithuania gradually increased up to its present levels and today Lithuania is the country which has received most support of the three Baltic states since the start in 1990. Between 1990 and 1996 support to Lithuania amounted to some 40 per cent of the bilateral support to the Baltic states or 30 per cent if regional support is included in the total support.

Up to 1997 the accumulated Swedish support to the country has amounted to just over SEK 618 million, which can be compared to Latvia, SEK 573 million, and Estonia, SEK 408 million. In addition to this SEK 557 has been allocated for regional cooperation with the Baltic states during the period 1990-1997.

2.1 The goals of development cooperation

The main emphasis of development cooperation with Lithuania is governed by the overall goals for all cooperation with Central and Eastern Europe

- to promote common security
- to deepen the culture of democracy
- to support socially sustainable economic transition
- to support environmentally sustainable transition

It is evident from existing statistics that during the period 1995 -1997 the environmental goal received slightly more than half the funds approved for bilateral cooperation. Projects for socially sustainable economic transition have been allocated 29 per cent and for the promotion of common security 13 per cent.

The democracy projects have received 6 per cent of the funds approved (table 2.2).

Table 2.2 Development cooperation with Lithuania 1995-1997. Funds approved broken down by main goal* (SEK 1,000 and per cent)

	1995	1996	1997	1995-1997	% of total 1995-1997
Security	4 030	18 805	14201	37 036	13
Democracy	7 320	5 750	4 915	17 985	6
Soc. economic transition	39 902	22 962	26 829	82 693	29
Env & energy	128 445	16 303	1 707	146 455	52
Total	172 697	63 820	47 652	284 169	100

Source The Ministry for Foreign Affairs' database. *The data base is incomplete and therefore information for 1996 and 1997 does not correspond to the information given in Table 2.1

The country strategy

The country strategy for Lithuania for the period 1996-1998 gives prominence to the following areas and provides the following guidelines for development cooperation:

General

- Development cooperation shall continue, mainly in the form of technical cooperation, in the form of support for the reform process in different social sectors, including greater safety and improvements to radiation protection at Ignalina
- Technical cooperation shall focus on strategic projects, mainly in respect of transfer of knowledge and institutional development
- Support for integration into Europe and the work of adjustment for future membership of the EU
- Swedish support shall be coordinated and, if possible, integrated with EU-PHARE, the World Bank, EBRD and IAEA as well as other bilateral donors. Sweden shall also actively contribute to the formulation of the policy for the programmes of EU-PHARE in Lithuania
- In addition to bilateral cooperation Sweden shall seek to participate in regional projects between Lithuania and its neighbouring countries
- All cooperation shall be permeated by a gender equality perspective

Promotion of security

- Development of border controls and the police force
- Projects in respect of mine clearance and sea rescue services

Democracy

- Support to strengthen the rule of law
- Consolidation of programmes of twinning cooperation and cooperation between the Swedish county administration boards and Lithuania
- Support for the participation of citizens in the political life and societies and associations
- Continuation of exchanges of experts and cultural exchanges via the Swedish Institute

Socially sustainable economic development

- Making the public administration more efficient, for example budget processes, audit systems, public procurement, labour market institutions
- Land reform and cadastre development
- Banks and capital markets
- The surveillance and inspection functions of the central bank
- Commercial legislation
- Development of small companies
- The social sectors - social insurances, social services, care of the handicapped, organisation of the health and medical services, health care, industrial safety etc

Environment

- Nuclear power and radiation protection
- Water and waste water treatment plants
- Measures to reduce the damaging effects on the environment caused by farming
- Making the use of energy more efficient

In certain areas it was foreseen that a start could be made on phasing out support, for example in the fields of forestry, land survey, roads and civil aviation

2.2 Organisation structure

Swedish support to Lithuania has been mostly channelled via Sida, but support is also channelled via a number of other agencies which are responsible for certain activities.

The Ministry for Foreign Affairs is responsible for work relating to the promotion of common security, the Swedish Institute for projects in the fields of culture and education, NUTEK for projects in respect of the climate in the fields of energy and energy conservation and, up to 1995, SKI, via the Swedish International Project Nuclear Safety (SIP) and the SSI were responsible for nuclear safety. In addition the Ministry of Defence is responsible for Swedish participation in a project for the development of a regional training centre for matters relating to environmental defence together with the US departments of the defence and the environment (table 2.3).

Table 2.3 Development cooperation with Lithuania 1991-1997. Approved project allocations via various agencies. * (SEK 1,000 and per cent)

	1991-1997	% total		1991-1997	% total
		1991-1997			1991-1997
Min For Aff	41 754	7	SIP/SKI	175 367	28
Swed Inst	13 501	2	SSI	8 398	1
Total "Sida"	338 235	55	NUTEK	35 643	6
BITS	123 269	20	Swedfund	2 880	
Sida- East	131 109	21	SNV	1 750	
SIDA	72 277	12	Other	950	
Swede Corp	11 580	2	TOTAL	618 478	100

Source: Ministry for Foreign Affairs. *The database is incomplete, there is no information for several agencies after 1995. For example the Swedish Environmental Protection Agency states that SEK 8 million has been disbursed during the period.

A large proportion of the support, almost 30 per cent, has been allocated to the areas of nuclear safety and radiation protection via SKI (SIP) and SSI (Table 2.3). This amount has mostly been used to improve safety at the nuclear power station at Ignalina. Otherwise the support has mainly been channelled via Sida-East /BITS. Between 1991 and 1997 over 40 per cent of the support was channelled in this way. If one looks at the latter part of the period,

i.e. from 1995 onwards, Sida has had some SEK 170 million at its disposal. This includes special budgets for certain agencies such as the Swedish Environmental Protection Agency.

In addition to the support shown in Table 2.3 there is also the Baltic Sea Fund which is administered by the Cabinet Office and the Ministry of Trade. The so-called Baltic Sea Fund has the aim of giving prominence to the importance of the Baltic Sea region for growth and employment in Sweden. Over a three-year period the Fund has been used to strengthen cooperation, for example in the fields of food, energy, education, infrastructure and the environment

2.3 The goals reflected in the programmes of cooperation of Sida-East

The work of Sida-East focuses on three goals (the goal of promoting common security is the responsibility of the Ministry for Foreign Affairs). If we consider the SEK 131 million which was allocated between 1995 and 1997 we find that the largest part of the funds have been allocated to projects in the fields of energy and the environment (Table 2.4). The largest amounts here concerned the water and waste water treatment projects in Kaunas and Siauliai of SEK 25.5 million and SEK 31.5 million respectively which were approved in 1995. The reason why the proportion allocated for support for democracy is so low is, among other things, due to the fact that persons, municipalities and organisations have contributed their own work in their regular budgets and the support does not contain any investment costs.

Table 2.4 *Development cooperation with Lithuania 1995-1997. projects via Sida-East broken down by objectives. (SEK 1,000 and per cent)*

	1995	1996	1997	1995-1997	% of total 1995-1997
Democracy	4 948	1 571	4 423	10 942	8
Soc. econ. transition	7 772	22 962	26 829	57 563	44
Environ & energy	60 742	1 750	785	62 702	48
TOTAL	73 462	25 708	32 9037	131 207	100

Source: Ministry for Foreign Affairs' database; Sida-East

Projects in the field of socially sustainable economic transition are widely diversified. Here everything can be found from support for the development of social services to infrastructure projects and support for the development of the private sector. A breakdown of this item shows that support to private sector development has predominated and that support in areas such as the social sector and other public administration is growing (Table 2.5).

Table 2.5 *The programmes of cooperation of Sida-East with Lithuania 1995-1997. Breakdown of projects in the field of socially sustainable economic transition. (SEK 1,000 and per cent)*

	1995	1996	1997	Total 1995-1997	% of total 1995-1997*
Soc. econ. transition					
Industry	4 485	18 468	4 118	27 071	47 (21)
Soc. sectors	0	310	11 765	12 750	21 (9)
Infra- structure	1 447	1 000	2 400	4 847	8 (4)
Physical plan.	140	3 904	4 485	8 979	16 (7)
Other admi- nistration	440	0	3 963	4 403	8 (3)
Other		90	98	188	
TOTAL	7 772	22 962	26 829	57 563	100 (44)

Source: Ministry for Foreign Affairs' database; Sida-East. * Percentage of total support via Sida-East in brackets

2.4 Other donors

Lithuania is the Baltic state which has received, in monetary terms, the largest proportion of the multilateral support. *EU/PHARE* is running a large number of projects in the country. For 1998 the budget is ECU 36 million for support to 28 national programmes in the legal sector (including legislation and financial services), the reform of agriculture and the reform of the public sector. Some 70 per cent is allocated for investments and 30 per cent for institutional and human resource development. For the period 1996-1999 an amount of ECU 152 million has been allocated. The PHARE programme has become an important instrument in the work in Lithuania of becoming a member of the EU, and a strategic document, Agenda 2000, has been drawn up for the forthcoming work. The document specifies the areas in which support should be given to make the entry of the country into the EU possible. An earlier programme with the same aim failed since it was not possible to get the member states to proceed in the same direction.

It is anticipated that the bilateral donors will continue to follow their own lines of action to a great extent in the future. However, cooperation with Sida was regarded as "very good" by the person responsible for the PHARE programme, even if there were few points of contact in the projects. However, the PHARE programme has been severely criticised on many occasions.

Up to December 1996 the *World Bank* had provided seven loans to Lithuania amounting in total to USD 42.1 million. Among these credits there is the loan for the rehabilitation of the waste water and water mains systems and the construction of new waste water treatment plants in Klaipeda and Siauliai. These projects are being supplemented by support for institutional development through Sida. Another loan has been provided for the establishment of social institutions, to which Sida has provided supplementary support for training, institutional development and project coordination. Furthermore the World Bank has provided credits to start new companies in Telsiai in northern Lithuania. This project was supplemented by Swedish support for training and the establishment of a work centre.

Up to and including 1996 the *EBRD* has provided 12 credits amounting in total to ECU 170 million to Lithuania. Some of these credits have been co-financed with the World Bank. Sida is participating, among other things, in the rehabilitation of waste water systems and the construction of the waste water treatment plant in Kaunas.

Other lenders to the country are the Nordic Investment bank (NIB), the Baltic Investment Programme (BIP), the Nordic project export fund (NOPEF) and the Nordic Environment Finance Company (NEFCO). Of these organisations the NIB is participating as a co-financier in the projects in which the World Bank and the EBRD are involved.

Where Lithuania is concerned Sweden is the largest bilateral donor of the Nordic countries and Denmark the second largest. Denmark contributed some SEK 400 million during the period 1990 -1996. The Danish support is considered by the Ministry for Foreign Affairs as difficult to administer since the responsibility for the support in Denmark is spread over four different ministries each with its own agenda and working methods. The Danish support is, in comparison with the Swedish support which emphasises direct cooperation between two equal partners, very Danish and consultant-oriented. It was quite apparent from our interviews that the Lithuanian partners in cooperation prefer the Swedish model.

The support provided by Norway and Finland to Lithuania is more modest, some SEK 160 million each. Finland invests considerably more in its neighbour, Estonia. German development cooperation with Lithuania is extensive, approximately DM 1 billion has been invested during the period. Other partner countries are Holland, Great Britain, Canada and Japan.

3. Promoting Common Security

Activities to promote common security have taken place in the following main areas:

- security policy expertise
- democratic and civil management and control of the defence forces
- ability to participate in international peace-keeping projects
- coast and border surveillance
- ability to combat organised crime
- expertise in asylum and migration policies
- ability to maintain high levels of preparedness for accidents and disasters

The evaluation made by the Ministry of Foreign Affairs shows high levels of relevance in the projects implemented and that the Swedish support is successful in comparison with that given by other donors. However, sustainability and cost-effectiveness varies between the projects. Cooperation with Lithuania has been experienced by Swedish agencies as more difficult to manage than cooperation with Estonia. At the same time it is regarded as more stable than cooperation with Latvia. Experience indicates the great value of long-term projects. The Lithuanian side expressed great appreciation of cooperation with Sweden. At the same time Lithuania is the Baltic state which is least dependent on support from Sweden since the country aspires to develop contacts which are broader and which focus more on the continent than both its neighbours.

Swedish support to the Lithuanian coast guard is channelled via the Swedish Coast Guard and the Swedish Defence Materiel Administration. Both these organisations have supplied equipment such as coast guard vessels, workshop and storage containers, life boats and three radar stations along the Baltic coast. Support is provided for the surveillance of the land border with Russia/Kaliningrad partly with communications equipment and partly with vehicles, equipment for checking documents etc via the Swedish National Police Board. The National Police Board has also provided the Lithuanian police with some 30 vehicles, forensic equipment and training projects. Support via the Swedish Board of Customs for the Lithuanian customs has included vehicles, communications equipment, control equipment and X-ray equipment.

The Lithuanian Ministry of the Interior recommends that migration issues are given more scope in further programmes of cooperation. Swedish support is requested to create a better order in migration policies in the Baltic Sea region. The Lithuanian candidature for membership of the EU is an important factor behind this request.

3.1 Swedish interests and the need of more support

Most of the Swedish agencies have a substantial self-interest in developing cooperation in the promotion of security with their Lithuanian counterparts. Sometimes a project in the country can be more effective for the goals of operations in Sweden than a corresponding project in Sweden. This could have consequences where making priorities for the use of resources in the Swedish agencies is concerned.

The projects which have been studied in the evaluation indicate that there is a need for strengthening the capacity of most of the participating Swedish agencies where development cooperation is concerned. The agencies are of the opinion that it should be possible to take advantage of Sida's well established expertise for all Swedish support. Suitable forms for the transfer of know-how to agencies involved in programmes of development cooperation should be developed through the provision of advisory services, training and recruitment policies. The personnel resources allocated at the Ministry for Foreign Affairs to administer support

for the promotion of security have clearly been under-dimensioned. It is the recommendation of a study made (Ds 1998:30) that the main part of the assessment of projects for the promotion of common security should be transferred to Sida. For this purpose more personnel resources will be needed at Sida.

3.2 Sweden's profile in EU cooperation

It is the evaluation's impression that cooperation with Sweden is received with great appreciation, and not merely on account of the material resources it involves. the Lithuania side have expressed its appreciation of the Swedish awareness of local conditions and needs. In the light of this, and the advanced technical solutions which have been offered in various areas, Lithuania encourages a stronger Swedish profile in EU cooperation.

It is the conclusion of the evaluation that Sweden should extend its cooperation with EU-PHARE, and it should also continue and intensify programmes of bilateral cooperation which can often be more rapidly established and is usually easier to manage and control from the donor point of view. The capacity of the Swedish agencies concerned for an expansion of cooperation must, however, be improved and it is generally felt that a government initiative is probably required to achieve this.

4. Democracy

4.1 The democracy project

The democracy project was started in 1993 by three Lithuania municipalities: Kaunas, Klaipeda and Panevezys, and three Swedish municipalities: Karlskrona, Kalmar and Växjö. The goal was to participate in the development of a new political system in Lithuania and to train local politicians. In addition the project had the aim of establishing and developing links between Lithuania and Swedish politicians in order to link Lithuania to the European political system. The project has been evaluated (Sjölander, 1995) and an internal evaluation has been made for the period 1993-1995.

The project has been led by the Baltic Sea Institute in Karlskrona under a high level governing body consisting of representatives of all the participating municipalities. The project has consisted of courses, seminars and study visits in the two countries. Among other things the Lithuanian local politicians studied the Swedish election in 1994. Over the years some 300 Swedes have participated in the project and just over 400 Lithuanian politicians, officials, journalists, doctors, architects and interpreters. The cost of the project during the period 1993-95 was just over SEK 4 million. A second phase, for the period 1996-98, financed through the Municipal Twinning Programme, is now being implemented. For this period five Swedish municipalities: Karlskrona, Kristianstad, Kalmar, Växjö and Stockholm have received SEK 350,000 each, or SEK 1.75 million in total.

The evaluations made of the project are based on detailed questionnaires which are completed by all participants. All indicators indicate that the democracy project has been considered as "good" to "very good" by 80 per cent of the participants where goals, implementation and practical arrangements are concerned. The project has made the Swedish political system visible in Lithuania and, in the initial, politically sensitive stage of the country's independence, has contributed to providing information about a model for political work which is based more on cooperation and less on confrontation.

According to the persons who were interviewed in connection with the results analysis, i.e. persons responsible for implementation on the Lithuanian side, the project has really changed the attitudes of the participating politicians towards other parties. It was as if a "window was opened" and it gave the Lithuanian politicians an opportunity to study their own world against a Swedish mirror. The project is therefore considered to have been of great importance for the shape of local politics in Lithuania. Furthermore it has contributed to the production of better political programmes by the various parties. It has been of importance at the national level since many local politicians have proceeded to this level. The first coordinator in Kaunas is now, for example, deputy minister for EU issues.

The question of when this type of support can be said to be not important any more was responded to differently by those interviewed. One person was of the opinion that there will also be a need for similar support in the future which is more specific and deeper and which, for example, goes further into the question of democracy in the schools. At the same time she also felt that there was a continuous need for training need of the new, often young, persons who enter local politics. The other person interviewed was more hesitant to a further development of this type of support. The Lithuanians had learnt a great deal and must now assume responsibility themselves for developments. What the municipalities needed now was really more resources to put into practice all the undertakings the politicians had made to the local residents, rather than new courses and study visits.

In both Klaipeda and Panevezys there was a positive attitude to cooperation with the Baltic Sea Institute which was regarded as an important resource from which assistance could be obtained when projects were to be built up and formulated for funding through EU-PHARE.

4.2 Municipal cooperation

Twinning cooperation

A twinning programme between Swedish municipalities and their counterparts in Central and Eastern Europe was started by BITS/Sida in 1991. The programme had the task of using Swedish government funds to promote the development of democracy in Poland, the Baltic states and later, from 1993 onwards, north-west Russia. The programme, which has been administered by the international department at the Swedish Association of Local Authorities has hitherto cost SEK 99.3 million. Of this amount SEK 20.8 million has been allocated for cooperation in Lithuania. Municipalities which plan joint projects in the programme of twinning cooperation can apply to the Swedish Association of Local Authorities for funds for the projects. Today the ceiling amount is SEK 400,000.

In the evaluation (Falk and Wallberg, 1996) it was stated that Sida's programme of twinning support to the four countries had led to greater local democracy, had had a certain effect on national politics in the countries, and had been cost-effective. It has promoted good neighbourly relations and common security by building networks between Sweden and the partner countries. It has introduced new administrative procedures, contributed to greater awareness of the environment and influenced the educational system and other sectors in public service.

Among the weaknesses on the Swedish side it was noted that the exchange of experience and information between the municipalities did not work and that this probably resulted in a certain amount of duplicate work, for example with the preparation of training materials. There were a few indications that some of the training given by Swedish local politicians could be "very Swedish".

Local government was considered to be weak in all the countries. As a rule the municipalities lacked the right to levy taxes and were thus totally dependent on central government grants to

finance their activities. Many issues were dependent on national legislation and political decisions at the national level. The evaluators thus saw a need of greater institutional support in all four countries in respect of municipal reform and national training of local politicians, senior local government officers and other local government employees.

Issues of gender equality should be given greater attention. Furthermore it was noted that a limited number of Swedish municipalities participated in the programme of twinning cooperation and that there was a risk that the wave of enthusiasm and commitment on which the programme of cooperation was based would peter out with time. The evaluation recommended that the programme should take up other issues such as education, social questions and the environment.

In connection with this results analysis a follow-up was made in Klaipeda and Panevezys. This confirmed to a great extent the observations made in the evaluation. The reason why the results have been so positive is partly due to the fact that the professional skills of the recipients are at a very high level. The local government officers in Lithuania are often graduates, often have a higher level of education than their Swedish colleagues, and they have a great capacity to absorb new knowledge. It was generally considered that the study visits to Sweden had had a great "demonstration effect" and that they had had a positive effect on the daily work in the municipalities.

There are requests for projects and investments which are of a more concrete nature. It was clear in both Klaipeda and Panevezys that there was a desire to focus cooperation on more concrete issues. Today investments are of greater interest than the general development of knowledge. Investments are also, in many cases, what are needed to develop cooperation between neighbouring countries in a broader way, since investments often need to be supplemented with training and other capacity-building projects. In Klaipeda, for example, the construction of a passenger terminal and the opening of a ferry line between Klaipeda and southern Sweden were two issues which were given priority. These projects would increase contacts between western Lithuania and Sweden much more radically than municipal training projects. However, since the port in Klaipeda is government-owned, this issue will be decided at the national level.

According to the Swedish Association of Local Authorities there has been a certain change of this type in the focus of cooperation. Now part of the programme of cooperation consists of Swedish municipalities helping their twinned municipalities to draw up the documentation and project proposals which shall be presented to the major lenders. However in Panevezys we could see that, where environmental cooperation is concerned, support and know-how are needed for the design of major projects, for example the construction of a waste water treatment plant which could be removed from the programme of municipal twinning cooperation and converted into a twinning project between companies in connection with an investment in the environmental field, such as those in Kaunas, Klaipeda and Siauliai.

Support for the establishment of a Lithuanian Association of Local Authorities

Since 1994 the Swedish Association of Local Authorities has supported a programme in Lithuania in which the four former associations of local authorities have been merged into one. For this purpose support has been received from Sida (and BITS) amounting in total to SEK 4 million. The establishment of the new association of local authorities was, initially, extremely difficult. It has been, and still is, difficult to get different authorities and other interested parties to understand that an independent body is needed to look after the interests of the local authorities in addition to the ministry responsible for municipal issues. Problems in respect of management and staff contributed to making the situation uncertain. It is only during the last two years that the situation has stabilised and the new Association of Local Authorities is in the process of becoming an important body to which municipal issues are submitted for consideration. However, the Association still faces many challenges. The most

important is perhaps to build up its legitimacy as the representative and spokesman for its members, the municipalities. A central part of this work to develop a central training function.

Municipal training centre, a delayed project

An important issue, which was taken up in the evaluation of the programme of twinning cooperation, was how to make the content of the training programmes which had been provided by the Swedish parties more sustainable. The evaluation was of the opinion that, in the three Baltic states, there was a great need of basic training for new staff, further training for those already employed as well as training for municipal politicians. It therefore proposed that a programme of cooperation should be started in the future with national, Baltic training institutions, for example through a twinning arrangement with the Swedish Association of Local Authorities' course centre, Stora Brännbo, which has considerable experience of the twinning programme.

This proposal has then been taken up within the framework of the so-called Baltic Sea Fund, but has been given a completely different form than that proposed by the evaluation. The small and relatively uncomplicated proposal for a twinning arrangement has been replaced by a much larger project. An attempt by the Cabinet Office to obtain joint Nordic financing for the construction of a new institute for all three countries has encountered several obstacles. The result is now that the issue of Swedish support for local government training has been delayed by almost two years.

4.3 Cooperation between the county administration boards

A programme of cooperation between the Swedish county administration boards and the Baltic countries was started in 1993. The goal of the programme has been to transfer know-how and experience from Swedish county administration boards to their counterparts in the Baltic countries and thereby strengthen democracy and improve levels of professional expertise in the regional and local administrations. Between 1993 and 1995 some SEK 12 million was allocated to this programme which included some 120 projects. Cooperation with Lithuania was first started in 1994 and in total some 30 projects were implemented between 1994 and 1995. An amount of slightly less than SEK 3 million was allocated to these projects. This corresponds to just under a quarter of the total project funds for the period 1993-1995.

According to the evaluation (Almqvist, 1996), the programme of cooperation has created a good contact network between the twenty or so Swedish county administration boards and the thirty participating Baltic administrations. More than 2,000 people from the Baltic countries have participated in the projects. In Lithuania it is mainly the northern and western regions which have been involved: Klaipeda, Panevezys, Siauliai, Taurage, Telsiai. Of the central and south-eastern regions Alytus, Kaunas, Marijampole, Utena and Vilnius have participated. On the Swedish side the county administration boards in Kristianstad, Gothenburg and Bohuslän, Kronoberg, Malmöhus, Blekinge, Kalmar and Södermanland have participated.

The evaluator is of the opinion that the programme of cooperation would benefit from having a more long-term perspective. Many projects have had an excessive ad-hoc approach and there is a lack of strategic thinking in respect of both the development of the programme and what the Swedish side could contribute. In the beginning there was no information on the regional and local administrative structures on the Baltic side which, in the initial stages, diminished the effectiveness of the transfer of know-how. In spite of this the overall assessment from the recipient side is that the support has been valuable for development in the countries. The support is regarded as very cost-effective. It is considered that approximately half of the support has been allocated to activities which have focused on the development of democracy.

Of the remainder some 20 per cent has been directed towards environmental measures. This part of the support together, with the activities directed towards rural development, has been valued most highly by the Baltic counterparts. Thereafter there are the activities relating to public administration and democracy. Gender equality aspects have been neglected in the support. Cooperation in respect of trade and business was ranked at the bottom of the list.

The evaluator recommends among other things that the programme of cooperation should concentrate more on proceeding according to plan. The county administration which has the main responsibility for each country should prepare an operative plan for activities which are in line with the Swedish government's country strategy. The project periods should be extended to three years. Better coordination and exchange of experience should take place between the county administration boards which are active in the same country. Project documentation should be improved and spread more efficiently. Gender equality aspects should be given much more attention. Furthermore a better formulation of objectives for individual projects, a review of how funds should be applied for and granted, and a better follow-up were emphasised.

In April 1998 Sida decided to allocate SEK 7 million for further cooperation between the county administration boards and the Baltic countries. The decision to proceed further is based on a very brief application and in its decision Sida has requested more relevant information from the county administration boards, among other things an activity plan for each country shall be drawn up.

4.4 Further education programmes for journalists

Since 1996 FOJO (an institute for the further education of journalists) has been running a further education project for journalists from local media in Lithuania. The training programmes have been carried out in cooperation with the Lithuanian Journalist Centre in Vilnius and the Lithuanian union of journalists. Contacts with FOJO were initially made by journalists mainly representing national media who had participated in FOJO's seminars on journalism and democracy.

The point of departure of the project has been the lack of professional skills in journalists who work in the provincial media. Most journalists are young and have not undergone professional training. This means that there has been some uncertainty about the role of journalists and the ethics of journalism. The journalists have thus had difficulties in fulfilling their responsibility for conducting a competent and independent examination of social development and of those in power. The local media have had a need of modernisation and of becoming more efficient where their editorial organisation is concerned.

The project has consisted of four two-stage courses, held in 1996 and 1997, in which stage 1 has been held in Lithuanian regions and stage 2 in Sweden. In total some 140 journalists have attended these training programmes.

In connection with the results analysis the newspaper *Klaipeda* was visited. This is published in a Lithuanian version and a Russian version. The editor-in-chief of the paper was of the opinion that FOJO's courses had been of crucial importance for the development of the local newspaper, something which we could see when making a comparison with the former layout of the newspaper. The journalists we interviewed who were active in the national media in Vilnius were also of the opinion that the projects have been of great importance. If one looks at the press in Lithuania, the local newspapers have a circulation of some half million copies each day. This can be compared with the national press which has a circulation of some 60,000 copies per day. The programme of further education with Swedish assistance

could continue, possible in an advanced form in cooperation with the programmes run by the Lithuanian Journalist Centre in Vilnius.

4.5 Courts and legal system

The Swedish support to the Ministry of Justice is intended to have two main components, support to the courts system and to correctional treatment. The programme of cooperation is still in the initial stages, but nonetheless the support to the courts system in particular has proved difficult to get started, despite the fact that it has been given high priority by the Lithuanian Ministry of Justice. Not least there is a desire to obtain access to new knowledge about a western legal system and about EU laws and conventions. The reason for the sluggish start can be found on both sides.

Courts programme

According to the Lithuanian side the initial contacts between the parties did not sufficiently take into consideration the differences which exist between the Swedish legal system and the local system. Neither was there a pre-study which could be used as a point of departure. This has had the result that the Swedish side have had insufficient information on the structure of the Lithuanian system as well as on the areas and types of projects which should be given priority. The Swedish partner, the National Courts Administration, did not have, or did not allocate, adequate capacity to participate in producing a project. It was thus difficult to enter into a dialogue on what should be done and on what results both sides expected to achieve from the programme of cooperation. However Sida has reacted to this situation and, together with the parties concerned, has identified the problems in producing a project. An external consultant has been engaged to help the project get underway.

Coordinators responsible for the project have now been identified on both sides.

Correctional treatment

The correctional treatment project, which is also being implemented in cooperation with the Ministry of Justice, even if correctional treatment comes under the Ministry of the Interior, has made more progress than the courts programme. It consists of two parts: a training project and a "twinning cooperation" project. This project has been well prepared in many ways. The Council of Europe's programme, THEMIS, which provides support and advisory services to the Baltic countries to enable them reform their prisons systems, has financed an inventory of Lithuanian prisons. The study has provided many proposals on how the prisons shall be reformed and brought to function in better harmony with the European prisons system. As a follow-up of the THEMIS report, the Council of Europe has also started a new project, Nordbalt, which has the task of following up ongoing bilateral programmes of cooperation between the Nordic countries and the Baltic countries and, if necessary, contributing to filling the gap between different activities by engaging other European expertise. Through the THEMIS report and Nordbalt's activities there is today both a so-called "base-line" study and an inbuilt monitoring system in the project. It should therefore be relatively easy to follow up its results. The training project has already started. A training programme which shall start in January 1999 is being prepared. Some training materials of good quality have already been produced.

The twinning project is in the start-up phase and it is therefore too early to be able to make an assessment of it. On the Lithuanian side however, there is great satisfaction with what has taken place hitherto. Cooperation between those appointed to be responsible for the project is considered to function very well.

The two projects in the Ministry of Justice show clearly the effects which differences in project preparations can have. The correctional treatment project was far better prepared than the courts programme, among other things due to a thorough pre-study. The project has clear goals and activities are well described. Responsible and

committed persons have been appointed on both sides. The Swedish party, the National Correctional Administration, has also been a driving force in the programme.

Commission for International Development Cooperation in the Legal Sector

With the aim of strengthening the Swedish resource base and of establishing coordination in international work in the legal field as well as between the agencies working with the administration of justice in Sweden, the Commission for International Development Cooperation in the Legal Sector has been formed. The Commission consists of representatives of the Ministry of Justice, the Ministry for Foreign Affairs, Sida and the other four agencies working with the administration of justice: the National Correctional Administration, the National Courts Administration, the Chief Public Prosecutor and the National Police Board. The Commission shall submit a report to the Government in March 1999 which shall contain, among other things, proposals for a long-term solution for the exchange of information, consultations, feedback of experience and human resource development. An interim report on cooperation, in particular with the Baltic countries, was presented in July 1998. This indicates that cooperation in the legal field is expected to increase.

4.6 Non-governmental organisations

The development of non-governmental organisations (NGOs) is of importance for democratic development since these organisations engage normal citizens in social life and can act as important pressure groups in the political life. This form of cooperation is administered by Sida's Department for Cooperation with NGOs and Humanitarian Assistance (SEKA). In total Sida's allocation to programmes of NGO cooperation in Central and Eastern Europe during the last three years amounted to some SEK 190 million. This support has made it possible for hundreds of major and minor societies and organisations in Sweden to implement projects together with their partners in cooperation in the different countries. In total funds for some 800 projects have been granted by Sida. They cover a wide spectrum of activities: integration of the handicapped into society; children's rights; the participation of young women in politics; the prevention of alcohol and drug abuse; development of cooperatives in rural areas; establishment of adult education organisations, etc.

Since 1997 Sida has not received applications directly from NGOs and societies. Instead the major part of the support is channelled via 11 so-called frame organisations². These usually run activities of their own together with partners in Central and Eastern Europe. In addition certain frame organisations are responsible for the administration of applications from other Swedish NGOs which, in turn, have partners in cooperation in these countries.

Non-governmental organisations in Lithuania

The development of NGOs in the country accelerated after independence, after they had been banned during the communist era. Despite the fact that the Lithuanian civil sector is under-developed and only has minimal resources at its disposal, there are almost 5,000 NGOs registered (approximately 1,500 are regarded as active NGOs in the real sense of the term), including 239 trade unions, 99 political parties and organisations, 115 religious associations and 283 charitable organisations and foundations. In Vilnius there is an *NGO Information and Support Center* which is financed by the UNDP. The Centre has established contact with Forum Syd in order to facilitate the creation of contacts between Swedish and Lithuanian organisations.

² Olof Palme International Center; LO/TCO Council of International Trade Union Cooperation; Federation of Swedish Farmers (LRF); Swedish Save the Children; Swedish Red Cross; Swedish Organisation of Handicapped International Aid Foundation (SHIA); Swedish Missionary Council; Church of Sweden Aid/Church of Sweden Mission; PMU Interlife; and Forum Syd.

Cooperation between Swedish and Lithuanian NGOs

Between 1995/96 and 1998 Sida/SEKA has granted funds amounting to slightly more than SEK 11 million for cooperation with Lithuania. These funds have been used for 65 projects of which 20 have had children and young people as their target group. The remainder have concerned the population in general. A large part of the NGO support to Lithuania has been allocated to activities the agricultural and forestry sectors. In addition social projects have received support. Trade union and popular movement work also constitutes a large part of the cooperation between NGOs.

Sida has commissioned an evaluation of the programmes of cooperation between NGOs in Sweden and the Baltic countries which have been financed with Swedish funds (Winai et al, 1997). The evaluation focuses on the content and development of cooperation as well as the sustainability of the results achieved. It covers nine Lithuanian NGOs. The evaluation draws the conclusion that most of the NGOs concerned are well on the way to developing a sustainable democratic structure for their activities and that they work explicitly for building a democratic society. At the same time most of the NGOs are dependent to a great extent on external financial support, both for their regular activities and for their strategic development work.

The Swedish support has contributed to increasing capacity and know-how as well as an awareness on the need of internal democratisation and development of the capacity to function as democratic meeting places. In brief the study considers that NGO cooperation has generated the intended results and that these are sustainable to a reasonable extent. Effects have been achieved mostly in the areas of "strengthening democracy" and "organisational development". The Swedish projects are considered acceptable where levels of know-how are concerned, even if some miscalculations have been made on both sides. The degree of coordination with other activities in the organisations concerned was not studied in the evaluation.

As is evident from the evaluation, different NGOs in central and eastern Europe are still at very different stages in their development. A follow-up of the development of the organisations and of flexibility in the support is therefore important. For certain organisations committed personal support is suitable, for other, more highly developed organisations more highly organised cooperation is necessary, for example via partnership funds or contracts. Furthermore the division of responsibilities between the parties must always be specified clearly. The exchange of experience between different organisations and the construction of networks to other social sectors, for example the private sector, is also of great importance and should be supported.

In terms of the four main goals of cooperation with central and Eastern Europe, the present programmes of NGO cooperation are particularly relevant where the democracy goal is concerned. There the degree of relevance is high. Several of the Lithuanian organisations concerned also have, however, ambitions and activities of relevance even to other main goals, primarily support for socially sustainable economic transition and also, to a certain extent, environmentally sustainable development.

The lessons learnt for the future which have been given prominence in the evaluation should also be of interest in a wider perspective. One is that, at the same time as a programme of cooperation initially must be allowed to be a little tentative, expectations and commitments must also be made all the more specific as soon as this is possible. Another experience is that goals which are formulated too optimistically and narrow horizons can lead to an extended engagement in projects. A third indicates the importance of defining final points in time for projects and the state of affairs which is desirable for when a Sida financed project can pass into a stage of genuine partnership, independent of Sida funds.

In connection with the results analysis a visit was made to the Lithuanian Save the Children. This organisation works mainly with influencing decision-makers at local and central government level to give more attention and resources to vulnerable children in Lithuania. Lithuanian Save the Children has strong competition from other organisations which work with children's issues (there are about a dozen such organisations) and take direct care of children who have been abandoned for various reasons and are on the streets. Since Save the Children mainly works as a pressure organisation working with politicians and civil servants at local and central government level, it has encountered criticism and has been likened to a "paper organisation". Save the Children runs 11 day centres for children but is trying to persuade the local authorities to take over these centres.

Today the organisation has 1,500 members and has, in addition to its central office in Vilnius, 30 local offices, of which 17 are active. The director of Lithuanian Save the Children in Vilnius was of the opinion that the help received from Sweden had made a considerable contribution to the development of Lithuanian Save the Children. Today assistance from Sweden covers some 80 per cent of the budget. The training given is valued highly. A visit of the Swedish Save the Children's chairman had had positive effects on the PR work of the organisation. It is now working actively to find other sources of funding. In the year 2001 support from Swedish Save the Children will come to an end.

4.7 Cooperation through the Swedish Institute

The programme of cooperation in the field of culture and education through the Swedish Institute (SI) is of great importance to create a democratically open society and to develop cooperation between the countries as neighbours. Cultural and educational cooperation with all Baltic countries has increased substantially during the 1990s. Cooperation in this area is made possible by the SI subsidising the participation of cultural workers, experts and research workers in different cultural events and education and research projects. By supporting this type of exchange with development of knowledge as the objective, the ties between the people in the Baltic Sea countries are strengthened. The programme of cooperation is divided into three parts: cultural exchanges, expert exchanges and academic exchanges. In addition the SI produces information on Sweden in Lithuanian.

Cultural exchanges

Between 1995/96 and 1997 an amount of SEK 5.4 million was approved for cultural exchanges in which Lithuania was represented. Several of the arrangements also included participants from other countries in the region with which Sweden cooperates. In total 117 projects were implemented in which Lithuania was represented. The individual allocation for each project is as a rule between SEK 5, 000 and SEK 20,000. A few individual projects were larger, around SEK 100,000, and then as a rule they include participants from several countries. The activities consist of a wide spectrum of cultural events.

Expert exchanges

Just under SEK 1 million was granted for expert exchanges for 1995/96 to 1997. This amount also includes several projects which concerned several countries in the region with which Sweden cooperates. The projects cover a wide range including, for example, an allocation for participation in archaeological excavations at Birka, studies of Swedish culture administration by the Lithuanian Ministry of Culture; production of TV programmes on Sweden; and participation in conferences and seminars of different types.

University college cooperation, the Visby programme and individual scholarships

In 1995/96 SEK 3.5 million was approved for university college cooperation between Sweden and Lithuania. Over and above this Lithuania was granted funds for projects in which several countries in the immediate vicinity were involved. The corresponding figure for cooperation with Lithuania during the academic year 1996-97 was SEK 4.3 million. The funds are primarily for cooperation in the field of natural sciences but also include, to a certain extent, the social sciences. In the various scholarship programmes (Baltic Sea scholarships, the Visby programme etc) individual scholarships are awarded to research workers and doctoral students. Through the Visby programme, which was established in 1997, there is also the possibility for Swedish universities and university colleges to receive support for joint research projects and networks in countries in the vicinity of Sweden. Where the Visby programme is concerned SEK 6.4 million was approved in the academic year 1997/98 for cooperation with Lithuania.

Swedish language training

In Lithuania the SI is supporting Swedish language training at Vytautas Magnus university in Kaunas, Klaipeda university, Siauliai Institute of Pedagogics and Vilnius university. Lecturers supplied by the SI are working in Vilnius and Klaipeda. Otherwise the support consists of teaching aids, works of fiction, and technical equipment such as computers. Furthermore the SI offers free places at Swedish folk high schools, Swedish teachers' conferences as well as gift subscriptions to newspapers. We are of the opinion that the increase in the teaching of Swedish is of great importance for the development of contacts between the countries.

International training of lawyers

On July 1, 1997 the government commissioned the SI to prepare Sweden's participation in connection with the formation of the Riga Graduate School of Law. This project, which was initiated by Sweden, is being financed by Sweden, EU-PHARE and private Swedish and international foundations. The school is intended for students in the three Baltic countries and shall offer all programmes in English. The initiative addresses the need for a new generation of lawyers with high levels of professional skills, particularly in areas which will be important for future membership of the EU.

5. Socially Sustainable Economic Transition

Lithuania is one the countries which has come half-way in its process of transition towards a modern market economy. This means that the country has achieved macro-economic stabilisation, i.e. inflation and the budget balance are under control. The small-scale private sector is relatively well developed and the bank sector and other financial institutes are being built up. Extensive privatisation is still only in the initial stage.

Lithuania is the Baltic country which has lost most in respect of GNP in connection with economic transition. In 1997 GNP was estimated to be 44 per cent of the level in 1989. The country has therefore lost over 50 per cent. In Latvia GNP in 1997 is estimated to correspond to 54 per cent of GNP in 1989 and in Estonia the corresponding figure is 76 per cent. The break in the negative trend came in 1994. In 1997 it is estimated that GNP grew by slightly more than 4 per cent. The forecasts for 1998 are, on average, 4.3 per cent (between 3 and 5.5 per cent). During the entire process of transition Lithuania has had a good budget balance. The budget deficit in 1996 amounted to 3.6 per cent of GNP.

Table 5.1 *Lithuania 1991-1998. Economic indicators. Annual change, per cent*

	1991	1992	1993	1994	1995	1996	1997*	1998*
GNP growth %	-13.4	-37.7	-24.2	1	3.0	3.6	4.3	4.3
Inflation %	345	1 161	189	45	36	13	8.7	6.0
Unemploy- ment				10.6	11.8	14.2	13.0	
Budget Deficit as % of GNP	2.7	0.8	-3.1	-4.2	-3.3	-3.6		

Source EBRD, 1998 pp 135-140. Oxenstierna & Huitfeldt, 1998 p 3. * Forecasts

Lithuania has a relatively large unofficial - grey/black - economic sector. This was estimated at 22 per cent of GNP in 1995. This is lower than Latvia (35 per cent), but higher than Estonia (12 per cent). The unofficial sector has decreased since 1993 when it was estimated at 40 per cent of GNP (EBRD, 1998, p 74).

5.1 Support to the private sector and public administration

External debt management

In this area Sweden is running an advisory services project which focuses on external debt management. The cost of the project is SEK 3 million per year in the first phase. Among other things the consultant has participated in Lithuania's first Eurobond issue.

The Ministry of Finance has a number of foreign advisers in different areas. The Swedish consultants came in 1994 via a World Bank project which focused on human resource development in external borrowing in connection with the first World Bank loans. It was originally intended that this project would have a second phase but this did not take place and therefore the consultant, with the support of management at the Ministry of Finance applied for direct Sida support for a continuation of his project.

To a certain extent the project has included cooperation with the local borrowing process which was originally established with the aid of a project administered by the English organisation, Crown Agents. The Sida-financed project has filled an important function since there was no expertise in foreign borrowing at the Lithuanian Ministry of Finance. The expert advice supplied in connection with negotiations with international banks and finance institutions has been of particular importance. The consultant has assisted the Lithuanian Ministry of Finance on visits to different parts of the world to provide information about Lithuania and to introduce the country as an international borrower.

The Lithuanian partners in cooperation considered that they had learnt a great deal about international debt management through this project but it was not possible to obtain a clear picture of whether the project has constituted training and development of knowledge of a long-term character during our short visit to the Ministry of Finance. In the project document for example mention is made of "on-the-job training" but this does not appear to have taken place in a systematic manner - rather in the regular daily work. An assessment of what the organisation and the staff have learnt, the extent to which the staff has worked with relevant persons and what they can now do independently after the three-year project, requires an expert evaluation.

The adviser has been engaged in his personal capacity. This is reflected in the high costs of the project. The Lithuanian side merely contributes an office and local transport. In view of the increase in borrowing at lower costs which his work has achieved, according to the Lithuania Ministry of Finance, some form of cost-sharing could have been considered when the project was extended in the spring of 1998.

The project is both central to and of interest for the development of national finance markets and government borrowing. At the same time it is expensive, small and relatively isolated in considerably larger context in which there are many different donors. We consider that the project should be evaluated.

Banking and finance

Sida-East has run several projects in the banking and finance sector in Lithuania. Several of the projects have taken place in collaboration with the World Bank, in particular in the financial sector programme for all Baltic states which has had the aim of contributing to the restructuring of the banking sector and strengthening the financial infrastructure.

In 1995 Sida East financed a short-term adviser to the Apex unit at the Central bank. It was intended that this adviser should assist the unit and the local banks with specialist advice and practical training. The Apex unit was established to administer disbursements of World Bank loans and to carry out transactions on currency accounts. The project supplemented the earlier financing of a Swedish expert at the Technical Unit in Latvia. The work of the expert focused in particular on guaranteeing the financial follow-up and reports on the loans from the World bank.

In the part of the World Bank's financial sector programme which is directed towards privatised companies, Sida-East has financed an adviser in accounting issues at the Consulta unit in the Lithuanian Ministry of Industry. The aim of this project was to design, implement and monitor the bookkeeping and financial reporting system for Consulta's operative work.

In connection with the bank crisis in Lithuania in 1995, a project was initiated for the establishment of a organisation which had the task of liquidating credits and assets of the banks affected by the crisis in order that the largest amount possible was obtained. After an initial study visit in January 1996 the Swedish model for the liquidation of assets used by the companies Retriva (Gotabanken) and Securum (Nordbanken) were judged to have particular relevance for the situation in Lithuania. In the light of this a decision was made to build in a so-called "work-out unit" with Retriva as a model as part of the comprehensive package for the Lithuania bank crisis. Staff from the former Retriva participated in the project through the implementing organisation, the consultancy company GRAMMA AB.

In 1995 and 1996 an organisation for the liquidation of assets, Turto Bankas, was established with Retriva as a model. In total the project cost SEK 1.7 million. The project, which has now been finalised, was considered by the World Bank representatives in Vilnius as a central component of the action package which was devised to solve the bank crisis.

In addition to Sida, Swedfund is engaged in the Lithuania bank sector. Between 1995 and 1997 Swedfund has supplied risk capital amounting to some SEK 70 million³.

Information system for Parliament, Seimas, and other parts of the public administration

Swedish support to this project was started in 1995 with a study made of the documentation of the Lithuania Parliament, Seimas by a Swedish consultant. At this time the Lithuanian government was discussing whether the system it had built up itself was adequate or whether an entirely new system should be purchased. Several foreign tenders were received for new and more sophisticated documentation systems. However, the Swedish consultant was of the opinion that the existing system would be adequate if certain improvements were made to it.

³ Support has been given in the main to the leading commercial banks *Vilnius Bankas* and *Hermes Bankas*, and to a smaller bank *Ukio Bankas*. Swedfund was previously also the owner of the *Lithuanian Development Bank*.

In the work of improving the documentation system, intensive exchanges took place with Swedish companies and institutions and study visits were made to Sweden, including the Swedish Parliament, in order to learn more and to test different alternatives. This work was coordinated in a good way by the Swedish consultant. One example of this was the security system which was produced and installed with Swedish assistance. The Swedish support has also included minor purchases of hardware. The cost of this project amounted to some SEK 3 million.

The Swedish project is regarded as having been of decisive importance for the skills and capacity which have now been built up in both *Seimas* and the prime minister's office. Support has been received from other countries, but this has mostly consisted of supplies of hardware. *Seimas'* training programme, for example, has been entirely implemented with support from Sida. The result of the project is that an efficient information system is now available. This has meant that all documentation on and from Parliament is now available to the mass media and the general public. At present the system is being extended so that it will also be available on the Internet. The next step is to link together the entire Lithuanian central government administration with an internal information system. The system exists and has been tested by connecting the prime minister's office with the Ministry for Foreign Affairs.

According to the Lithuanian side the Swedish consultant has performed a very good job. The goals set up have been achieved with small strategic inputs. The Lithuanian government made considerable savings when it decided against buying a new system for documentation. It has therefore been cost-efficient. Lithuanian expertise has been rapidly built up and today this is at the same level as that in Sweden. It is also sustainable.

The major problem now is no longer internal expertise but a lack of investment funds to extend the system. Another problem has been due to the low levels of government salaries. It has been difficult to retain qualified staff in the government administration when private companies can pay salaries which are twice as high.

One important condition is now that further funding can be found. It was expected that, after the ongoing project with Sida had been finalised, it would be possible to count on further financing through the Baltic Sea IT Fund which is administered by Swedfund.

Labour market policies

Since 1992 Sweden has run a successful labour market project with the Lithuanian labour market agency. Between 1995 and 1997 SEK 2.3 million was allocated to the project. The Swedish party involved is the county employment board in Blekinge. Unemployment is 13 per cent in Lithuania and in an evaluation (Oxenstierna & Huitfelt, 1998) the project was assessed to be relevant in relation to the Lithuanian labour market situation. The programme of cooperation can be characterised by high levels of expertise on both sides and great commitment. The Lithuanian side has developed the material side of the employment offices at the same time as the Swedish training programmes have been held. One of the reasons why the programme of cooperation has been so successful is that both sides have engaged a large proportion of personnel in the project. The project also has a project organisation of high standard, good cost-efficiency and clear documentation.

The National Labour Market Board (AMS) has similar projects in the other Baltic countries and in north-west Russia. The delegation of projects to the county employment boards has constituted an extremely good model for Swedish agencies for this type of project. At the central office there has been a small international unit which has taken care of coordination and a certain amount of administration. After the evaluation of the project more resources have been allocated for the exchange of information and experience between projects in different countries.

AMS and the Lithuanian labour market agency have submitted a proposal for a continuation of the programme of cooperation in which most of the recommendations made in the evaluation are included, among other things coordination of different stages of the project, for example EU adjustment, for participants from different countries.

Rural area employment project, Telsiai region

This project is interesting since it is one of the few which has not proceeded as planned. Originally it was planned to be a supportive project to a World Bank loan. The goal was to contribute credits for the start-up of new companies in order to provide both men and women with the means to earn a living in this poor part of Lithuania. Sida provided technical assistance via the Federation of Swedish Farmers/AMS vocational training organisation amounting to SEK 4.3 million.

In an evaluation (Falk, 1997a) it was noted that methods for training and the provision of advisory services used in activities had probably contributed to initiating a process in the region in which people would start their own businesses. The advisory services supplied to women have functioned particularly well and had also spread to men. Furthermore this had led to the establishment of two company centres in the county of Telsiai.

Otherwise the results were weak. Even if a process had been started, few projects had been started and these were so small that they could hardly have any major effects on employment. The effects had not spread to other areas. Project management had been criticised. The Ministry of Agriculture felt that it had too little insight into the project and the Swedish funds could have been used to employ Lithuanian personnel who were better aware of the conditions in the country. It had taken a long time to obtain the World Bank credits and when they were finally available the situation in Lithuania had changed so that their terms were no longer attractive. Of the USD 30 million which was available for credits, only USD 1 million had been used. The Lithuanian commercial banks which were to administer the loan preferred to lend funds of their own. The cultural situation, in combination with the generally uncertain bank and finance markets in the country, also had the effect that the businessmen preferred to finance their companies without these expensive, uncertain credits.

However, according to the LRF the project has made progress after the evaluation. A computer training programme has been started in one company centre. An estimate shows that the number of new job opportunities in Telsiai is approximately 100. Clearly the time perspective in this project at "grass-roots level" should have been longer.

Baltic Corps

The Southern Sweden Chamber of Commerce has run a programme of cooperation with the chambers of commerce in Panevezys, Aiauliai and Vilnius. It has also been responsible for the project "Baltic Corps" in which unemployed, qualified Swedes have been offered as experts to Lithuanian companies. The contract periods have been between six months and one year. They have mainly worked with production, quality control, business planning and marketing issues.

Baltic Corps has been the subject of external criticism, but the project appears to have functioned well, at least during the second phase. During the first phase some errors in judgement were made where the selection of Swedes was concerned, which had a negative effect on the good name of the project. This situation was corrected in the second phase in which a much more detailed selection procedure was used. In studies of the project reports submitted by the consultants employed in the project we can state that some reports are of a very high standard while others are rather meagre. However the latter are necessarily of inferior quality. Good practical people cannot always write.

The project is considered to have missed, to some extent, the fact that language skills are still weak in rural areas and the project thus underestimated both the need and supply of interpreters at the companies.

In general the Lithuanian side was very satisfied with the project. The Lithuanians were of the opinion that the value of this longer type of assistance to the companies selected had been greater than what could have been accomplished by short-term consultants hired for the purpose. The Lithuanian companies had paid Lithuanian salaries to the Swedish specialists. In one case, in Panevezys, one company had not wanted to pay a salary since it did not feel that it had obtained sufficient benefits from the expert.

We believe that the project was better than its reputation and that a local evaluation, for example by a faculty of economics in Lithuania would have provided a less rigid picture of the project.

Chambers of commerce

The Southern Sweden Chamber of Commerce has also had a programme of "twinning cooperation" with the chambers of commerce in Panevezys, Siauliai and now, as a separate project, in Vilnius in respect of organisation and capacity building as well as in concrete issues. This programme of cooperation has followed a German programme of cooperation which pursued a totally different development line with compulsory membership as opposed to the Swedish approach where membership is voluntary and is based on the members' impression that they get something in return. An important part of the programme has consisted of contributing to the creation of services for which payment can be received, such as issuing so-called ATA documents for the temporary imports of goods into other countries. Cooperation with the Swedish party was praised in our interview with the head of the chamber of commerce in Panevezys. According to the Swedish side one of the two chambers of commerce in the rural areas had made good progress while the other, whose director had started to spend most of his time on a political career, had made slower progress.

The chamber of commerce in Vilnius fully confirmed the positive judgements on the programme of cooperation and in addition emphasised the assistance it had received in respect of writing proposals to the government on customs regulations. The value of the long-term programme of cooperation, which had the consequence that the Swedish party had become acquainted with the situation in Lithuania was particularly emphasised. The Swedish party always provided the right expertise and without any delay. The programme of cooperation has now reached a stage in which the Southern Sweden Chamber of Commerce has opened an office on a trial basis in the premises of the chamber of commerce in Vilnius. With time it is possible that the self-interests of the parties concerned can follow the project financed by Sida.

Start-East

The Start-East programme provides support for small Swedish companies to establish operations in Central and Eastern Europe - to start commercial activities and, at the same time, transfer know-how to their partners. The programme offers the Swedish parties the possibility to obtain two types of credits. Up to SEK 350,000 may be used for the transfer of know-how. This credit is written off when the project has become established and is has been given a positive assessment. In addition a further credit can be given for the purchase of equipment. Both credits together can amount to a maximum of SEK 500,000 or 30 per cent of the total investment. Part of the support is written off. Up to 1996 support had been provided for 40 projects of this type in Lithuania.

The evaluation (Karlstedt, Hilding, Gryko, 1997) was of the opinion that the project had been successful but maintained that not enough time has passed in order to draw any far-reaching conclusions. The geographical proximity of Lithuania to Sweden is of special importance for this type of support. Of the projects which were studied in depth, there were four in

Lithuania. In general these were assessed as positive where stability and the transfer of new technology were concerned, positive with one exception where the management skills and the companies' financial strength and potential for growth were concerned, but more negative where increases in production volumes and profit margins were concerned. The size of the market is also of great importance.

The evaluation recommended that Sida implemented a third phase of the project, but should make a better review of the projects prior to reaching decisions, in order to make a better analysis of the market and the financial strength of the companies. More importance should be given to an assessment both of the foreign companies' growth potential and of the Swedish companies' industrial know-how and practical experience.

Forestry sector

Support in the forestry sector has been supplied through a Swedish-Lithuanian forest development programme which was established in 1992. The implementing organisation on the Swedish side has been Jaako Pöyry Consulting AB and on the Lithuanian side the Ministry of Forestry. A master plan was drawn up for the projects and according to the evaluation (Bendz, 1996) this has been followed and almost completely fulfilled.

The support has included: development of administration and legislation; inventory and inspection systems; adaptation of classification systems and quality control to European standards; development of measurement systems for wood and biomass; and the development of forest companies. The programme of cooperation has been characterised by a large component of training for different categories of employees in the sector.

During the period 1995-1997 the support amounted to just over SEK 6 million. The evaluation states that the support has been relevant and well-focused and it has been well implemented and has involved many people. It has had a direct effect on the formulation of policy and contributed to the modernisation of the forestry sector. The evaluator considers that the Lithuanian forest capital is underestimated and that therefore the forest resources are under-utilised. It is recommended that Sida gives support to the project for at least one more year. The Lithuanian side should then be more involved in project preparations and implementation. Furthermore it is stated that on the Lithuania side there are now a need for resources such as hardware and funds rather than further advisory services.

In an interview with the evaluator we were informed that, after the recommended extension of the project had been finalised, the Swedish consultant had submitted a proposal to Sida for one more phase. The issue of "if, when and how" this project shall be finalised has still not been solved.

Other projects in the private sector and public administration

Among other projects in the private sector and public administration there are, for example, trade promotion activities such as the *Advantage Balticum Project*; organisation and equipping of a post terminal in Vilnius; and development of the central government administration with assistance from the Swedish National Audit Office. Sida has also supported the development of the insurance sector through a training programme for insurance employees which has been run by the IFU.

5.2 The social sectors

Development of social services, Stockholm School of Social Studies

The Lithuanian Ministry of Social Welfare and Labour is working on a reform of the country's social policy in which the existing focus on institutional care will be replaced by a new focus on more open care for socially weak groups. This applies to care of the elderly, care

of handicapped children, persons who abuse drugs and alcohol, persons who have left forms of corrective treatment and other vulnerable groups. Today Sweden is participating in a pilot project together with the World Bank which has the aim of developing social services in six municipalities. The project includes building up 14 open care centres for different groups. The project has a good foundation to start from since it is based on project proposals from the municipalities which also undertake to finance future activities at the centres which are opened. The six municipalities which are now participating have been selected from eleven proposals received. The World Bank is responsible for the reconstruction of buildings and necessary equipment. In the agreement with the municipalities there are certain conditions, for example a manning plan specified. The World Bank has also equipped an office for use as a project office, the Project Coordination Unit (PCU) in Vilnius.

The Swedish project is responsible for the salaries for staff working at the PCU, advisory services and training of social workers (in the pilot project these consist of 150 persons of a total of 600) who shall work at the new centres for open care. Sweden has also participated in a so-called baseline study which has been performed by persons from Vilnius University. According to this study some 1,500 persons are in need of the care which shall be offered by the pilot project in the six municipalities. A financial study of the Lithuanian social policy has also been performed.

The municipalities have shown great commitment in these issues. The idea is that, with the aid of the project, the municipalities shall be able to reduce costs by closing homes where the elderly reside on a full-time basis. The centre for handicapped children represents a new type of social service on offer. Previously handicapped children have exclusively been cared for in their homes or in boarding homes. Addicts and persons with criminal records are other groups which have not previously had access to this type of service. Special centres at which maltreated women and children can stay temporarily are also new. Plans are being made to extend the activities to other municipalities, entirely on a Lithuanian initiative, prior to the completion and evaluation of the pilot project.

This would indicate that the results achieved hitherto are sustainable. They contribute to creating greater confidence in the capacity of society to help weaker groups and thus contribute indirectly to the development of democracy. Since a large proportion of the staff who are being trained to serve at the new centres are women, the project also contributes to promoting the gender equality aspect.

Social projects are also important for the confidence of the citizens in society and thus for the development of a democratic society. At the same time they are rarely given high priority or are able to continue without assistance when there is a lack of resources. The needs in Lithuania are enormous in all social sectors. During our interviews we heard of an almost unlimited amount of measures which need to be taken, investments and requests for support.

A major Swedish engagement in these matters can therefore be difficult to wind up. The Swedish role in this and similar projects must therefore always be carefully weighed up against the national resources which shall be allocated. It is important that the Swedish support does not contribute to the creation of new or excessively large systems which make it difficult for the municipalities to live up to their undertakings. Neither can reductions in institutional care be made before open care facilities and associated requirements are extended, for example the persons leaving institutional care must have access to properly adapted residences, supervision, the possibility to attend activity centres etc.

In connection with the results analysis, visits were made to day centres for mentally retarded children in Anyksciai and Moletai. The staff at these centres were satisfied with the training provided in Sweden. The programme had been well composed and implemented. The value of the study visits and the possibility to work at similar centres in Sweden had been invaluable

since they had given new knowledge and thereby new strength to stand up for what one believed in and wanted to do. The following ten-week course in Lithuania had had more of a theoretical character. A conference which had been arranged in Anyksciai in 1997 was considered to have contributed to the further dissemination of the concept and knowledge throughout the entire country. A further conference is planned to for September 1998.

The Swedish project is being implemented by the School of Social Studies at Stockholm University. The present project leader at the school participated in the preparatory work on the project. The Swedish project has thus not been the subject of a competitive procurement. The project budget has large coordinatory and administrative elements. According to the budget almost SEK 2 million, of a total project cost of SEK 8 million, was allocated for these purposes in 1998. This can be due to the fact that the budget is badly specified. Project management in Stockholm consider, among other things, that their role as adviser to the project is considerably more extensive than the coordinatory and administrative tasks they perform. The problems where administration is concerned has been due to the fact that administration has been given lower priority. It is considered that this situation has now been rectified. However, we are of the opinion that more needs to be done.

The division of duties where follow-up and project development are concerned between the partly Sweden-financed PCU in Vilnius and the Stockholm office still appears unclear. The different roles of the participating personnel could be defined better. Almost all training is done by other personnel both in Sweden and Lithuania. The financial management of the project has been audited and found to have shortcomings. These have not yet been rectified. Among other things the routines for the transfer of funds from Sweden to the PCU in Lithuania were not functioning properly as late as May 1998.

In other contexts, bilateral financiers such as Sida are usually hesitant to build up separate project offices in addition to the ordinary structure in the recipient organisations, since there is a risk that they will be functioning but isolated islands in the recipient environment with few effects where the development of knowledge is concerned. However, in this case the Ministry for Social Welfare and Labour has been very positive to the PCU and has specially expressed the wish to receive more assistance for the funding of the unit. Therefore it would appear to be urgent to analyse its function and activities in detail as well as the possibilities available to the Ministry of Social Welfare and Labour to take over the function in the long term.

The project is now coming to the end of its first year, but commitments have been entered into for five years. With its long-term character it should be reasonable for the planning of all parties involved to draw up a more long-term project plan. Nor, with a longer funding model, would Sida need to make a formal decision every year. Annual applications for new funds carry the risk that new initiatives may arise which are difficult to supervise.

We are of the opinion that Sida, for the many reasons given above, should consider building in a regular follow-up of the project by person(s) with expertise and experience of running projects in the area of social policies in order to monitor long-term developments.

Pilot project in Utena municipality

In this project the Swedish Association of Local Authorities and the municipality of Utena have made a study of the social areas (child care, education, health care and care of the elderly, and matters relating to the handicapped) which could be further developed with Swedish support. The project was implemented in 1996. A project proposal for a continuation of the project was submitted to the Lithuanian Ministry for Foreign Affairs in 1996.

The evaluation made of the project in the spring of 1997 (Falk, 1997) recommended a continuation after certain revisions had been made to the original project document. Among

other things the goals, activities and expected results should be more clearly formulated. The requested revisions were made in December 1997 together with Sida's own LFA expertise and a new document was presented in March 1998. A decision to support a new project in the amount of SEK 2.5 million was made in June 1998. The new Utena project focuses on the environmental administration and town planning.

Other social projects

Sida-East is also financing a number of small projects in the social sphere. These concern the development of rehabilitation centres for handicapped children, training of mentally retarded children, and the integration of handicapped children into schools.

5.3 Infrastructure and physical planning

Land reform

Sweden has provided support for land reform in Lithuania since 1992 through Swedesurvey AB. The project has mainly concerned the development of property registers and the production of maps of the country which is a precondition for the development by the country of a viable property market of the West European type. An evaluation (Brook and Ragnar, 1996) states that the project has been relevant and has had a long-term positive effect on land reform and market development. Among other things a property register is necessary for the creation of a mortgage register, a register for borrowing money on properties.

The evaluation states that in these issues the Lithuanian agencies still have certain coordination problems and that it can be expected that a further 7-10 years will be required before the programme for land reform has been completed. It also proposes that Sida and the Ministry of Agriculture formulate a policy for 2-3 years with the aim of attaining the sustainable transfer of know-how and technology.

In the follow-up which was made in connection with the results analysis we could establish that the coordination problems between the Lithuanian agencies still exist. The development of a mortgage register was now the responsibility of the Ministry of Justice and the land survey agency, State Land Cadaster Register, which is responsible for the property register. Friction in relations were obvious. According to Swedesurvey this project was initially regarded as a component in a larger Swedish programme to develop a viable property credit system.

The project is now entering a phase in which it will be financed via EU-PHARE. Swedesurvey, which has assisted the land survey agency throughout the development process, participated in the procurement for the continuation of the project and won the project at EU-PHARE. Later the procurement was declared invalid with reference to the fact that it had not been done correctly since the Lithuanian side had not valued the experience and qualifications of other tenderers in the correct way. The land survey agency, however, only received a written statement on the first decision on the project. Unofficially they heard later that EU-PHARE had changed the decision to the benefit of a German firm of consultants. The management of the agency was extremely frustrated about the EU procedure and the lack of official information and communication. It compared the contacts in this matter and the administration of EU-PHARE with their early experience of working with Moscow. As late as August 1998 neither the Lithuanian land survey agency nor Swedesurvey had received an official statement from Brussels.

What has happened in this case indicates the difficulties experienced by Swedish consultants in holding their own in the EU context and indicates that another type of support is needed to motivate more Swedish participation in EU projects. Today Sida-East has no resources to follow-up and monitor Swedish interests in Brussels and should possibly reflect upon how Swedish interests can be given support in this context prior to the next cooperation period. In this case it was an issue of a follow-up of what had been accomplished with

Swedish funds in order to achieve necessary land reform. EU-PHARE's handling of the issue weakens the effects of the Swedish projects which have already been implemented and also diminishes confidence in EU-PHARE's programmes both on the Lithuanian side and among Swedish consultants.

Infrastructure

BITS/Sida have supported development in the road sector, maritime sector and civil aviation sector in all Baltic states. Where Lithuania is concerned an amount of just under SEK 5 million was allocated for infrastructure projects between 1995 and 1997 (Table 2.5).

All projects have been evaluated and the evaluations give an overwhelmingly positive picture of the projects where the results achieved are concerned. the exception is the project in the *maritime sector* which had not been finalised when the evaluation was made and its was therefore impossible to evaluate its effects (Bruzelius, 1996). Delays and the lack of results appear to be due to inadequate project preparations, a weak interest on the Lithuania side in building up the maritime sector, language problems and, as in so many other cases, that the National Maritime Administration had not placed adequate resources at the disposal of the project.

The projects in the *road sector* have been well received by the Lithuanian side (Markstedt, 1996). In particular the training programmes in important management issues have been much appreciated. The implementation has, to a certain extent, deviated from the original project plan due to the fact that it was necessary to solve acute problems before BITS financing had been finalised. In the future greater emphasis should be placed on the training of trainers. Local experts should be involved more. It is thought that better project preparation and more coordination with other donors should increase the efficiency in the implementation of projects.

Where *civil aviation* is concerned, it is stated in the evaluation (Svenningsson, 1996) that the way in which Sweden has performed its undertakings throughout the Baltic region can be regarded as an example of very successful development cooperation. The recipients have been strongly engaged in the development process and this has been the subject of special comment when Sweden has been compared with other consultants in the sector. The support has been organised very systematically in different phases which has contributed to the positive results.

Lithuania is still considered to have a less developed civil aviation sector than its Baltic neighbours and is in need of further support in order to reach western standards. In particular aspects of security and rescue services are mentioned as areas where further cooperation is well motivated. Further finance amounting to SEK 2.4 million has been approved for the next two years.

6. Environmentally Sustainable Development

6.1 Nuclear safety and radiation protection

The responsibility for projects in the area of nuclear safety and radiation protection rests partly with the Swedish International Project Nuclear Safety (SIP) which was established on July 1, 1995 as an operative, independent unit in the Swedish Nuclear Power Inspectorate (SKI) and partly the National Institute of Radiation Protection (SSI). In addition SKI also runs operations in the field of nuclear non-proliferation with special funding from the appropriation for promotion of common security.

In Lithuania the projects in this area focus on:

1. increasing reactor safety at the nuclear power station at Ignalina (SIP)

2. supporting the nuclear safety agency which was built up after independence (SIP)
3. Making radiation protection systems at Ignalina effective and creating appropriate levels of preparedness in case of nuclear accidents (SSI)
4. Supporting Lithuanian radiation protection agencies with material resources and human resource development activities (SSI)
5. Establishing control systems for used nuclear fuel at the Ignalina station (SKI).

Up to the fiscal year 1995/96 SEK 205 million was put at the disposal of SIP for operations in Lithuania and SEK 18 million to SSI within the framework of the project: Radiation Protection Eastern Europe. Where SSI is concerned, the allocation of funds did not refer to specific countries, but it is estimated that a further SEK 6 million has been allocated to Lithuania. Where SKI's non-proliferation projects are concerned, an amount of SEK 3 million has been allocated hitherto to Lithuania.

The main part of the activities focus on improving reactor safety at the nuclear power station in Ignalina . Up to 1998 some SEK 220 million had been allocated for this purpose. Approximately 40 per cent of this amount has been used for investments and supplies of hardware. Safety levels at Ignalina have been improved considerably, both directly and indirectly as a result of the Swedish support.

Building up the safety agency, VATESI, has been successful. The agency functions in the main as intended even if it still has limitations in respect of the numbers and experience of its staff. Legislation exists in the nuclear technology field. Support to VATESI has amounted to some SEK 24 million up to 1998.

Radiation protection and accident preparedness have been supported through cooperation with the Lithuanian agencies working in the field as well as through direct projects to Ignalina. The agencies are still relatively weak and there is a certain amount of fragmentation. Radiation protection legislation is underway and there is a great need of supplementary regulations in the form of regulations etc.

Non-proliferation has been supported at the nuclear station level and the national level. Lithuania has ratified the NPT and has signed so-called safeguard agreements with the IAEA. Through SKI's support a reporting system for nuclear substances has been installed at central government level (VATESI) and physical protection has been improved at Ignalina. On all these fronts the work is pursue in close collaboration with international agencies such as IAEA, G 24, EBRD and the EU. Sweden has taken on a "sponsor-roll" for Lithuania particularly in nuclear safety matters and participates actively in international fora which take up nuclear safety in Lithuania.

Projects in the nuclear safety and radiation protection fields in Central and Eastern Europe are currently the subject of an evaluation. Preliminarily the evaluator is of the opinion that the projects in Lithuania have been very successful. They have given the Swedish expertise in nuclear energy and radiation protection a very good reputation both in Lithuania and at the international organisations and other donors, and have greatly improved the situation in Lithuania.

In future programmes of cooperation in this field in Lithuania, special support should for the further development of the agencies should be given priority when the ongoing hardware project is phased out in the near future. There is still a need in this respect, both at VATESI and perhaps particularly in the organisation for radiation protection and preparedness in the event of a nuclear accident. To ensure that it is possible for Lithuania to achieve a desirable level in this field, the time perspective for future programmes of development cooperation should be a further 3-5 years. Thereafter this form of cooperation will be replaced by normal cooperation between agencies where nuclear power in Lithuania is concerned.

6.2 Water and sewage treatment

After independence the serious environmental problems in the countries on the other side of the Baltic Sea came into focus. Within the framework of the Helsinki Commission, HELCOM, the countries around the Baltic Sea agreed on an action programme to restore the ecological balance. The programme identified 132 so-called "hot spots" of which 47 were given special priority. In Lithuania five places were given priority where sewage treatment is concerned. The most polluted place was Kaunas, a town with some 430,000 inhabitants, where waste water was discharged more or less without treatment into the rivers Nemunas and Neris which flow into the Baltic Sea. Other Lithuanian hot spots are Klaipeda and Siauliai where Swedish support is being provided for both the construction of waste water treatment plants and for institutional development.

Support for investments

International lenders are cooperating and contributing, among other things, to an extensive rehabilitation and construction of new sewage systems and treatment plants in Kaunas, Klaipeda and Siauliai. The total cost of the three investments is some SEK 1,200 million. The largest lender in Klaipeda and Siauliai is the World Bank which is also the lead agency. In Kaunas the EBRD is the lead agency. EU-PHARE and NEFCO are also supplying credits for these investments. Finland is providing support in the same way as Sweden, in the form of grant aid. Sida is contributing SEK 100 million in grant aid, i.e. less than 10 per cent of the total costs. The objective is to reduce discharges into the watercourses which carry waste water into the Baltic Sea.

Sida's supplementary support to the multilateral lenders and the Lithuania state's own investments are considered to have made a strong contribution to the establishment of these projects. However in both Klaipeda and Siauliai construction work has been delayed due, among other things, to the facts that the technical conditions for the plants have been changed, there is a certain lack of experience of these types of major projects, and the Lithuanian government has had problems in covering cost increases.

Institutional development

A smaller, but important, part of the Swedish support has been allocated to institutional development through so-called *twinning cooperation*. This support, which supplements the major investments, has been considered to constitute a basic prerequisite for the sustainable operation and maintenance of the new investments and the improved facilities. The goal of the programmes of twinning cooperation are to

- contribute to a situation in which the new water companies become independent, self-financing and self-governing organisations in which the customers have great confidence;
- support the new water companies in their work with the major investment programmes;
- contribute to the establishment of viable ownership.

The programme of twinning cooperation between *Kaunas Water and Stockholm Water* is the most extensive. The Swedish support has been allocated to design (SEK 16 million) and to twinning cooperation between Stockholm Water and Kaunas Water (SEK 16 million). Cooperation between the two companies started in 1994 when Stockholm Water participated in the design of the project.

An evaluation (Lariola, Danielsson, 1998) shows that the results of the programme of cooperation have been satisfactory but that certain difficulties have been encountered in supplying the reports required by Sida. Among the positive effects from the first phase, mention is made that in 1995 the company was given a more independent status with new

regulations for its operations. This provided the opportunity to appoint a new board of directors and to modernise and develop its management.

During the second phase the company has been transformed into a limited company owned by the municipality. A new and better accounting system was introduced at the same time as a better system for payments and collection of debts. A well designed programme for human resource development has been introduced and during the second phase the management of the company has adopted many of the modern management philosophies and methods which have been introduced in the programme of twinning cooperation. Cooperation has been cost-efficient if costs are compared to the cost of engaging a firm of consultants. Certain cost increases have occurred due to the slow decision-making process on the Lithuanian side. Stockholm Water has been able to supply what Kaunas Water and the financiers have desired. The results of cooperation are described without reservation as "sustainable" and "very positive". It is also stated that Kaunas Water is clearly one of the best water companies in the Baltic region.

Among the problems, mention was made of the fact that it has been difficult to get local politicians to make decisions on realistic prices for water which was previously provided free of charge. This also made it difficult to appoint a board which dared to assume responsibility for the company. However this was done in March 1997. The evaluation criticises the lack of so-called performance indicators which would have made it easier to measure both the results of cooperation and the development of Kaunas Water against the results actually achieved by the company. After the evaluation Stockholm Water has pointed out that no requirements had been made in this respect in the original project plans. Such requirements have emerged during the course of the programme.

Our follow-up confirmed that the recipient side was very satisfied with the support it had received from Stockholm Water. Sida's inputs were also praised. The management of Kaunas Water considered that the earlier Sida support for design purposes had contributed to convincing Lithuanian politicians of the value of the project. Nevertheless it has proved difficult to get local Lithuanian politicians to live up to earlier undertakings.

In the light of this experience it was considered that Sida and other financiers could have provided important support by being more active in the follow-up as well as in the non-technical parts of the project, and ensuring that undertakings made were fulfilled.

The Lithuanian expectation that Sida should participate more actively in the management group meetings and exert an influence on the local Lithuanian politicians would either require a more active travel policy on the part of Sida's staff in order to follow-up individual projects and/or a field organisation with more resources than the Swedish embassy can provide today.

Both sides in the programme of twinning cooperation experienced frustration where the reports required by Sida were concerned. Every third month Kaunas Water and Stockholm Water compile a report which is submitted to the financiers. This contains detailed information on construction and installation work as well as a short description of the ongoing institutional development work. However, this report has not been considered sufficient by Sida and Stockholm Water has been required to make a separate report on the programme of twinning cooperation. In our interviews the programme officer responsible at Sida has been of the opinion that attempts had been made on several occasions to give Stockholm Water both instructions and advice on how it should make its reports, but that these instructions had not been followed. On the other hand it was quite evident that Stockholm Water and Kaunas Water did not feel that they had received this type of support. A more active dialogue and interest in the work was also requested. We feel that the situation that has arisen is due both to the working methods of Sida-East, as a relatively passive financier, and to the fact that Stockholm Water is not an internationally experienced

consultancy company but a municipal water company. Thus both sides have not had totally realistic expectations in respect of the programme of cooperation. However Stockholm Water considers that it has now developed, in line with Sida's wishes, an acceptable form of reporting on institutional development which shall be part of the normal quarterly report.

In this case, when there is an agreed reporting routine, it would have probably been preferable if Sida had been able to state its requirements in respect of reports at an early stage where the institutional development in the main report is concerned – which will be the case now. Then the report would have been Lithuanian and all involved, financiers and others, would have been able to keep themselves informed of the results and problems.

Where Stockholm Water is concerned, we can merely state that both this, as well as other international projects, is "marginal" in view of the tasks of the organisation according to its owners. Without doubt the company has the requisite professional expertise and has achieved good results in the twinning programme, but it has neither had an organisation, nor has it considered to have been adequately compensated to have an organisation for the twinning programme. When the twinning programme was initiated in 1994, no water company in Sweden had this type of international experience. It is in the light of this that Stockholm Water has not been able to manage to supply the reports on operations as required by Sida. A more experienced international consultant would, without doubt, have been able to rapidly build up an acceptable reporting routine. The question is then if Sida would have been able to obtain the institutional expertise which can be found in Swedish water companies.

Klaipeda Water Company and *Malmö Water* have a programme of twinning cooperation which is less extensive than that in Kaunas. In Klaipeda Sida is also contributing to the investments in an amount of SEK 38 million, in addition to IBRD and Finland. The total cost of the project is estimated at SEK 160 million. It is designed by a Swedish consultant but is being constructed as a turn-key project by a Finnish company. In accordance with the internal rules at the World Bank, it was necessary for Klaipeda Water Company to enter into a programme of twinning cooperation with a western European water company. This programme was established in 1995 with Malmö Water. The present agreement expires in December 1998. The budget for this programme is SEK 5.2 million.

The programme of twinning cooperation in Klaipeda has been organised in a different way from that in Kaunas. Malmö Water have the main task of supporting the Lithuanian company with institutional development, i.e. "soft questions". In this project there was initially merely a short-term adviser administered by a coordinator in Malmö, but this proved to be insufficient. Therefore during the last year a long-term consultant has been engaged. This consultant stays in Klaipeda some two weeks each month. The present arrangement functions well.

A good understanding has also been built up in this project between the parties involved. Lithuanian management considers that it receives help quickly whenever such help is needed. The coordinator on the Swedish side considers that, after a hesitant start with some language problems, the programme is functioning well. At the professional level good contacts have been established and a great will to learn has been encountered. The company has drawn up a strategy on how it shall develop in close cooperation with Malmö Water. It has also worked a great deal on changing its internal structures and concentrates more today on tasks which it has given priority.

Nevertheless we feel that the prospects of attaining good and sustainable results are not so great here. As in Kaunas, the political situation is a threat to the results achieved. Different politicians have different opinions on what needs to be changed. Those politicians who are also members of the board of the company have problems in distinguishing between their role as politicians and their role as board members. Serious doubts have been cast on the present director of the company, chiefly by the politicians in the town. His freedom of movement is

strictly limited where matters relating to tariffs and debt collection are concerned. His position in relation to those persons in management who were less inclined to accept change is thus also weak. Since the company was on the verge of implementing considerable reductions in staff, his prospects of modernising management at the same time were small. As a result of this the company made a loss and the municipality had to provide funds to cover the loss.

Siauliai Water - Municipality of Kristianstad's Technical Department are involved in a programme of twinning cooperation which is organised in a third way, in the form of cooperation between three parties. The Technical Department is one of two partners of the water company in Siauliai. The other party is the municipality of Trondheim. The main part of the programme is with Trondheim including responsibility for various parts of institutional development such as finance, organisation development and matters relating to drinking water,.

The work of constructing a treatment plant, and thereby the entire programme of cooperation, has been delayed since the design work is behind schedule. The Technical Department assists Siauliai Water with advice on design and equipment and, in this connection, has the responsibility for a training programme which will be held in 1998 for technicians who will work at the plant. The Swedish budget for this programme amounts to SEK 2.2 million and the whole project to SEK 145 million. Kristianstad is merely responsible for cooperation in sewage issues, i.e. the town's sewage system and its water laboratory. In 1997 the work focused on cleaning and renovating the sewage mains in the town and on improving the company's laboratory capacity. In 1998 a training programme for employees at the new treatment plant shall be held.

The work has proceeded well but on the Swedish side there have been problems with the Lithuanian culture for decision-making which is different from the Swedish. It has taken a long time to make decisions on the purchase of equipment. The work on the design of the treatment plant and on the documentation required for procurements have also taken a long time.

The results of the three water projects are, despite the above-mentioned problems caused by the political environment, very positive. They are extremely relevant both from an environmental perspective and an economic perspective. The Swedish investments in the construction have been of great importance in getting the projects started. When they are complete there will be considerable measurable improvements of both the Lithuanian environment and the water in the Baltic Sea. The Swedish twinning programmes give the Lithuania companies access to Swedish technology and Swedish organisational expertise. The Swedish parties have been able to provide the requested expertise in a good way and the programmes have made good progress towards greater mutual trust, better cooperation and a mutual exchange of knowledge.

However the question is whether the time aspect has been given sufficient attention. Developing a new institution, such as the three water companies, will probably take a much longer time and require more support than permitted by the present arrangement. Neither does it appear that the political environment for the changes which are expected to result from the project has been analysed to a sufficient extent. Another question concerns the flexibility of the partners and the measures which should be taken if these types of unexpected obstacles occur..

The EBRD and the World Bank have taken strong action in their role as Lead Agency in order to overcome the problems in the projects (delays, technical problems and the lack of financial strength of the companies) but other lenders and financiers, including Sida, should be able to play a more decisive role to ensure that the Lithuanian side lives up to its undertakings.

6.3 Baltic Agricultural Run-off Programme

This regional programme which started in 1995 has the objective of reducing the flow of pollutants from agricultural activities in the Baltic states into the Baltic Sea. The total budget for the project is SEK 25 million and the first phase was concluded in 1997. It is being run by the Swedish University of Agricultural Sciences in cooperation with LRF and JTI together with the Lithuanian Ministry of Agriculture. The project works vertically through the entire society with legislative issues, research and the practical training of farmers. It also contributes certain investments for fertilisers, issues relating to the cultivation of plants etc.

The project has been evaluated and the results are very good. The vertical structure has the effect that it is possible to start work at an early stage to improve legislation in this area. The practical training of farmers provides direct knowledge on how to use fertilisers so that less damage is caused in nature. Ongoing research follows up the results and provides new approaches to the other components.

6.4 East Europe Project - Sida-financed environmental cooperation run by the Swedish Environmental Protection Agency

The Swedish Environmental Protection Agency's East Europe Project is a part of Sweden's environmental cooperation with central and eastern Europe. It started in organised forms in 1993. The Board receives a budget of approximately SEK 11 million per year. Decisions in respect of the various projects are made by a steering group which includes a representative of Sida. Since the start of the project some SEK 50 million has been disbursed to a number of projects which are mostly small. Of this amount SEK 8 million has been used for projects in Lithuania.

In an evaluation (Falk & Wallberg, 1997) it is stated that the objectives of the work are wide but they are based on a common, international frame of reference. The recipients have proved to have the ability to select projects and methods which correspond to the criteria which have been established from the programme of cooperation. The project has used just a small amount of money to stimulate new development and to "save" activities which in the early, highly turbulent process of transition from a communist society were about to be lost. Other projects have had a important influence on the national level in Lithuania and have been of great importance for strategic decisions in environmental matters. The project has worked with a certain amount of success with management training in the three Baltic environmental ministries.

The projects financed by the Swedish Environmental Protection Agency have given the recipients access to professional expertise working with the same problems in Sweden as in Lithuania. In a comparison with the consultancy projects of other countries, for example Denmark, the projects supported by Sweden are considered to be both more cost-effective and to involve cooperation on a more equal basis - a better base for the mutual development of skills and capacity.

The minor problems encountered in the programme of cooperation have been due, to a certain extent, to the fact that the parties did not have sufficient international experience and/or that the activity had been started on flimsy grounds. In one case there had been difficulties in arriving at a viable project despite the fact that the area had been given high priority. The number of experts participating in the project from the Swedish Environmental Protection Agency was still relatively small. In the Agency, work in the EU has higher priority than development cooperation. In the Board there should be many more suitable persons for international work. However this is not always regarded as a qualification by management

and often implies an onerous task for the employees. This also applied to a very great extent to staff engaged from the environmental units at the county administration boards.

Cooperation between Sida and the Swedish Environmental Protection Agency functions well, partly due to good personal contacts. However, it is necessary to make a review of the activities supported by the two organisations in order to avoid the danger of duplicating work. This is done at present by regular consultations on almost all planned projects.

The evaluators recommended a number of improvements in the work done by the Swedish Environmental Protection Agency on the projects: producing model agreements on projects to be used with recipients; better project documentation based on LFA; a better, mutual and regular follow-up of the results of the projects; better financial reporting; an extension of the Swedish resource base for international environmental work; a further development of the forms for cooperation with other parties in Sweden; the development and approval of principles for remuneration.

A major project which was not evaluated is the Swedish expert in solid waste management from the municipality of Kristianstad who is working at ECAT (Environmental Center for Administration and Technology). In this project advisory services are provided and projects are planned for improvements to solid waste management in the five largest towns in the country. Where Sweden is concerned the project has been estimated at ECU 300,000 for three years. It is also supported by the EU, Finland and Bavaria. According to the Swedish Environmental Protection Agency the project is functioning well and has found funds for various investments through various bilateral and multilateral sources.

The support provided by the East Europe Project for environmentally sustainable development is both important and, in a small way, successful. However in the country strategy for Lithuania there is a lack of clear objectives in respect of the content of the support, the building up of the environmental administration in the country and the development of policies and legislation.

6.5 Energy projects

Over the years NUTEK has run a number of projects which have mainly had the objective of converting old municipal heating plants in order to reduce oil consumption and to introduce energy savings. From 1990 to 1995 ten projects of this type were implemented at a cost of some SEK 35 million. Since 1995 no new decisions have been made in respect of such projects.

The support to the energy sector through Sida is still weak despite the fact that there are great needs. The reason for this is that until quite recently the requisite institutional conditions have not been in place. The former government was negative to the decentralisation and privatisation of the sector. Due to the great losses made by the government-owned energy companies, the government has been forced to think again. After a great deal of anguish a decision to privatise has now been made by *Seimas*, and the major financiers IBRD and EBRD are now preparing a number of projects. The EBRD, for example, shall finance the rehabilitation of the heating system in Kaunas. However, this financing is partly dependent on how well Kaunas town can support the water project and contribute to implementing it according to plan.

Sida, which has previously financed a number of minor studies and projects in the energy sector, is now interested in financing, together with Finland, a major feasibility study for the rehabilitation of the sector. The energy sector shall be a priority sector in Lithuania.

7. Conclusions

7.1 Relevance of the programmes of cooperation in relation to the situation in Lithuania

Lithuania is a country which has come half-way in its transition to a market economy. After independence in 1991 it has also come quite a long way in building up a democratic state. Lithuania also aspires to be fully integrated in Europe. This requires adjustment in most sectors, for example, security, legislation and the legal system, use of energy, infrastructure such as roads and civil aviation, and the public administration culture.

The programmes of development cooperation with Sweden are in areas of central importance and are fully in line with social and economic development in Lithuania. However it is difficult to show the overall effects of the Swedish programmes of development cooperation in this development process. A number of interactive factors affect the development of the country. First and foremost the process is being pursued by the Lithuanians themselves and, in addition, there are a number of other parties involved in the programmes of international development cooperation, business activities and cultural exchanges in a wide sense of the term.

After independence the need for an inflow of new knowledge and new technology was so great that it has been relevant to provide support in practically all areas. As the country developed, the situation changed and the country now has an increasing need of investments and improvement of its expertise in more specific areas.

Swedish self-interest governs its programmes of cooperation in, for example, the area of promoting common security and in a large number of environmental projects, above all improving safety and cleaning the Baltic Sea. However, at the same time the support has been relevant for Lithuania which at the present time does not have resources but nevertheless must upgrade its national security and standards in the environment field, not least prior to future membership of the EU. Self-interest can also be found in a long-term perspective in other forms of cooperation, for example cooperation between municipalities, support for the private sector, cultural exchanges - which in the final analysis contribute to building up normal relations and business contacts between two neighbouring states.

At the overall level the programmes of cooperation are judged to be relevant for Lithuania. However it is difficult to say if what is being done is the most relevant, since no joint in-depth analyses have been made of specific needs for programmes of cooperation during recent years and the goals and strategies are very open. Swedish support is spread over a number of Swedish organisations, which are not always coordinated, and it is still common that it is the Swedish implementing organisation which initiates proposals for projects. This contributes to the support becoming highly diversified and the risk of supporting the wrong projects is reduced but it can also mean that projects in certain areas, which can be of great relevance for Lithuania, do not emerge.

7.2 Relevance in relation to the main objectives

All development cooperation with Lithuania lies well within the broadly formulated main objectives which the Swedish Government has established for cooperation. Many projects contribute simultaneously to several objectives.

Promoting common security

Support to promote common security is judged to be of great relevance and 13 per cent⁴ of the support provided during the period 1995 to 1997 has been allocated for this purpose. In this area there is a strong Swedish self-interest. The improvement of border controls and the police force is important in order to have an organisation which combats crime in a coordinated fashion around the entire Baltic Sea. The cooperation is considered to be solid on the Swedish side and experience gained from the project indicates the value of long-term projects. The cooperation has also been received with great appreciation by the Lithuanian side which has recommended a higher Swedish profile in the EU's programmes to promote security.

Democracy

Swedish support to deepen the culture of democracy has been of great importance for the country during its first years of independence. Where support in recent years is concerned, 6 per cent has been allocated to projects in the area of democracy, of which slightly more than half has been channelled through Sida-East.

In the twinning cooperation programme, cooperation between country administration boards and the programmes of the Swedish Association of Local Authorities in Lithuania, a bottom-up approach has been used, new possibilities have been tested and important local issues have been taken up to the national level. In Lithuania the predominant perspective has been very much "top-down" but there is an ongoing process for the delegation of responsibilities and powers from the national to the regional level. In an international perspective Sweden has extensive local democracy and can also contribute to this process in the future.

The various components in the cooperation programmes of the municipalities and the county administration boards have been well combined: the training of journalists, support to NGOs and many small projects through the Swedish Institute. Support for democracy has thus reached a large number of people in Lithuania and has involved many different groups on the Swedish side. In combination the projects represent a critical mass which without doubt is of great value for the establishment of new, sustainable contacts with Lithuania and the other countries bordering the Baltic Sea.

The support to the legal system has had certain start-up problems but projects in the courts systems and in respect of correctional treatment now seem to be underway. Both areas are important from the perspective of the rule of law and where strengthening human rights is concerned. They are also of central importance for the acceptance of Lithuania into EU cooperation.

We are of the opinion that extended projects are still needed in the area of democracy and human rights, specially in the legal field.

Socially sustainable economic transition

Support for socially sustainable economic transition amounted to 29 per cent of the support provided between 1995 and 1997. The support was administered by BITS and Sida-East. Projects in this area include support to the private sector, social sectors, infrastructure and physical planning and public administration. Support for the private sector has dominated during the period in question but support to social sectors and the public administration is increasing.

The programme of cooperation is judged to be very relevant. Support to the banking and finance sector has contributed to stabilising the Lithuania banking system. The advisory

⁴ The percentages in this section are taken from table 2.2. As mentioned above the underlying figures are incomplete.

services for the Ministry of Finance have assisted Lithuania in developing its borrowing operations abroad and have strengthened the country's creditworthiness. Support for land reform has provided a strong contribution to an important reform where issues relating to rights of ownership in the country are concerned. The development of a "property register" a mortgage register, has however, not been finalised since the Lithuanian parties concerned are not in agreement.

Participation in establishing independent chambers of commerce is another cornerstone of an open economic system in which demand regulates the scope and focus of activities. Start-East, the Baltic Corps and other projects to develop companies have contributed to a situation in which Lithuanian entrepreneurs have received both short-term and long-term support for the development of their companies and their products. Support to the Lithuania forest sector has had a direct influence on the development of a forestry policy programme and the modernisation of the forestry sector. The labour market projects have successfully developed and modernised approaches to unemployment and the need of special labour market programmes for the unemployed on a flexible labour market and have contributed to building up employment offices which have an important function in society.

Support to the central administration has had the result that an information system for *Seimas* has been developed and is now being introduced throughout the Lithuania government apparatus. The RRV's training projects for public auditing contribute to introducing new methods in the public administration.

The social sectors have been taken into consideration in particular through the project with School of Social Studies at Stockholm University as well as through projects via the Swedish Association of Local Authorities and Samhall, a company providing sheltered employment. In addition this sector receives support in programmes of cooperation with NGOs.

With the exception of the project in the maritime sector, the infrastructure projects have had a systematic organisation and have been well received by the Lithuanian side. Special note can be made of Sweden's extremely successful programmes of cooperation in all Baltic countries. Lithuania has received further support in this area since its civil aviation is less developed than that in the other two Baltic states.

Environmentally sustainable transition

Just over half of the total funds approved between 1995 and 1997 were for support to environmentally sustainable development. Most of these funds have been allocated to improve safety at the nuclear power station at Ignalina and to build up a national institution for nuclear safety. Previously this programme was managed directly by SKI and SSI. Since 1995 funds for these programmes have been transferred through Sida.

The next largest item in the programmes of environmental cooperation is the support to water and waste water treatment. Through the support to the funding of waste water treatment plants in Siauliai and Klaipeda and the programme of twinning cooperation with the water companies in these towns and in Kaunas, Sida has had a leading role in waste water treatment issues and, at the same time, has contributed projects for human resource development in connection with major investments in an effective way. The successful work with institutional development in Kaunas will probably have a positive effect on the development of many other municipal institutions in Kaunas itself as well as in the whole country.

Through the Baltic Run-off Agricultural Project Sida is supporting improvements in the handling of pollution caused by agriculture. The Swedish Environmental Protection Agency's East Europe project is important as an institutional partner to the Ministry of the Environment. A number of small projects in terms of funding, but nevertheless important

projects, are being run and a certain amount of management training for management staff at the ministry is also being implemented.

Through NUTEK and Sida, Swedish support has made a small contribution to a more effective use of energy. However Lithuania still needs much more support in this area. The forthcoming programme of cooperation in the energy sector should take up this question.

There is still no strong public opinion in Lithuania where the environment is concerned and there is a lack of resources for environmental issues. It is unlikely therefore that the major environmental projects in which Sweden has a strong engagement would have started without foreign assistance. The support is therefore very relevant from the perspective of both Swedish self-interest and the local environment, and approaching the EU's environmental norms.

7.3 The Swedish support in relation to the country strategy

A comparison between the projects and the country strategy shows that they correspond well to the general guidelines and the subjects areas given in the strategy.

Transfer of know-how

Transfer of know-how has taken place in all projects, often in an organised way but sometimes, directly in the working situation, in a less systematic way.

However, the original concept of transfer of know-how has lost a great deal of its relevance. As the Lithuanian counterparts gradually learn and build up stronger structures of their own, it is doubtful whether they would describe themselves as recipients of know-how supplied by others. It should be emphasised that Lithuania has know-how which can be of value to others.

Neither does the concept "transfer of know-how" cover the processes which Sida supports for the development of institutions and organisations. These include human resource development, with higher, often specialised, technical and economic knowledge supplemented with a deeper insight into issues which concern management and organisational development.

We propose that Sida erases the concept "transfer of knowledge" from the guidelines for cooperation and replaces it with a concept which better reflects a mutual learning and development process, for example "exchange of knowledge" or "human resource development". Another alternative could be "capacity building" since the Lithuanian side has a growing need of investments funds and financial resources in order to be able to utilise its new knowledge. If possible Sida should develop a role as "agent" to bring together capital available for investments and operating costs with technical expertise in projects which have the aim of long-term capacity building. This would require greater efforts in respect of coordination and co-financing with other financiers, not least on the Swedish side.

Institutional development

A number of projects which Sida has supported have made a strong contribution to institutional development. Examples of successful projects in this respect are labour market projects and twinning programmes in the water and water-water projects.

The fact that normal government agencies are involved to such a great extent in the programmes of cooperation contributes to ensuring that this aspect has been fulfilled well. A better mechanism for spreading information on methods, working routines and experience in this type of project would probably, over the course of time, raise the awareness of the Swedish organisations on the demands and potential of cooperation, for example through

conferences which focus on special subjects and the dissemination of published material over a wider area.

The time perspective of projects which have the aim of institutional development has been rather short and it is of importance that future cooperation of this type is given a greater long-term perspective.

Regional projects

Regional projects have been supported, mainly through support for the promotion of common security but also in areas such as the environment, local democracy, trade union work, transport and the training of journalists. In the Swedish Institute programmes it is common that activities are organised with participants from all partner countries. We are of the opinion that there is a possible consolidation effect in more highly developed regional cooperation. Sida should therefore concentrate more on the exchange of experience between partner countries in the most important sectors in which Sweden has participated, for example the environment, labour market, social sector, twinning cooperation and business development.

Integration in Europe and multilateral cooperation

Integration into Europe indirectly permeates all cooperation in a comprehensive way. Lithuania is receiving support which has the aim of facilitating transition to a market economy and of helping it adapt to the norms which apply for security, democracy and the environment in western Europe. However, aspects of projects which focus directly on supporting integration in special areas can be made more specific in project documents and be strengthened.

Sweden is participating in this multilateral work in Lithuania, not least in the area of the environment. However, a consolidation is needed of the cooperation with the EU. Swedish institutions and consultants have, however obvious difficulties in winning EU-PHARE projects and need more support to be able to participate in procurements. Better cooperation with continental partners in EU projects is important in order to strengthen the support for Lithuania's adjustment to the EU. The Lithuanian side has expressed a wish for greater Swedish participation in EU cooperation.

On the other hand cooperation with the World Bank has functioned well. As examples mention can be made of projects in the banking system, the social project with the School of Social Studies in Stockholm and projects in the water and waste-water sector. The employment project in Siauliai is an exception. We find that Swedish development cooperation should also be combined in the future with World bank funding and other investments, for example in social sectors and energy and environmental projects.

Equality

Aspects of equality shall permeate cooperation but it is stated in several evaluations that this aspect is neglected in most projects. A basic reason for this is that a considerable proportion of the support is to be found in traditional male-dominated sectors such as infrastructure, energy, environmental technology, in which aspects of equality are not regarded as of being of central importance in the project work and in the expected results.

Sida-East has drawn up an action plan for greater awareness of equality in its programmes of cooperation. Among other things it wants to encourage greater participation by Swedish women in projects. This should have the result that several issues and areas which are important to women will be given a central position, for example the financial sector which is still dominated by women in Lithuania, development of the media, organisation techniques, training etc. In Lithuania the proportion of women that work is high and women also have a

high level of education. There are a number of highly skilled and well educated Lithuania women in leading positions in the projects.

7.4 Results and implementation

Evaluations and the limited amount of follow-up made in connection with the results analysis show that most projects have achieved results in accordance with the objectives given for each individual project and that they have been well implemented. High levels of skills and a culturally similar approach on the Lithuanian side have made a strong contribution to the good results and efficient implementation. The solid professional expertise of Swedish government agencies, local authorities and organisations and the strong interest and sense of commitment on the Swedish side to help their Baltic neighbours are also of course factors of central importance.

In some cases problems have arisen and it is difficult to identify results. This is normally due to the fact that the project has not been clearly formulated. Sometimes the objectives have not been clear, or what the partners were to be responsible for and to do. The lack of an in-depth project assessment combined with LFA can conceal problems which can be a source of conflicts at a later stage during the project work. Reports on activities also suffer and it is difficult to document the projects and to disseminate them over a wide area.

Often problems are connected with the fact that the Swedish implementing agency does not have solid experience of international projects and development cooperation work. There are examples of partners in cooperation that have had problems in getting activities started and have allocated inadequate resources for their management.

7.5 Effects and sustainability

The projects which can show concrete results - for example the property register, water and waste-water treatment plants, reconstruction and building up of institutions - have had clear effects on different areas in Lithuania. This appears positive from the perspective of social transition and the EU. The factors which have contributed to sustainability in the results are the professional skills on the Lithuanian and Swedish sides and the capacity of Lithuanians to understand and develop the new knowledge and to adapt it to their own conditions. The fact that regular Swedish agencies are involved in programmes of cooperation to such a great extent has been of great significance to enable development cooperation to proceed into normal cooperation between neighbouring countries and to be sustainable.

One vital prerequisite for positive and sustainable effects is that the recipient also has the possibility, in a long term perspective, to maintain what has been achieved through the programme of cooperation, such as new institutions or systems which have been built up with Swedish support. In several sectors including the social sector, there are enormous needs which Lithuania cannot meet today. In projects which are started in areas where the recipient lacks resources, a serious assessment must be made of the length of time development in a sector shall be supported as well as of the real possibilities and political will of the recipient to take over the result or the system which has been built up to a certain level when the support ends. The recipient should be involved to a greater extent than is the case at present in this type of discussion and decision-making process in order to develop a real "owner interest".

Clear effects of a sustainable type have been achieved in projects in which Sweden cooperates with other donors. Swedish participation has been appreciated to a great extent by the Lithuanian side which has requested greater Swedish participation in multilateral projects. Cooperation with the EU is still, however, not strongly developed and the EU-PHARE

programme in Lithuania has been severely criticised for sluggish procedures and weak administration. Better cooperation probably requires certain official inputs from the Swedish side in Brussels.

7.6 Experience of Sida's work

Sida has a good reputation at the Ministry for Foreign Affairs' technical cooperation unit. Cooperation with Sida is often used as an example of cooperation which functions effectively. It is emphasised that it is possible to discuss the design of projects, that Sida always inform the unit about projects and that Sida ensures that they are formally approved by the unit. Sida's reputation is very good in comparison with other donors or certain projects run by the international organisations.

Cooperation in the short or long term?

Cooperation via BITS/Sida-East has been characterised by short-term⁵ arrangements. Another characteristic is that Sida's role is to finance projects which are proposed by parties to contracts⁶. The model functioned very well at the beginning of the 1990s since at that time Swedish support was a question of starting projects quickly and of providing support where the country had no resources of its own. It was also a case of breaking new ground since the new country did not have any great experience of contacts with the international community.

Today Sida faces a much more complex situation and in many ways in a transition period. In many areas Lithuania has made considerable progress in its development, in other areas it is still lagging behind. Therefore a thorough analysis is required in order to identify what really needs to be done. Development in one area can, for example, be obstructed by legislation rather than by technical shortcomings. This situation must be given a great amount of attention before new projects and programmes are initiated. It requires better pre-studies and more highly qualified follow-ups. Sida-financed cooperation is very much a question of institutional development. This takes time and is not achieved optimally in projects with one-year funding. Sida already appears to accept that a longer perspective is required in project organisation in order to meet the requirements of the new situation. Sida's aspiration is that projects can be organised and planned in such a way that decisions on funding can be made for one and a half or two years. However this is still a very short perspective for more complicated projects which have the aim of achieving far-reaching change.

Although a short-term model has been used, we have found that it has been difficult to finalise projects⁷. We therefore propose that, if the Swedish support shall be phased out, a model for a gradually phasing out is produced which contributes to preserving contacts. A balance must be struck in respect of how and when development cooperation shall become normal cooperation between neighbouring states and how the responsibilities and resources

⁵ By "short-term" we mean here that the concrete project requests made to Sida often refer to project implementation over a period of about one year and which are most often financed by one-year decisions. However, it is not unusual for projects to continue for several years with new requests each year. The major technical environmental projects which are associated with large investments are the exception since they often have a somewhat longer perspective of 3-4 years (medium-term perspective).

⁶ The formal request to Sida is made as a rule by the central coordinator of support, i.e. the Lithuanian Ministry of Foreign Affairs. However the Ministry has no operative role in drawing up project requests. The parties concerned are responsible for this.

⁷ We refer here to the fact that projects which are financed by one-year decisions often continue for several years. We consider that it is very difficult to build in a phasing-out stage with this model and that there is a great difference between working in, for example, a three-year project which is checked each year and the short-term model. The latter leads to a situation in which new ideas are included each year in order to make the new requests to Sida more interesting, even if the original project objectives could not reasonably have been fulfilled during the original period.

for this continuation of cooperation shall be divided between Sida and the Swedish party implementing the project.

Supply versus demand - budget responsibility

Many of the projects we have studied more closely are owned by the recipient and are the result of demand. However parts of the Swedish support is the result of supply, i.e. the idea for the project has been produced by the Swedish partner and the question of Sida support is pursued by this partner. Sida's funds for the project go to the Swedish partner which means that the recipients often do not have adequate insight into the budget or the costs, despite the fact that the recipient formally exercises control through the recipient's right to certify that the agreement has been followed.

We are of the opinion that, in certain cases, this has led to a situation in which all parties, including Sida, have accepted activities which could have been implemented at a lower cost without any loss of quality. We also believe that if the Lithuanian recipients had had greater insight and decision-making powers where the finances were concerned, they would have had more opinions on what should be done and what Swedish resources were needed.

When prolonging projects Sida should be more observant of this situation since it often lies in the interest of the Swedish implementing party to continue something which is already taking place. A better, continuous follow-up of the projects would provide a better picture of how relevant they really are for the recipients. Regular competitive procurements should also be made more often than is the case today, even where there is an established consultant, if for no other reason than to obtain a picture of the cost-effectiveness of the projects.

Lack of development cooperation expertise - lack of dialogue with Sida

Sida works with a mixed group of Swedish implementing organisations. One factor which is common to many of them is that they have little experience of international work. Often the projects are the responsibility of just one person or a small number of persons. As a rule these persons have other important duties in addition to administering the projects. Project work can also be underestimated by top management. In many cases in the budget for the project levels of remuneration for project work are low and for persons working in the organisation there is often no remuneration at all. The internal capacity of the organisation is only partly utilised. The core of the programme of cooperation often lies with a small number of enthusiasts.

In some cases Swedish partners of cooperation feel that Sida has not provided a sufficiently clear description of the reports it wants. For its part Sida feels that clear guidelines exist. We see this as an important indication of the cultural differences which exist between for example a technical partner in cooperation and a central government agency, Sida, which must collect information continuously and be prepared to report on what is being done in different projects. Another reason for this difference in opinion can lie in the fact that certain projects have come into being during the course of a programme of cooperation and have not been given a form which makes it possible to make a firm evaluation. If the projects lack clear goals, work plans and do not clearly express the results they are expected to achieve, it is difficult to make a good follow-up of the results.

When it is a case of a technically competent but inexperienced Swedish implementing organisation, Sida must spend more time and effort on training and informing the organisation of the rules and expectations of the implementation of the project. At the same time it is not realistic to expect that an administrator at Sida shall be able to discuss, in a well-informed manner, everything from nuclear safety to correctional treatment.

A more systematic use of Swedish organisations which have long experience of projects and of regular consultants in a programme to enhance these requisite skills could improve the

present situation. Once again a balance must be struck between the responsibilities and resources which Sida shall administer and the responsibilities and resources which can be given to the implementing organisation. If Sida wants the agencies to continue their programmes of cooperation in the long-term, expertise must be built up and resources allocated for this purpose.

Follow-up

In a long-term programme of support it is important to have a continuous follow-up of the project by experts with experience of the sector and development problems. In the present model we have seen how the Lithuanian party is sometimes completely in the hands of the Swedish implementing organisation which has almost complete control over the Swedish budget and there is a lack of a neutral party with whom problems and improvements can be discussed.

Other departments at Sida use, with a certain amount of success, so-called monitoring consultants who follow strategic projects and programmes over a number of years and have a dialogue with both Sida and the implementing organisations. Sida can conclude agreements with specialists which possess the requisite qualifications and experience for this purpose. This would give much better insight into the projects, make the support more effective and efficient, and contribute to eliminating unnecessary friction between the implementing organisation and Sida. It would also strengthen the possibilities available to the recipient to participate in the dialogue in order to improve the projects.

Another alternative could be to strengthen the embassy in Vilnius with a Sida programme officer with the clearly defined responsibility for monitoring the Swedish projects in the country.

Evaluations and pre-studies

The evaluations we have studied are of varying quality. They focus on the project and rarely put in relation to the sector or the problems at the recipient which the project shall contribute to solving. The analysis of the projects' relevance is consequently too narrowly project-oriented. This is due in turn to the fact that the terms of reference have been narrow - to evaluate the projects as projects in their own framework. In order to remedy this situation the evaluations should be made wider, more ambitious and demands should be made for a more comprehensive analysis of their environment and their relevance.

Approved projects should also, to a greater extent than hitherto, be based on solid pre-studies which discuss the relevance not merely at project level but also from the perspective of society. These types of pre-studies also provide a point of reference for an assessment of the effects of the projects during evaluations. It is important that these pre-studies involve others than the party implementing the project. The responsibility should preferably rest with evaluators/researchers from both countries who do not have a personal interest in seeing the project started.

As a rule the evaluations are written in English. We recommend that all evaluations should be checked from the language perspective. The point of them being written in English is that they shall be spread to the recipients. At present this only takes place to a limited extent. Evaluations should be made on a country basis since the results analyses are made on a country basis. Even the Baltic states differ in a number of respects. Evaluations which give general conclusions from several countries are difficult to use in this work. Comparisons between countries should be made as special assignments on the basis of country-specific evaluations in the same sector.

Studies made of support to central and eastern Europe should be planned in good time and also combined with relevant research into democratic, social, economic and environmental

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8.2. Persons interviewed

Baltic Run-off Programme

Mats Hedbom	Managing director SwedeAgri
Gunnars Lans	Project coordinator

Courts system and correctional treatment

Gintaras Svedas	Vice-Minister, Ministry of Justice of the Republic of Lithuania
Ausra Bernotiene	Specialist, Ministry of Justice
Håkan Falk	Consultant

Nuclear power and radiation protection

Per Johan Svenningsson

Land reform, cadastre and register

Bronislovas Mikuta	Head of Marketing and International Relations Board, State Land Cadastre and Register
Rimantas Rimanauskas	Deputy Director of the State Land Cadastre and Register
Jurgita Rotomskiene	Central Mortgage Office
Daina Petrauskaite	Adviser, Ministry of Justice
Lennart Frej	Swedesurvey

Information and document handling in Parliament and the public administration

Jonas Milerius	Head of Computer Data Processing Department, Seimas
Edmundas Kazakevicius	Head of Information Technology Dept., Prime Minister's Office of Lithuania
Vytautas Butrimas	Vice Minister, Ministry of Communications and Informatics
Ausra Petraitiene	Senior Consultant, Computer Data Processing Dept., Seimas

Swedish Embassy in Vilnius

Stellan Ottosson	Ambassador, Swedish Embassy, Vilnius
Björn Linderfalk	Second secretary, Swedish Embassy, Vilnius

Employment project in Telsiai

Mats Hedbom	Managing director SwedeAgri
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The World Bank Regional Mission Baltic Countries, Vilnius

Mantas Nocius	Operations Officer (Energy issues)
Vilija Kostenickiene	Operations Office (Social projects)

Twinning Project Kaunas Water

Stig Björsten	Deputy Managing Director, Kaunas Water and Environment Project
Steen Bjerggaard	Stockholm Water, formerly an adviser
Vyautas Ceringis	Director General, Kaunas Water

Alydas Dipartas	Technical director
Vilius Burokas	Chief of Waste Water Treatment Department
Birgitta Danielsson	Senior Consultant, ÅF-Swedish Management Group (evaluator)
Lennart Berglund	Stockholm Water

Twinning Project Klaipėda Water

Sven Widing	Malmö Water
Kastytis Tuminas	Director, Klaipėda State Water Supply Enterprise
Sigute Leksienė	Manager, World Bank Implementation Unit

Social Project

Ronald Penton	Project leader, Stockholm School of Social Studies
Yvonne Askerlund	Project Manager, Stockholm School of Social Studies
Kerstin Jurdell	Psycho-drama producer
Alfredas Nazarovas	Secretary of the Ministry, Ministry of Social Affairs
Alfredas Zabieta	Training and evaluation specialist, PCU
Jonas Mickus	Local Project Coordinator, PCU
Gedimas Kaslauskas	Procurement Specialist, PCU
Pina Catenaro	Contacts with Swedish project management, PCU
Nijole Zagorskiene	Director, Shelter for Battered Mothers and their Children, Vilnius
Ona Repeckiene	Director, Centre for Diasabled Children, Anyksciai
Laimė Zanitaitienė	Head of Department, Centre for Disabled Children, Anyksciai
	Director of Centre for Disabled Children, Moletai
	Deputy Director Centre for Disabled Children, Moletai
Albinas Bagdonas	Head of Dept. of Social Work, Vilnius University

Twinning Project, Siauliai

Ann-Christin Sundahl	Kristianstad Water
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Forest project

Mårten Benz	Consultant, evaluator
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NGOs

Vaidotas Ilgius	Director of NGO's Information and Support Centre
Renata Satuškaite	Information Services Manager, NGOs Information and Support Centre
Tara Brabazon	Marketing and PR Consultant, Peace Corps Volunteer
Loreta Trakinskiene	Director, Lithuanian Save the Children, Vilnius

Journalist education programmes

Arturas Mankevicius	Editor, Verso Zinios, Vilnius
Antanas Stanevicius	Klaipėda County and City Daily
Lars Holm	FOJO, Kalmar (by telephone)

Ministry of Foreign Affairs of Lithuania

Rasa Kairienė	Head of Technical Ass. Div., European Integration Dept.
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Advosry services for the Ministry of Finance of the Republic of Lithuania

Ruta Skyriene	Deputy Director, International Dept.
Ramunas Lygis	Head of Market Operations Div., Int. Dept.
Danute Zasiene	Head of Foreign Loans Service Div., Int. Dept.
Peter Engström	Peter Engström AB, Stockholm

Swedish National Audit Office, RRV, Karlstad

Jan Ståhl	RRV, implementation of seminars in Vilnius
Marie Örtendahl	RRV, implementation of seminars in Vilnius

Chambers of Commerce, Baltic Corps

Ingemar Nilsson	Deputy managing-director, Southern Sweden Chamber of Commerce, Malmö
Marianne Flygare	Southern Sweden Chamber of Commerce, Malmö
Rasa Piprienė	Deputy Managing Director, Southern Sweden Chamber of Commerce, Representative office, Vilnius
Vytautas Kazakevicius	Director General, Panevezys Chamber of Commerce
Alvydas Genys	Director General, Vilnius Chamber of Commerce, Industry and Crafts
Irena Jasiukeviciute	Deputy Director of International Relations Dept., Vilnius Chamber of Commerce

Swedish Institute

Sylvia Augustinsson	Programme officer
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Twinning Cooperation

Steinar Langbakk	Swedish Association of Local Authorities, Unit for International Cooperation
Virginija Langbakk	Swedish Association of Local Authorities, Unit for International Development Cooperation
Tommy Holm	Swedish Association of Local Authorities, Unit for International Development Cooperation
Vilma Kucyte	Head of Foreign Relations Office, City of Panevezys
Ina Sidlauskienė	Deputy Head of Department of Foreign Relations, Municipality of Klaipėda
Vytautas Valevicius	Municipality of Kaipėda
Rimantas Liepa	Panevyzes Water Cleaning Plant

Sida-East

Kerstin Nyman
Lars Eklund
Ann-Lis Åberg

PHARE

Stephen Prichard	Programme Coordinator, Adviser, Vilnius
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Lithuania: A Results Analysis - Terms of Reference

1. Background and purpose of the Analyses

Swedish support to Lithuania during the period 1990 -1997 has amounted to approx. 820 million SEK. At present the co-operation is guided by Country Assistance Strategy (CAS), which the Swedish Government adopted in December 1996 for the period 1996-1998. The assignment aims at identifying and analysing results achieved through the Swedish support and its' impact on the transition process in Lithuania with a particular focus on the support channelled through Sida. It will provide a basis for Sida's proposal to the Swedish Government for a revised CAS for Swedish support to Lithuania to cover the period 1999-2001.

2. Scope and focus of the Analysis

With a focus on impact of Swedish support and its relevance for the transition process, the assignment shall cover the following aspects.

A. Relevance of co-operation

Relevance should be assessed in relation to the needs and priorities of Lithuania and the main Swedish objectives :

- to promote common security
- to deepen the culture of democracy
- to support socially sustainable economic transition
- to support environmentally sustainable development

as well as - with regard to the support provided during 1996-1998 - the more specific guidelines laid down in the Country Assistance Strategy.

B. Project output

Project output is defined as tangible, immediate results from project activities compared to the project plans and to a situation without the project(s), e.g. that a number of persons are trained to a certain level of knowledge, new methods are developed and implemented etc.. Where possible, already existing evaluation findings shall be used as sources of information.

C. Project implementation

Quality of services and supplies; performance of the actors in interaction; co-ordination with other activities at the client organizations.

D. Impact and sustainability

Impact is defined as sustainable effects of the project output, such as an improved efficiency in the trained organisation; an investment decision with certain implications; cost savings following the implementation of new methods etc. Impact shall be analysed at an aggregate level. As in the case of project outputs, impacts and measures of impacts to be assessed should be defined beforehand. The sustainability of the impact shall also be assessed. Project impact shall be assessed from the following perspectives:

- Achievement of objectives, i.e impacts in relation to
 - a) overall objectives of Swedish support to countries in CEE and guidelines in CAS.
 - b) objectives as described in project documents, contracts and Sidas decision memoranda.
- other registered impact that was not foreseen in the above-mentioned documents.

E. Lessons learned

Operational and strategic in relation to the implementation process. A certain emphasis should be given the division of responsibility during different phases of the projects - identification, planning, implementation and follow up as well as the system of cost sharing.

3. Methodology

The Analysis shall in a systematic way collect and analyse information with a focus on impact of Swedish support through Sida. Existing documentation shall be utilised and new information collected where necessary. Emphasis shall be put on the period after 1995. The views of relevant institutions and agencies in Lithuania will also be an essential input as well as information from other important international supporting agencies, primarily IBRD and PHARE.

Support through other Swedish channels, i.e Ministry of Foreign Affairs, the Swedish Institute, the Swedish Nuclear Power Inspectorate/ Swedish International Project, the Swedish Radiation Protection Institute and the Swedish Environment Protection Agency shall be dealt with summarily on the basis of existing material.

An inception report shall be prepared as a first step in the assignment. The inception report shall define focus and scope of work, list main issues to be covered and propose a structure of the Analysis.

To the extent possible, findings shall be expressed in gender disaggregated and measurable terms.

The evaluation team is supposed to consist of two persons. For the task a maximum of 15 manweeks may be utilised.

Two visits to Lithuania are envisaged.

4. Reporting

A draft report in Swedish shall be presented to Sida before June 15, 1998. A final report shall be submitted no later than August 15.



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