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***Ex-ante evaluation  
of Latvia–  
Lithuania Cross  
Border  
Cooperation  
Programme for the  
2014–2020  
programming  
period***

June 19, 2014

Report

## Restrictions and limitations

This report has following restrictions and limitations:

- 1) As requested by the client, this report contains only the key conclusions and recommendations. Detailed analysis according to the EU specified requirements is available in a previous report draft, which was submitted to the client on February 5, 2014.
- 2) This ex-ante evaluation report is based on the Programme version drafted on June 20, 2014.

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# Abbreviations

Abbreviations	Explanations
AA	Audit Authority
CA	Certifying Authority
Commission	European Commission
CPR	Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (Common Provisions Regulation)
DG REGIO	Directorate-General for Regional and Urban Policy
EC	European Commission
ERDF Regulation	Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 European Regional Development Fund (ERDF Regulation)
ESF	European Social Fund
ETC Regulation	Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional (European territorial cooperation Regulation)
EU	European Union
EU 2020	EUROPE 2020: A strategy for smart, sustainable and inclusive growth
EUR	The euro
EUSBSR	The European Union Strategy for the Baltic Sea Region
Ex-ante Guidelines	The Programming Period 2014-2020 Monitoring and Evaluation of European Cohesion Policy (European Regional Development Fund, European Social Fund, Cohesion Fund) guidance document on ex-ante evaluation
FLC	First Level Controllers
ID	Identification number
IP	Investment priority
JPC	Joint Programming Committee
JS	Joint Secretariat

Abbreviations	Explanations
MA	Managing Authority
MC	Monitoring Committee
MEPRD	The Ministry of Environmental Protection and Regional Development of the Republic of Latvia
Midterm evaluation	Midterm evaluation of the Latvia–Lithuania Cross-border Cooperation Programme under European Territorial Cooperation Objective for 2007–2013
MS	Member States
NRP	National Reform Programme
PA	Priority Axis
Programme	The Latvia-Lithuania programme for 2014–2020
Programme Manual	The Programme Manual of the Latvia-Lithuania programme for 2014–2020. The Manual is part of the application pack, which is published on the official Programme's website. The Programme Manual of the Latvia-Lithuania programme for 2014–2020 is not available yet, but will be available at the later stage
SEA	Strategic environment assessment
TO	Thematic objective

**Table 1:** Abbreviations and explanations.

# Executive summary

The ex-ante evaluation was carried out for the Latvia-Lithuania Cross Border Cooperation Programme 2014–2020 (the Programme) according to the Common Provision Regulation<sup>1</sup> (CPR), European territorial cooperation Regulation<sup>2</sup> (ETC Regulation), European Regional Development Fund Regulation<sup>3</sup> (ERDF Regulation), Ex-ante Guidelines<sup>4</sup> and other binding EU documents (guidelines, working documents). This ex-ante evaluation report is based on the Programme version drafted on June 20, 2014. The ex-ante evaluation was carried out in collaboration with the Programme developers and by participation in the Joint Programming Committee (JPC) meetings.

According to Article 55 of the CPR the ex-ante evaluation is carried out to improve the quality of the design of each programme. It shall ensure that the operational Programme clearly articulate their intervention logic and can demonstrate their contribution to the Europe 2020 strategy (EU 2020).

This report is divided into 11 sections, which cover the evaluation criteria defined by Article 55 of CPR and provide the analysis of the Programme in the following structure:

- 1) objectives of the report;
- 2) the justification of the Programme's selected thematic objectives;
- 3) the relevance and clarity of the proposed Programme indicators;
- 4) quantified baseline, target and milestone values;
- 5) evaluation of the financial allocations;
- 6) evaluation of the impact indicators' and results' contribution to Europe 2020;
- 7) quality of the implementation and monitoring mechanisms;
- 8) consistency with the strategic environmental assessment;
- 9) horizontal principles;
- 10) summary of conclusions and recommendations;
- 11) information sources.

Section 10 summarises the conclusions and recommendations. Whereas, a complete list of information sources is available in the Section 11.

The main conclusions are as follows:

- The Programme is consistent with the strategic objectives of the Common Strategic Framework 2014-2020, Position of the Commission Services on the development of Partnership Agreement and programmes for the period 2014-2020, EUROPE 2020, EUSBS and Disability Strategy 2010-2020: A Renewed Commitment to a Barrier-Free Europe. Furthermore, the Programme is coherent with the national strategies. It is in line with Latvia's National Development Plan 2014-2020, Latvia's and Lithuania's NRP for the Implementation of the "Europe 2020" strategy, Lithuania's Progress Strategy "Lithuania 2030", Sustainable Development Strategy of Latvia until 2030, Latvia's National Road Improvement Programme 2014-2020 and the Long-term (Until 2025) Development Strategy of the Lithuanian Transport System. Although the Programme does not include a very detailed description on the Programme's coherence with the relevant EU and national level strategies due to the text limitations, this analysis has been provided in other Programme documents.
- Evaluation of the relevance and clarity of the proposed Programme indicators illustrated that, in general, result indicators capture the most intended change in the Programme area that is expressed as a specific objective. Majority of the Programme indicators are SMART (relevant, capturing essential

<sup>1</sup><http://new.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303>

<sup>2</sup><http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0259:0280:EN:PDF>

<sup>3</sup><http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0289:0302:EN:PDF>

<sup>4</sup>[ec.europa.eu/social/BlobServlet?docId=7858&langId=en](http://ec.europa.eu/social/BlobServlet?docId=7858&langId=en)

information on the progress of priority, achievable, realistic, consistent with the nature of the specific objective, transparent and easy to understand by any external observer as well as verifiable) and in line with the requirements for indicators that are set in CPR.

- The Programme output indicators are well defined and can potentially contribute to the change in the result indicators. This conclusion is based on the analysis of the causal links between output indicators and result indicators, as well as their thematic relationship. The Programme has also tried to use the Common indicators, where appropriate. For instance, in TO6 IP1 output indicator “Number of visits to supported sites of cultural and natural heritage and attractions”. However, recommendation on how to improve the result indicator for TO11 IP1 is provided.
- The Programme output indicators are relevant to the actions planned to be supported by the Programme. Moreover, the rationale for the form of support proposed is clear and the provided indicative list of actions to be supported by the Programme is extensive and illustrates the possible activities. However, some of the proposed activities, for instance for TO11 IP1, are very general in nature.
- The main target groups are identified in the Programme and provide sufficient understanding of the prospective Programme target groups and beneficiaries.
- Currently the quantified target and baseline values are set for all Programme result indicators, except for the TO8 IP2, TO9 IP1 and TO11 IP1 result indicators. Baseline and target values for TO6 IP2, TO6 IP3, TO8 IP1, TO9 IP2 are adequately set taking into account recommendations for setting adequate and verifiable indicators. Whereas, for TO8 IP2 and TO6 IP1 there are provided some recommendations.
- The quantified target values for all Programme output indicators are set for 2023. Overall, target values are realistic, having regard to the support from the available funds and based on the computation of unit costs from approved and implemented projects of the 2007-2013 Latvian Lithuanian Cross Border Cooperation Programme. Only for target values of TO8 IP2 and TO6 IP3 some recommendations are provided.
- The Programme has selected for each priority axis a subset of indicators (financial and output) to be used as milestones for the year 2018 in the performance framework. The Programme has taken a very cautious approach when setting the milestones, therefore it is adequate to conclude that the milestones can be achieved and reported on time.
- The division of funding among the four TOs is adequate and the financial allocations concentrate on the most important objectives, needs and challenges of the Programme region. The breakdown of the financial plan of the Programme by priority axis is provided, including the amount of the total financial appropriation of the support from the ERDF and the national co-financing.
- The Programme objectives and expected results contribute to the achievement of the EU2020 set targets, however it should be understood that this Programme can have only a limited impact, within its scope and the allocated funding, on the contribution to the EU2020 set targets.
- The Programme provides sufficient information about the structure and division of tasks between the different bodies involved in Programme implementation, however there is a lack of description on the planned procedures for the monitoring of the Programme. According to the Programme, this information will be included in the Programme Manual and in the Programme Management and Control System. It is impossible to assess the adequacy of human resources for management of the Programme, since the Programme states that staffing arrangements needed for the implementation of the Programme will be made at the later stage of the Programme. Also the Programme does not provide sufficient description on the data collection procedures and data availability needed for decision making, reporting and evaluation. According to the Programme developers this information will be included in the Programme Manual, which will be available at a later stage. However, it has to be ensured that the needed data for reporting is available, reliable and collected in time.

- As stated in the Ex-ante Guidelines, programmes with possible impact on environment should have the strategic environment assessment (SEA) carried out before the programme adoption, therefore the Programme's possible impact on the environment has been taken into account and SEA report has been provided in a separate document.
- It is clear from the Programme that sustainable development and equal opportunities and non-discrimination will be ensured by the Programme. However, at this stage it is impossible to assess the adequacy of the project selection criteria and monitoring of these horizontal principles since the Programme Manual, where according to the Programme this information will be included, is not available yet.
- Also some minor technical recommendations (information in the tables, grammar etc.) were provided to the Programme developers and some of them are included in this report.

Detailed analysis of the above conclusions is provided in the next sections and a summary of conclusions and recommendations is included in Section 10 of this report.

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# 1. Objectives of the report

According to the European Union (EU) cohesion policy for the 2014–2020 financing period, European territorial cooperation will be continued and strengthened as a separate goal of cohesion<sup>5</sup>.

The ex-ante evaluation is carried out according to the Common Provision Regulation<sup>6</sup> (CPR), European territorial cooperation Regulation<sup>7</sup> (ETC Regulation), European Regional Development Fund Regulation<sup>8</sup> (ERDF Regulation), Ex-ante Guidelines<sup>9</sup> and other binding EU documents (guidelines, working documents).

According to Article 55 of the CPR the ex-ante evaluation is carried out to improve the quality of the design of each programme. It shall ensure that the operational Programme clearly articulate their intervention logic and can demonstrate their contribution to the Europe 2020 strategy (EU 2020). It shall also help to put in place functioning monitoring systems which meet evaluation requirements. Its recommendations shall be clear, based on evidence and adapted to the particular needs of the programmes.

This ex-ante report was based on the Programme version drafted on May 30, 2014. The ex-ante evaluation was carried out in collaboration with the Programme developers and by participation in the Joint Programming Committee (JPC) meetings. A complete list of conclusions and recommendations is available in the last section of this report.

## 2. The justification of the Programme's selected thematic objectives

This is a cross-border cooperation Programme covering territories both in Latvia and Lithuania. According to the Programme the four TOs were selected after a multi-level analysis, which included a top-down and a bottom-up approach. During the selection of the TOs the bottom-up approach was mixed with the top-down approach, as the Programme consists of regions from both Member States (MS) meaning that common challenges should be defined on the regional level. As a result, the MS selected the Programme priorities by analysing national and regional challenges in both MS, understanding needs by analysing situation in the Programme regions and involving the relevant stakeholders in the Programme preparation.

### 2.1. Challenges and needs in the Programme

The bottom-up approach for selecting the four TOs consisted of three core activities, which are illustrated below (See Figure 1). In general, the Programme provides a written justification for the selection of the TOs by stating that:

- an assessment of the needs and challenges of the regions based on the thematic objectives was carried out;
- statistical data on national and regional level was analysed;

<sup>5</sup><http://new.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303>

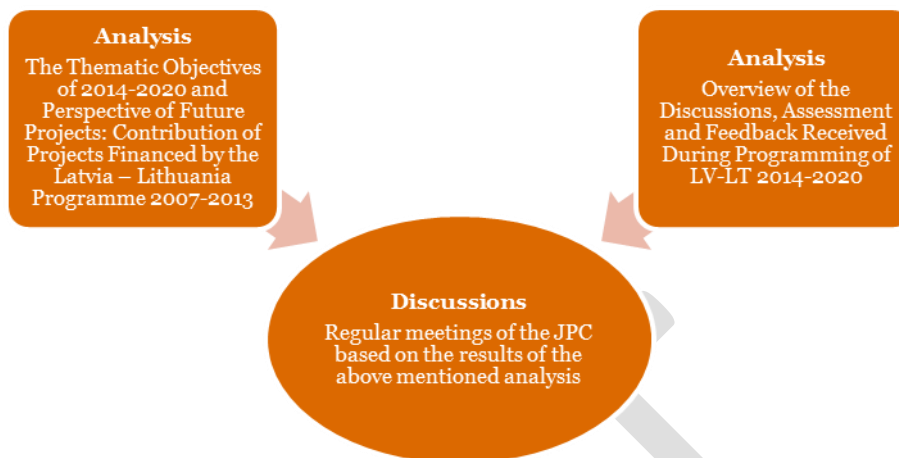
<sup>6</sup><http://new.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303>

<sup>7</sup><http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0259:0280:EN:PDF>

<sup>8</sup><http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0289:0302:EN:PDF>

<sup>9</sup>[ec.europa.eu/social/BlobServlet?docId=7858&langId=en](http://ec.europa.eu/social/BlobServlet?docId=7858&langId=en)

- experience of the 2007-2013 Programme through quantitative and qualitative analysis of the projects was taken into account.



**Figure 1:** Bottom-up approach for selecting the four TOs.

## 2.2. TOs coherence with national and EU level strategies

The CPR<sup>10</sup> requires that the Programme, its objectives, priorities and directions of support are in line with the national and EU level strategies and contribute to their successful achievement.

The top-down approach was also used when selecting the TOs and the Programme provides some description on whether the selected TOs are in line with EU and national strategies. Although it is mentioned that the Programme has taken into account EU and national level strategies, the Programme does not provide a very detailed description on how it is aligned with these strategies and which strategy priorities specifically have been taken into account. However, the analysis of the relevant strategies (See Table 2) showed that in general terms the Programme is aligned with the EU level strategies.

TO	EU						National					
	Common Strategic Framework 2014-2020	Position of the Commission Services on the development of Partnership Agreement and programmes for the period 2014-2020	EUROPE 2020	The European Union Strategy for the Baltic Sea Region	Disability Strategy 2010-2020: A Renewed Commitment to a Barrier-Free		Latvia's National Development Plan	Latvia's and Lithuania's NRP for the Implementation of the "Europe 2020" strategy	Lithuania's Progress Strategy "Lithuania 2030"	Sustainable Development Strategy of Latvia until 2030	Latvia's National Road Improvement Programme 2014-2020	The Long-term (Until 2025) Development Strategy of the Lithuanian Transport System
TO6	✓	✓	✓	✓	✓		✓	✓	✓	✓		
TO8	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
TO9	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		

<sup>10</sup><http://new.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303>

TO11		√	√	√	√			√	√	√	√		
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**Table 2:** Evaluated EU and national level strategies.

The Programme is consistent with the strategic objectives of the Common Strategic Framework 2014-2020, Position of the Commission Services on the development of Partnership Agreement and programmes for the period 2014-2020, EUROPE 2020, EUSBS and Disability Strategy 2010-2020: A Renewed Commitment to a Barrier-Free Europe. Furthermore, the Programme is coherent with the national strategies. It is in line with Latvia's National Development Plan 2014-2020, Latvia's and Lithuania's NRP for the Implementation of the "Europe 2020" strategy, Lithuania's Progress Strategy "Lithuania 2030", Sustainable Development Strategy of Latvia until 2030, Latvia's National Road Improvement Programme 2014-2020 and the Long-term (Until 2025) Development Strategy of the Lithuanian Transport System. Although the Programme does not include a very detailed description on the Programme's coherence with the relevant EU and national level strategies due to the text limitations, this analysis has been provided in other Programme documents. Furthermore, the Programme has a potential to contribute directly and indirectly, within its scope and the allocated funding, to the achievement of the overarching goals set by these strategies.

### ***3. The relevance and clarity of the proposed Programme indicators***

Article 55 (e) of the CPR<sup>11</sup> requires the ex-ante evaluation to appraise the relevance and clarity of the proposed Programme indicators.

This section describes if the output indicators are relevant to the actions to be supported, if the output indicator is likely to contribute to the change in the result indicator and if the result indicator is relevant to the specific objective. It also assesses whether the Programme has included the main target groups of the Programme and prospective beneficiaries. In other words, this section is focused on assessing the internal coherence of the proposed Programme.

It is required to set result and output indicators for each IP's specific objective. Directorate-General for Regional and Urban Policy<sup>12</sup> (DG REGIO) recommends setting only one result indicator for each specific objective of the investment priorities. Having only one output indicator will also make the monitoring process easier. Currently one result indicator is set for each IP's specific objective except one where two result indicators are set in TO8IP2.

Currently the Programme includes several output indicators for each specific objective, which is appropriate as there have not been any recommendations towards limiting the amount of output indicators. Nevertheless, output indicators have to be carefully selected, in order to reflect to the change which is identified by the result indicator.

#### ***3.1. Result indicators' relevance to specific objectives***

This subsection describes if the Programme set result indicators are relevant to the specific objectives. In general, result indicators capture the most intended change in the Programme area that is expressed as a specific objective. For instance, TO6 IP1, TO6 IP2, TO6 IP3, TO8 IP1, TO8 IP2, TO9 IP1, TO9 IP2, TO11 IP1 result indicators cover the desired change very well.

The initial TO11 IP1 result indicator was "number of new solutions applied to the public services". It was unclear how the proposed result indicator would achieve the specific objective - "to improve efficiency of public services by strengthening capacities and cooperation between institutions", especially how the achievement of this indicator would contribute to the increase in efficiency of institutions. Therefore, it was recommended to

<sup>11</sup> <http://new.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303>

<sup>12</sup> [http://ec.europa.eu/regional\\_policy/sources/docoffic/2014/working/wd\\_2014\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/2014/working/wd_2014_en.pdf)

reformulate result indicator or explain in the Programme the link between the output indicator and the result indicator. For instance, the result indicator could be reformulated as “number of new common solutions applied to the improvement of public services”. This indicator would better capture the aim of improving public services and their efficiency. This recommendation was presented during JPC meeting on 16 June and it was agreed to use a new indicator “number of joint solutions improving the public services”. This indicator is relevant to the specific objective.

### ***3.2. Output indicators’ relevance to result indicators***

This subsection describes if the Programme set output indicators are likely to contribute to the change in the result indicators. Overall, the Programme output indicators are well defined and can potentially contribute to the change in the result indicators. This conclusion is based on the analysis of the causal links between output indicators and result indicators, as well as their thematic relationship. The Programme has also tried to use the Common indicators, where appropriate. For instance, in TO6 IP1 output indicator “Number of visits to supported sites of cultural and natural heritage and attractions” is a Common indicator.

### ***3.3. Activities and output indicators***

This subsection describes if the Programme set output indicators are relevant to the activities to be supported. In general, the Programme output indicators are relevant to the actions planned to be supported by the Programme. Moreover, the rationale for the form of support proposed is clear and the provided indicative list of actions to be supported by the Programme is extensive and illustrates the possible activities. However, some of the proposed activities in TO11 IP1 are described too general, and do not provide enough detail, for instance, TO11 IP1 proposed activity – “transfer of good practices” and “involvement of the society in the decision making”. However it is understood that this priority is aimed at various activities that could contribute to improvement of public services, therefore currently the proposed activities are very general in nature. These activities could be re-formulated stating more precisely what is meant by “good practices”, what kind of “good practices”, how the society will be “involved in the decision making” if there were more detailed information available on specific needs and challenges of the regions for improving public services. Therefore it is recommended to provide more details (e.g. include specific examples) when describing the indicative actions to be supported by the Programme, where possible. Similarly, as it was done for TO6 IP3.

### ***3.4. Target groups and beneficiaries***

The main target groups are identified in the Programme for each investment priority. There are different target groups which are relevant to specific investment priorities, for example, persons living in the territories, students and local businesses. Similarly the main beneficiaries are described on the investment priority level. Overall, they are well described and provide sufficient understanding of the prospective Programme target groups and beneficiaries.

## ***4. Quantified baseline, target values and milestones***

The CPR requires the ex-ante evaluation to appraise the adequacy of the selected baseline and target values as well as the suitability of milestones. This section evaluates the baseline and target values of result indicators set by the Programme as well as the target values of output indicators. In addition, also the suitability of milestones is evaluated.

### ***4.1. Baseline and target values of result indicators***

The quantified target and baseline values are set for all Programme result indicators, except for the TO8 IP2 (“traffic intensity on the renovated roads”), TO9 IP1 (“number of people benefitting from joint social inclusion measures and social services” and TO11 IP1 (“number of joint solutions improving the public services”) result indicators. However, the action plan is provided on how baseline and target values will be established for these result indicators. It is also clear where the needed data for calculations will be obtained. It is planned to launch surveys in order to get the needed data from municipalities and regions. The deadline for obtaining data is set to August 15, 2014. The proposed action plan for setting the remaining target and baseline values is adequate. However, it is recommended to appraise the likelihood of risk that there could be difficulties in setting the baseline and target values if municipalities and regions are not able to provide useful data or the provided data will turn out to be incomplete.

Baseline and target values for TO6 IP2, TO6 IP3, TO8 IP1, TO9 IP2 result indicators are set correctly taking into account recommendations for setting adequate and verifiable indicators. As well as relevant tendencies from previous years and future outlooks were taken into account when setting baseline and target values.

Initially the data used for setting the TO6 IP1 baseline value was incorrect. According to the National Statistics Bureaus of Latvia the data used for calculating baseline was “number of visitors” not “overnight stays of visitors” as it should have been according to the set Programme indicator, which was “overnight stays of visitors in the Programme area”. It was recommended to correct the calculations and change the baseline according to the correct data. The Programme developers have taken into account this comment and changed the data. In the updated Programme the data used for TO6 IP1 baseline value is correct.

TO8 IP2 result indicator “number of people receiving upgraded skills matching labour market needs” target value is not consistent with the TO8 IP2 output indicator “number of participants in joint education and training schemes to support youth employment, educational opportunities and higher and vocational education across borders” target value. TO8 IP2 output target value is “700 participants in joint education and training schemes”. Whereas, TO8 IP2 result target value is “1200 people receiving upgraded skills”, and the baseline is 1000. It is unclear how the set result target value of 1200 will be achieved by the planned 700 participants. It is advised to specify whether these calculations are based on the assumption that 200 from expected 700 participants will be unique persons (persons who have not previously participated in the Programme and upgraded their skills) receiving the upgrade of skills, that will ensure the achievement of target value 1200 (1000 who received upgraded skills during 2007-2013 plus 200 unique participants, 20% increase). It is also suggested to consider narrowing down the TO8 IP2 result indicator and calculating only people who obtained the job in the Programme region after receiving upgraded skills by the Programme. It could be achieved by having a record of people who upgraded their skills by participating in the activities funded by the Programme and their employer details (location).

There are some other minor technical mistakes related to the baseline and target values of result indicators, which need to be corrected in the Programme. In some TOs (e.g. TO8 IP2) the “source of data” for the baseline and target values in the table is mentioned as “2007-2013 Programme”. It should be changed to “Progress reports” (this will include both – Progress reports of 2007-2013 Programme relevant to the baseline value and Progress reports of 2014-2020 Programme relevant for target values) or “Monitoring System” in order to make source of data relevant for both baseline and target values. Currently source of data refers only to baseline values.

In the tables of TO9 IP1, TO11 IP1 and other TOs, where the source of data for result indicator baseline values is mentioned as “2007-2013 Programme” should be replaced with “survey and data collection from the national authorities and municipalities” if data is planned to be obtained from surveys. In the updated Programme the source of data for result indicator baseline values “2007-2013 Programme” was replaced with “survey”.

## **4.2. Target values of output indicators**

The quantified target values for all Programme output indicators are set for 2023. However, according to the Programme developers the target value for TO6 IP3 (“rehabilitated urban and municipal space with potential for fostering economic development”) could be reviewed. The key obstacle for setting an adequate target value for this specific indicator is that there is no information available for this indicator from the 2007-2013 Latvian Lithuanian Cross Border Cooperation Programme and the costs of rehabilitating urban and municipal space in

Lithuania differs considerably from Latvia's. The costs of urban and municipal space rehabilitation in Latvia are considerably lower than in Lithuania. It is recommended that both MS revise the provided information on the costs of urban and municipal space rehabilitation.

The currently set quantified target values are realistic, having regard to the support from the available funds. The fixed targets are reasonable because they are based on the computation of unit costs from approved and implemented projects of the 2007–2013 Latvian Lithuanian Cross Border Cooperation Programme.

The Programme also has identified the possible internal (e.g. maximum project size, eligibility of partners) and external factors (e.g. price levels) that could influence the achievement of the intended targets. The appropriate mechanism was applied for reaction to both internal and external factors – in the Programme the target values were decreased by 30%. The Programme provides sufficient explanation on how the target values for output indicators were set.

The TO8 IP2 output target value is 46 km (“total length of reconstructed or upgraded roads in the border area”). The “cautious approach” of decreasing all output target values by 30% has not been applied to the TO8 IP2 target value. It is understandable that it is not adequate to decrease the length of the planned road reconstructions. Therefore, it is recommended to state in the Programme the proposed action in case the actual costs differ from planned funding and its impact on the output value.

Definition of “deprived communities” in the TO9 IP2 output indicator “number of deprived communities participating in the regeneration activities” remains slightly unclear. Therefore it is suggested to provide a clear definition and criteria for the communities that fall under this category. This definition and criteria can be included in the Programme Manual so that the beneficiaries fully understand the indicator and can submit correct data in their Progress reports.

### **4.3. Milestones**

In accordance with CPR the achievement of the milestones of each priority axis has to be evaluated by the Commission in 2019 based on the information provided in the annual implementation report submitted in the year 2019. According to CPR the milestones should be realistic, consistent, transparent and verifiable.

The Programme has selected for each priority axis a subset of indicators to be used as milestones for the year 2018 in the performance framework. The selected milestones are consistent with the nature of the specific objectives and capture essential information of the progress of a priority.

The milestones are transparent and verifiable. The source of data is identified for all of the milestones. The source of data for output indicators is Progress reports and Monitoring system for financial indicators.

The milestones established for 2018 are relevant and include financial indicators and output indicators. Overall, a very cautious approach was taken when setting the milestones. The milestone values for 2018 are set in the range between 10 per cent to 20 per cent from the final indicator target, which has to be achieved by the 2023.

In general, it is adequate to conclude that the milestones are achievable, since they can realistically be achieved at the review points in 2018. When setting the milestones, the rhythm of implementation of the Programme in the current period was taken into account. Based on the previous programming period it was assumed that in the 2014 – 2020 programming period:

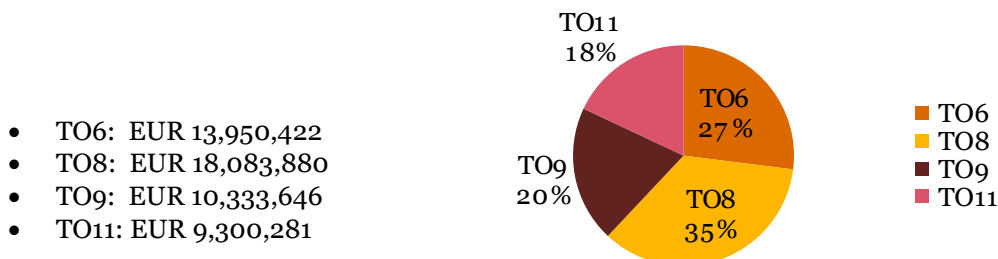
- the first call for projects would be in the first half of 2015;
- the projects would begin at the end of 2015;
- the projects from the first call would be finished in 2018 (projects usually run 1.5 – 2 years).

Based on the above mentioned assumptions the milestones can be achieved and reported on time.

Since a very cautious approach was chosen to setting the milestones, it is recommended to provide a clear justification for the Commission as to why this approach was chosen and why more ambitious milestone targets were not chosen.

## 5. Evaluation of the financial allocations

Article 55 (c) of the CPR<sup>13</sup> requires the ex-ante evaluation to appraise the consistency of the allocation of budgetary resources with the objectives of the Programme. The Programme’s developers have proposed and the MS accepted the following financial allocations to each TO and 3.297,972 EUR for Technical Assistance (TA):



These allocations among TOs are considered as reasonable and based on:

- the experience of the 2007-2013 programming period:
  - the trend of demand during the 2007-2013 programming period;
  - the cost analysis of the implemented projects during the 2007-2013 programming period.
- the results to be achieved according to the Programme intervention logic;
- considerations of different types of possible investments (for instance, “soft”, small scale or large scale investments);
- the decisions made by MS during JPC meetings.

The proposed financial allocations among TOs are reasonable and take into account the Programme objective, specific actions and planned results.

For TO8 the largest financial proportion of the available funding is allocated (35 %). It is reasonable because under this TO it is planned to improve cross-border road sections. Therefore it is the most investment intensive TO, which requires the allocation of the largest financial proportion of the Programme funding.

For TO6 27% of the available funding is allocated. Financial allocations for TO6 are smaller than for TO8, but still relatively large compared to other TOs. This is justifiable because under this TO is foreseen to have “soft” actions such as exchange of practices, trainings and seminars, but also some infrastructure projects (improvement of public infrastructure in municipal territories and others).

The share of financial allocations of the Programme funding for TO9 and TO11 is considerably smaller than for TO8 and TO6 (TO9 – 20%; TO11 – 18%). It is valid since both TOs include actions with comparably small-scale investments without any large investments in infrastructure actions such as road improvements. Under TO9 investments are foreseen only in small scale infrastructure, education and cooperation activities and improvement of competencies.

Whereas, under TO11 investments are foreseen predominantly in “soft” actions such as cross-border cooperation actions, capacity building activities and only small scale infrastructure and equipment. It is also justifiable to allocate the smallest amount of funding towards TO11 because it has only one specific objective whereas, other TOs have at least two specific objectives, which requires more funding.

The allocated budget for the TA is also reasonable. The allocated funding is 6% (or 3 297 972 EUR), which is not exceeding the maximum allowed funding for TA. The Programme also lists the examples of actions to be financed under the TA budget, which seem to be valid for the available funding.

Overall, the division of funding among the four TOs is adequate and the financial allocations concentrate on the most important objectives, needs and challenges of the Programme region. The breakdown of the financial plan

<sup>13</sup> <http://new.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303>

of the Programme by priority axis is provided, including the amount of the total financial appropriation of the support from the ERDF and the national co-financing.

However, it is important to stress that no limits are set for maximum cost of one project. If no such limit is set, there is a risk that this can negatively impact the achievement of output target values as those values are in part set based on costs of one project in previous programming period. It is recommended to consider setting the maxim allowed cost of one project and include it in the Programme Manual.

## 6. Evaluation of the impact indicators' and results' contribution to Europe 2020

Article 55 (3)(a) of the CPR<sup>14</sup> requires ex-ante evaluators to appraise the Programme's contribution to the EU 2020 having regard to the selected TOs and priorities, taking into account national and regional needs set out in the National Reform Programme (NRP) in relation to headline targets for the EU 2020. To measure progress in meeting the EU 2020 goals, the following 5 headline targets, which are interrelated and mutually reinforcing, have been agreed for the whole EU<sup>15</sup>:

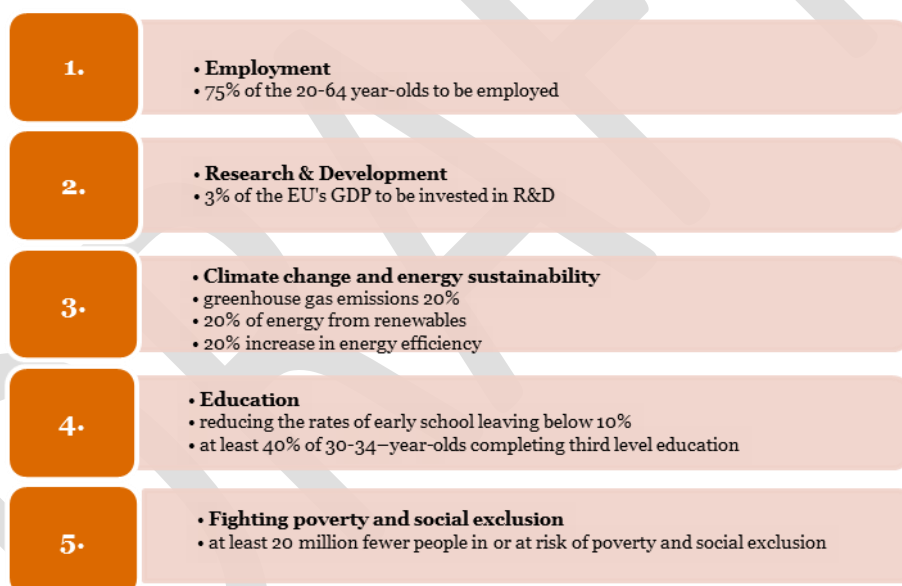


Figure 2: Headline targets for EU 2020.

This limited set of EU-level targets is translated into national targets, which are available in the NRP of the respective countries. In general, all TOs have a potential to contribute to the national targets and objectives set in Latvia's and Lithuania's NRPs, which in turn means that they also can contribute towards achieving EU 2020 headline targets. Programme's objectives and expected results directly contribute to the achievement of set targets. For instance, TO8 IP1 specific objective "to create employment opportunities through support to entrepreneurship" and its intended result is in line with Latvia's and Lithuania's national objectives related to the employment target, promotion of entrepreneurship and improvement of business environment. Whereas, TO6 IP2 specific objective - "to improve joint management of environmental resources" - is not directly linked to the Latvia's and Lithuania's NRPs, which are more focused on the energy efficiency, increase of the share of energy produced from the renewable energy sources and reduction of greenhouse gas emissions. However, the Programme support for joint action in the area of pollution could potentially contribute to Latvia's and

<sup>14</sup><http://new.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303>

<sup>15</sup>[http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/targets/index\\_en.htm](http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/targets/index_en.htm)



Lithuania's target to reduce emissions. Therefore, it is important to note that this Programme can have only a limited impact, within its scope and the allocated funding, on the achievement of the set targets.

## **7. Quality of the implementation and monitoring mechanisms**

### **7.1. Management mechanisms**

The implementation structure of the Programme, including management and coordination, is similar to the one used in 2007-2013 planning period. Since all the Authorities - Managing Authority (MA), Certifying Authority (CA) and Audit Authority (AA) - will be held under the same government body, which is the Ministry of Environmental Protection and Regional Development of the Republic of Latvia (MEPRD). The principle of separation of functions will be ensured by designating separate units within MEPRD which separately will carry out the function of MA, CA or AA. The MEPRD was also a MA, CA and AA during the 2007-2013 planning period and it has already in place some of the needed administrative arrangements. Therefore it will have the adequate administrative capacity for the implementation of the Programme.

The MS participating in the Programme will also set up a joint Monitoring Committee (MC). The main functions and tasks of the MC are not described in the Programme, however, a reference to the EU Regulation, where the relevant information can be found, is given. Similarly to the 2007-2013 planning period, the Joint Secretariat (JS) will be set up under the responsibility of the MEPRD. The main office of JS will be located in Riga, Latvia with a branch office in Vilnius, Lithuania. This structure covering both countries will provide a better support to potential beneficiaries in Latvia and Lithuania. The tasks of JS are described in the Programme.

From the Programme it is clear about the structure and division of tasks between the different bodies involved in Programme implementation, however there is a lack of description on the planned procedures for the monitoring of the Programme. According to the Programme, this information will be included in the Programme Manual. It is suggested to include in the Project Manual detailed information on internal control procedures such as monitoring of the project progress; surprise site visits to the projects; management of irregularities etc. It is also recommended for each procedure to clearly define responsibilities, deadlines, controls, control sheets etc.

Overall, the Programme will continue to use similar management and monitoring mechanisms, which were used during the 2007-2013 programming period, since the previously used system was effective and there were no significant shortcomings detected.

### **7.2. Monitoring and data exchange system**

A new system for monitoring of the Programme interventions and data exchange will be introduced. This new system will allow the beneficiaries to submit electronically all the required documents and data. Therefore this system has a potential to reduce administrative burden for beneficiaries by simplifying data gathering and reporting. In addition, trainings on how to use this new system will be organized for the potential applicants and beneficiaries in order to ensure the efficient use of the system.

Data needed for the output indicators will be collected from the Progress reports, whereas result indicators from statistical data. There will be no additional burden of data collection put on the beneficiaries, since all needed data will be collected from the Progress reports or external statistics. However, the Programme does not provide description on the data collection procedures and data availability needed for decision making, reporting and evaluation. According to the Programme developers this information will be included in the Programme Management and Control system, which will be available at a later stage. However, it has to be ensured that the needed data for reporting is available, reliable and collected in time. Therefore it is recommended to establish data collection procedures and make sure that the needed data for indicators is available in time and reliable. The recommendation to mention in the Programme that this information on the

data collection procedures will be included in the Programme Manual was taken into account by the Programme developers.

In general, the Programme will continue to use similar monitoring system, which was used during the 2007–2013 programming period, since the previously used system was effective and there were no significant shortcomings detected.

### **7.3. Administrative capacity**

According to the Programme, the staffing and setting up of the joint secretariat will be based on the experience from the previous programming period and the staff for the Programme administration will be recruited during 2014–2016, however, it is not mentioned how many people will be recruited and what responsibilities they will have. Therefore at this stage, it is impossible to evaluate whether there will be adequate human resources needed for the successful implementation of the Programme. It is recommended to make sure that the needed human resources are available for the implementation of the Programme, especially for the assessment and monitoring of the projects.

Overall, it is clear that the experience from the previous programming period will be used and there is already clear understanding what staffing arrangement could be used.

### **7.4. Experience of previous programming periods**

There is evidence that the Programme has taken into account experience of previous programming periods. For instance, the Programme has followed some of the recommendations for the improvement of the monitoring methods and monitoring capacity, and financing provided in the Midterm evaluation of the Latvia–Lithuania Cross-border Cooperation Programme under European Territorial Cooperation Objective for 2007–2013<sup>16</sup> (the Midterm evaluation). First, the Programme has taken the Midterm evaluation's recommendation to use electronic system for project reporting. Second, as suggested by the Midterm evaluation, surprise visits to the project sites will be organized. Third, the Midterm evaluation's recommendation to increase the FLCs awareness of the project specifics has been taken into account. In fact, there will be seminars for FLCs to introduce them to the projects. Similarly as with data collection procedures information on seminars for FLCs, visits to project sites will be included in the Programme Manual.

## **8. Consistency with the strategic environmental assessment**

As stated in the Ex-ante Guidelines, programmes with possible impact on environment should have the strategic environment assessment (SEA) carried out before the programme adoption.

In preparation of SEA the relevant directives have been taken into account. Specifically European Parliament and Council's Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment<sup>17</sup> and the Commission's Guidelines on how to implement Directive 2001/42/EC<sup>18</sup>.

The SEA is provided in a separate document.

<sup>16</sup>[http://www.latlit.eu/uploaded\\_files/Programme/Legal%20Framework/LATLIT%20Midterm%20evaluation\\_Final%20Report%20\\_08062011JD.pdf](http://www.latlit.eu/uploaded_files/Programme/Legal%20Framework/LATLIT%20Midterm%20evaluation_Final%20Report%20_08062011JD.pdf)

<sup>17</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0042:EN:NOT>

<sup>18</sup>[http://ec.europa.eu/environment/eia/pdf/030923\\_sea\\_guidance.pdf](http://ec.europa.eu/environment/eia/pdf/030923_sea_guidance.pdf)

## 9. Horizontal principles

Article 55 (l-m) of the CPR<sup>19</sup> requires the ex-ante evaluators to appraise the adequacy of planned measures to ensure horizontal principles - equal opportunities between men and women, to prevent discrimination and to promote sustainable development. Further advice on how to undertake the evaluation is provided by the Guidance document on ex-ante evaluation<sup>20</sup>. According to the ETC Regulation<sup>21</sup> Article 8 (7) the chosen measures to promote equal opportunities, to prevent discrimination and to promote sustainable development is subject to the duly justified assessment of the participating MS of the relevance of the objectives to the content and objectives of the Programme. In other words, if the MS consider that the horizontal principles are not relevant for the Programme, they should provide a justification for such an assessment.

Both MS have agreed to include sustainable development and equal opportunities and non-discrimination as horizontal principles of the Programme. Therefore these principles should be respected accordingly throughout the Programme, especially in the project selection and through monitoring the implementation of the approved projects.

The Programme includes sustainable development as one of its horizontal principles and integrates it in the selection process of the projects. The projects will have to apply the sustainable development principle to qualify for funding. Furthermore, the projects funded by the Programme will be required to apply environmental and spatial impact assessments, where appropriate. The selection criteria and other requirements related to sustainable development will be included in the Programme Manual, which will be available later.

Similarly, equal opportunities and non-discrimination have been selected as horizontal principles and will be ensured during the selection process of the projects by including specific eligibility criteria in the Programme Manual. In addition, the projects will be required to follow universal design principles to ensure accessibility for persons with disabilities. Universal design will guarantee that buildings, products and environments are accessible to people with and without disabilities as well as elderly people. According to the Programme, there will be a follow up implementation process ensured by Programme implementing bodies and use of indicators for this horizontal principle. However, there is no further information provided in the Programme regarding follow-up process and the possible indicators. According to the Programme this information will also be included in the Project Manual, which is not available yet.

Whereas, the horizontal principle of equality between men and women was selected only as a sub-component of the Programme. In other words, no specific actions or measures to promote equality between men and women are planned by the Programme. As well as no specific selection criteria for supported projects regarding gender equality will be used. The provided justification for selecting equality between men and women only as a sub-component of the Programme and not setting any criteria related to this horizontal principle is provided in the Programme. Since the selection of horizontal principles is not obligatory and the justification for choosing to use this horizontal principle only as a sub-component has been provided, it is acceptable that this horizontal principle is used only as a sub-component without any specific actions or measures to promote equality between men and women.

Overall, it is clear from the Programme that sustainable development and equal opportunities and non-discrimination will be ensured by the Programme. However, at this stage it is impossible to assess the adequacy of the project selection criteria and monitoring of these horizontal principles since the Programme Manual, where according to the Programme this information will be included, is not available yet.

<sup>19</sup><http://new.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303>

<sup>20</sup>[ec.europa.eu/social/BlobServlet?docId=7858&langId=en](http://ec.europa.eu/social/BlobServlet?docId=7858&langId=en)

<sup>21</sup><http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0259:0280:EN:PDF>

## 10. Summary of conclusions and recommendations

Nr.	Section	Conclusions	Recommendations	Explanations	Progress
1.	2.2.	Although it is mentioned in the Programme that the Programme has taken into account national and EU strategies and its contribution to the EU2020, there is not provided a very detailed description on how the Programme is aligned with these strategies and which strategy priorities specifically have been taken into account.	It is recommended to provide more information and expand description on the Programme's and specifically its TOs alignment with the national and EU level strategies.	Looking at the proposed strategy, the evaluators should appraise "the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programmes with the Common Strategic Framework, the Partnership Contract and the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under Article 148(4) of the Treaty" as required in Article 48(3)(d) CPR (Ex-ante Guidelines p. 4).  For national and regional programmes, the evaluators should primarily base their assessment on the National Reform Programme, country-specific recommendations and the analysis done in the context of the European semester (Ex-ante Guidelines p. 5).	It was decided during the JPC meeting on 13-14 March that the explanations and references to the national, regional and EU level strategies are sufficient enough.
2.	3.1.	The TO11 IP1 result indicator is "number of new solutions applied to the public services". It is unclear how the proposed result indicator will achieve the specific objective - "to improve efficiency of public services by strengthening capacities and cooperation between institutions", especially how the achievement of this indicator will contribute to the increase in efficiency of institutions.	It is recommended to reformulate result indicator or explain in the Programme the link between the output indicator and the result indicator. For instance, the result indicator can be reformulated as "number of new common solutions applied to the improvement of public services". This indicator	Article 55 (3)(e) and (f) CPR requires the ex-ante evaluation to appraise "the relevance and clarity of the proposed programme indicators" and "how the expected outputs will contribute to results" (Ex-ante Guidelines p. 10).	It was decided during the JPC meeting on 16 June to use indicator "number of joint solutions improving the public services".

Nr.	Section	Conclusions	Recommendations	Explanations	Progress
			would better capture the aim of improving public services and their efficiency.		
3.	3.3.	The provided indicative list of actions to be supported by the Programme for the TO11 IP1 is extensive and illustrates the possible activities. However, the list of activities could be more detailed.	It is recommended to provide more details (using specific examples etc.), when defining the proposed activities, so that they are not too general but narrowed down. The activities should be better linked to the current identified needs and challenges in the regions. It is also advised to provide more detailed activity lists for other TOs, if possible.	Compared to the current regulations, the proposed regulations require a more precise description of planned actions and how they will lead to results. The ex-ante evaluators should assess "how the expected outputs will contribute to results" (Article 48(3)(f)CPR) and appraise "the rationale for the form of support proposed" (Article 48(3)(h) CPR), and the actions to be supported (Article 87(2)(b)(iii)) (Ex-ante Guidelines p. 7).	It was communicated by the MS during the JPC meeting on 13-14 March that this priority is aimed at various activities that could contribute to improvement of public services. Therefore the currently the proposed activities are very general in nature. The activities of TO6 IP3 were amended after the decision during the JPC meeting on 16 June. However, the list of indicative activities for other TOs, including TO11 IP1, remain very general.
4.	4.1.	The quantified target and baseline values are set for all Programme result indicators, except for the, TO8 IP2, TO9 IP1 and TO11 IP1 result indicators. However, the	The proposed action plan for setting the remaining target and baseline values is adequate. However, it is	As regards targets, where a quantified target value has been set for common and programme-specific indicators, the ex-ante evaluation should appraise "whether the quantified target value is realistic, having regard to the support from the CSF Funds	Was discussed during JPC meeting on 16 June and MS agreed that there

Nr.	Section	Conclusions	Recommendations	Explanations	Progress
		action plan is provided on how baseline and target values will be established for these result indicators.	recommended to appraise the likelihood of risk that there could be difficulties in setting the baseline and target values if municipalities and regions are not able to provide useful data or the provided date will turn out to be incomplete.	envisaged" (Ex-ante Guidelines p. 13). Baselines are required for result indicators by the Fund-specific regulations: baselines shall use the latest available data (Ex-ante Guidelines p. 13). In some cases, baselines will not be readily available and data to establish the baseline will need to be collected (Ex-ante Guidelines p. 13).	is such risk.
5.	4.1.	The data used for calculating TO6 IP1 baseline value is incorrect. According to the National Statistics Bureau of Latvia the data used for calculating baseline is "number of visitors" not "overnight stays of visitors" as it should be according to the set Programme indicator, which is "overnight stays of visitors in the Programme area".	It is recommended to correct the calculations and change the baseline according to the correct data.	They may also check whether the data sources for result indicators are identified and verify whether they are publicly available, i.e. the baselines, target values and definitions of the indicators should be made public (Ex-ante Guidelines p. 12). Baselines are required for result indicators by the Fund-specific regulations: baselines shall use the latest available data (Ex-ante Guidelines p. 13).	Was discussed during JPC meeting on 16 June and the updated Programme has used the correct data.
6.	4.1.	TO8 IP2 result indicator "number of people receiving upgraded skills matching labour market needs" target value is not consistent with the TO8 IP2 output indicator "number of participants in joint education and training schemes to support youth employment, educational opportunities and higher and vocational education across borders" target value. TO8 IP2 output target value is "700 participants in joint education and training schemes". Whereas, TO8 IP2 result target value is "1200 people receiving upgraded skills",	It is unclear how the set result target value of 1200 will be achieved by the planned 700 participants. It is advised to specify whether these calculations are based on the assumption that 200 from expected 700 participants will be unique persons (persons who have not previously participated in the Programme and upgraded their skills)	The evaluators should assess if these targets reflect the expected effects of the actions as well as other external developments potentially influencing them. They should assess their plausibility against the corresponding baselines, past experience and relevant economic trends (Ex-ante Guidelines p. 13).	Was discussed during the JPC meeting on 16 June and MS decided to keep result indicator "number of people who obtained the job in the Programme region after receiving upgraded skills by the Programme" as an alternative.

Nr.	Section	Conclusions	Recommendations	Explanations	Progress
		and the baseline is 1000.	receiving the upgrade of skills, that will ensure the achievement of target value 1200 (1000 who received upgraded skills during 2007-2013 plus 200 unique participants, 20% increase). It is also suggested to consider narrowing down the TO8 IP2 result indicator and calculating only people who obtained the job in the Programme region after receiving upgraded skills by the Programme. It could be achieved by having a record of people who upgraded their skills by participating in the activities funded by the Programme and their employer details (location).		
7.	4.1.	In some TOs (e.g. TO8 IP2) the “source of data” for the baseline and target values in the table is mentioned as “2007-2013 Programme”. Currently source of data refers only to baseline values.	It is recommended change to “Progress reports” (this will include both – Progress reports of 2007-2013 Programme relevant to the baseline value and Progress reports of 2014-2020 Programme relevant for target values and has already	The source of data should be set correctly.	The source of data for TO8 IP2 remains to be “2007-2013 Programme”.

Nr.	Section	Conclusions	Recommendations	Explanations	Progress
			used throughout the Programme) or Monitoring System in order to make source of data relevant for both baseline and target values.		
8.	4.1.	In the tables of TO9 IP1, TO11 IP1 and other TOs, the source of data for result indicator baseline values is mentioned as “2007-2013 Programme”.	In the tables of TO9 IP1, TO11 IP1 and other TOs, where the source of data for result indicator baseline values is mentioned as “2007-2013 Programme” should be replaced with “survey and data collection from the national authorities and municipalities” if data is planned to be obtained from surveys.	The source of data should be set correctly.	Was discussed during JPC meeting on 16 June and the source of data for result indicator baseline values “2007-2013 Programme” was replaced with “survey”.
9.	4.2.	The quantified target values for all Programme output indicators are set for 2023. However, according to the Programme developers the target value for TO6 IP3 (“rehabilitated urban and municipal space with potential for fostering economic development”) could be reviewed. The key obstacle for setting an adequate target value for this specific indicator is that there is no information available for this indicator from the 2007-2013 Latvian Lithuanian Cross Border Cooperation Programme and the costs of rehabilitating urban and	It is recommended that both MS revise the provided information on the costs of urban and municipal space rehabilitation.	The evaluators should assess if these targets reflect the expected effects of the actions as well as other external developments potentially influencing them. They should assess their plausibility against the corresponding baselines, past experience and relevant economic trends (Ex-ante Guidelines p. 13).	During the JPC meeting on 16 June MS discussed this issue and decided to take a cautious approach when setting the target value. According to the updated Programme, the target value “could be reviewed”.



Nr.	Section	Conclusions	Recommendations	Explanations	Progress
		municipal space in Lithuania differs considerably from Latvia's. The cost of urban and municipal space rehabilitation in Latvian are considerably lower than in Lithuania.			
10.	4.2.	The TO8 IP2 output target value is 46 km ("total length of reconstructed or upgraded roads in the border area"). The "cautious approach" of decreasing all output target values by 30% has not been applied to the TO8 IP2 target value.	It is recommended to state in the Programme the proposed action in case the actual costs differ from planned funding and its impact on output value.	The evaluators should assess if these targets reflect the expected effects of the actions as well as other external developments potentially influencing them. They should assess their plausibility against the corresponding baselines, past experience and relevant economic trends (Ex-ante Guidelines p. 13).	Was discussed during the JPC meeting on 16 June and the updated Programme includes rules, which will be applied, if the actual costs of road reconstruction increase.
11.	4.2.	Definition of "deprived communities" in the TO9 IP2 output indicator "number of deprived communities participating in the regeneration activities" remains slightly unclear.	It is recommended to provide a clear definition and criteria for the communities that fall under this category. This definition and criteria can be included in the Programme Manual so that the beneficiaries fully understand the indicator and can submit correct data in their Progress reports.	The evaluators should assess if these targets reflect the expected effects of the actions as well as other external developments potentially influencing them. They should assess their plausibility against the corresponding baselines, past experience and relevant economic trends (Ex-ante Guidelines p. 13).	Was discussed during the JPC meeting on 16 June and agreed to include a definition of "deprived communities" in the Programme Manual.

Nr.	Section	Conclusions	Recommendations	Explanations	Progress
12.	4.3.	A very cautious approach was chosen to setting the milestones.	Since a very cautious approach was chosen to setting the milestones it is recommended to provide a clear justification for the Commission as to why this approach was chosen and why more ambitious targets were not chosen.	Milestones and targets shall be: (a) realistic, achievable, relevant, capturing essential information on the progress of a priority; (b) consistent with the nature and character of the specific objectives of the priority; (c) transparent, with objectively verifiable targets and the source data identified and, where possible, publicly available; (d) verifiable, without imposing a disproportionate administrative burden; (e) consistent across programmes, where appropriate (CPR, p. 423).	Was discussed during the JPC meeting on 16 June and agreed to provide an explanation for the Commission as to why such cautious approach was chosen.
13.	5.	No limits are set for maximum cost of one project.	It is recommended to consider setting the maximum allowed cost of one project and include it in the Programme Manual.	If no such limit is set, there is a risk that this could negatively impact the achievement of output target values.	Was discussed during the JPC meeting on 16 June and agreed to include the limits for maximum cost of one project in the Programme Manual.
14.	All sections	There are some minor mistakes in sentence structure, vocabulary choice and punctuation in the Programme.	It is recommended to edit and proofread the Programme before its submission to the Commission.	The Programme should be edited and proofread before the submission to the Commission.	Was discussed during the JPC meeting on 16 June and agreed that the Programme will be edited and proofread before its submission to the Commission.

**Table 3:** Conclusions, recommendations and explanation.

## 11. Information sources

- 1) European Commission's Regulation Proposals for 2014-2020 (in particular CRP, ERDF and ETC Regulation), ([http://ec.europa.eu/regional\\_policy/what/future/proposals\\_2014\\_2020\\_en.cfm](http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm))
- 2) Draft Common Strategic Framework on Cohesion Policy 2014-2020.
- 3) European Commission's Regulations in Cohesion Policy for 2014-2020 adopted on 17 December 2013.
- 4) Europe 2020: A strategy for smart, sustainable and inclusive growth.
- 5) Commission Draft Guidance paper/working document on ex-ante evaluation for the European Regional Development Fund, European Social Fund and Cohesion Fund. (annex I of the terms of reference), ([http://ec.europa.eu/regional\\_policy/sources/docoffic/2014/working/ex\\_ante\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/2014/working/ex_ante_en.pdf))
- 6) Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment.
- 7) Commission's Guidance on the implementation of Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment.
- 8) Draft documents of Latvia - Lithuania Programme 2014-2020, as they are produced and the minutes of the JPG meetings.
- 9) Interviews with the stakeholders of the Programme carried out during the evaluation.
- 10) The Operational Programme and Programme Manual of the Latvia - Lithuania Programme 2007-2013, the ex-ante evaluation and mid-term evaluation carried out, as well as other relevant documents of the current programme.
- 11) EU country specific recommendations ([http://ec.europa.eu/europe2020/reaching-the-goals/monitoring-progress/recommendations-2011/index\\_en.htm](http://ec.europa.eu/europe2020/reaching-the-goals/monitoring-progress/recommendations-2011/index_en.htm))
- 12) Commission Staff Working Document The partnership principle in the implementation of the Common Strategic Framework Funds - elements for a European Code of Conduct on Partnership of 24.4.2012 SWD(2012) 106 final ([http://ec.europa.eu/regional\\_policy/sources/docoffic/working/strategic\\_framework/swd\\_2012\\_106\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/working/strategic_framework/swd_2012_106_en.pdf))
- 13) National strategies and planning documents, including the National Development Plan, NRPs ([http://ec.europa.eu/europe2020/pdf/nrp/nrp\\_latvia\\_en.pdf](http://ec.europa.eu/europe2020/pdf/nrp/nrp_latvia_en.pdf), [http://ec.europa.eu/europe2020/pdf/nrp/nrp\\_lithuania\\_en.pdf](http://ec.europa.eu/europe2020/pdf/nrp/nrp_lithuania_en.pdf))
- 14) Regional development strategies
- 15) Monitoring and Evaluation of European Cohesion Policy guidance documents ([http://ec.europa.eu/regional\\_policy/sources/docoffic/2014/working/wd\\_2014\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/2014/working/wd_2014_en.pdf))
- 16) Presidency of the Council of the European Union working group working papers.
- 17) Information and evaluations available at the Evalsed online data resource ([http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/evalsed/index\\_en.htm](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/evalsed/index_en.htm))
- 18) EU and national legislation and documents on the EU Structural Funds 2004-2013.
- 19) Additional documents proposed by the MA/JPC.

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