

SUMMARY

FINANCIAL IMPLEMENTATION OF THE PROGRAMME

In 2014-2022, EUR 2.85 billion was allocated for the implementation of Programme, of which EAFRD accounted for EUR 2.1 billion and EURI funds for EUR 139.9 million. In 2014-2022, EUR 2 489 million was contracted, which accounted for 87% of all funds allocated to the implementation of the Programme. The biggest share of the amount contracted was under Focus Area (hereinafter – FA) 2A and 6B, as well as under Focus Areas contributing to 4th priority. EUR 2 149 million was paid, i.e., 75% of all funds of which EAFRD, co-financing and additional national funding amounted for EUR 2 100 million, and EURI for EUR 48.5 million. EUR 1 929.3 million was paid and declared to the EC, i.e., 68% of all funds, out of which EU funds (EAFRD and EURI) amounted for EUR 1 582,4 million.

At Focus Area level the biggest amount of support was paid under Focus Area 6C, which amounts to 100% of all funds allocated. The share of paid support under Focus Area 2B was 93% and under Priority 4 it was 91%. The lowest level of financial implementation was achieved under the following Focus Areas: 5C (34% of allocated support paid), 3A (47% of allocated support paid) and 5D (50% of allocated support paid).

IMPLEMENTATION OF PROGRAMME'S PRIORITIES AND FOCUS AREAS

Priority 1. Knowledge transfer and innovation in agriculture, forestry and rural areas

In 2014-2022, the total funds contracted under Priority 1 amounts to EUR 42.5 million (63% of all funds allocated), out of which EUR 34.4 million were paid (39% of all funds allocated) and the amount declared to the EC reached almost EUR 30 million (44% of all funds allocated).

By the end of 2022, 21 project related to professional training have been completed (and 13 more were under implementation). 35 559 persons were trained as a result of these projects. Also, 39 projects which related to demonstration projects and information activities have been completed (and 23 more were under implementation). The consultancy services provided under measure M02 were used by 9 279 beneficiaries, most of whom were advised on agri-environmental issues (Priority 4). In 2014-2022, 34 projects supporting the European Innovation Partnership (EIP) action groups and their activities were being implemented, of which 26 projects have been completed. In addition, 126 other cooperation projects were implemented during 2014-2022.

Priority 2. Competitiveness of the agricultural sector and sustainable forestry

In 2014-2022, the amount of contracted funds under Priority 2 was EUR 965 million or 85% of all allocated funds under this priority, the amount paid was EUR 767.2 million (or 67% of all allocated funds under this priority), EUR 683.8 million or 60% of all allocated funds under this priority was declared to the EC. EUR 678.7 million (60% of all allocated funds under this priority) has been paid and declared to the EC for completed projects.

In 2014-2022, 4 528 agricultural holdings were supported to implement investment projects related to restructuring and modernization of agricultural holdings under the Priority 2. Set up projects of 1 401 young farmers were supported and 6 659 small farms received support aimed at enabling them participate more actively in the market. Investments in the agricultural and forestry development, modernization or renovation of related infrastructure have also been made. 319 projects were implemented in these fields, with EUR 90 million of EU support paid and declared to the EC. Moreover, 19 projects aimed at improving the infrastructure of the forestry were completed and EUR 1.5 million

were spent to do so. Under the Priority 2, support was also provided for the deforestation, roundwood and wood biofuel preparation technologies, and the conversion of young stands and shrubs. In this field, 171 project was implemented by the end of 2022, and the amount spent to them was EUR 12.8 million.

In response to the high financing needs and the economic situation in 2020 which changed due to the COVID-19 pandemic, a decision was taken to set up a risk-sharing loan measure (hereinafter – financial instrument) to finance loans and to achieve the objectives of measure 4.1. From the start of the implementation of the financial instrument until 31 December 2022 33 applications for loans from final beneficiaries have been submitted to the Financial Intermediary. The total amount of applications submitted for evaluation by the end of the reporting period is EUR 2.798 million. During the reporting period, the Financial Intermediary signed 26 loan agreements with final beneficiaries for an amount of EUR 1.997 million, out of which EUR 0.998 million of the financial instrument. From the start of the implementation of the financial instrument until 31 December 2022, the borrowers have repaid to the Financial Intermediary EUR 242.96 thousand of loans, out of which EUR 121.48 thousand of financial instrument funds. As of 31 December 2022, one borrower is late with the payment of the loan according to the established schedule, with an overdue amount of EUR 4.55 thousand.

Priority 3. Promotion of food chains

In 2014-2022, the amount of contracted funds under Priority 3 was EUR 124.2 million or 75% of all allocated funds under this priority. EUR 84.2 million were paid (51% of all allocated funds under this priority), EUR 83.2 million were declared to the EC and it amounts to 50% of all allocated funds under this priority. EUR 79.8 million (48% of all allocated funds under this priority) has been paid and declared to the EC for completed projects.

In 2014-2022, EUR 61.1 million has been paid and declared to the EC for projects completed under Focus Area 3A. 119 projects have been implemented to support investments in agricultural holdings as well as in agricultural processing and marketing. 353 agricultural holdings were supported, for the participation in the quality schemes, short supply chains and producer organizations: under measure M03 payments were made to 163 agricultural holdings under commitments from the period 2007-2013, to 101 agricultural holdings who have been supported under the Programme, 34 holdings under the activity area 16.4 and 55 holdings participating in supported producer organisations (M09). Under Focus Area 3B, which aims to encourage the participation of agricultural holdings in risk management systems, almost EUR 16.8 million was paid and declared to the EC under measure M17, benefiting 1 840 farm holdings, and almost EUR 2 million was paid and declared to the EC under measure M05, benefiting 48 farm holdings.

Priority 4. Environment protection – biodiversity restoration and improvement of water and soil

To achieve the aims of Priority 4, 3 horizontal measures (M01, M02 and M16), 2 investment measures (M04 and M08) and 5 compensatory measures (M10, M11, M12, M13 and M15) are implemented. In 2014-2022, EUR 840 million was contracted under Priority 4 (92% of all amount allocated to this priority). The amount of funds paid under Priority 4 was EUR 825.3 million (91% of all amount allocated to this priority), and EUR 758,3 declared to EC (84% of all amount allocated to this priority). The financial level of implementation of the priority is high. In 2022, in total 60 973 ha of agricultural land and 24 685 ha of forest land, in which various activities related to preservation of biodiversity and landscape protection activities were supported. In 2022, 7 505 ha has been supported to improve water management. In the same year, 258 543 ha of agricultural land was supported, aiming to prevent of soil erosion and improvement of soil management. These supported areas mainly covered farming activities in Natura 2000 areas, organic farming, farming in line with higher than mandatory environmental requirements under the activities of Measure M10 “Agri-environment-climate”. While the forest land

was mostly supported under measure M08 “Investments in development of forest areas and improvement of forest viability”.

Priority 5. Support for effective resource management

In 2014-2022 the amount of contracted funds under Priority 5 was EUR 85.7 million or 68% of all allocated funds under this priority, the amount of funds paid and declared to the EC under Priority 5 accounted to almost EUR 72.9 million or 58% of all amount allocated to this priority. EUR 40.6 million (56% of all allocated funds under this priority) has been paid and declared to the EC for completed projects.

In 2014-2022 one project was implemented, contributing to the Focus Area 5C "Support for biogas production" (also 4 projects are under implementation). In 2022, in total 3 177 applications were funded, under which the activities related to the decrease of greenhouse gases and ammonia is being implemented. 785 agricultural holdings received the support for afforestation, aiming to contribute to carbon conservation and sequestration in forestry. The total supported agricultural land area in which activities related to the reduction of greenhouse gas and ammonia emissions are being implemented amounted to 44 847 ha. The total area of agricultural and forest land supported under this priority aiming at carbon sequestration and conservation amounts 73 811 ha.

Priority 6. Promotion for social inclusion, poverty reduction and promotion of economic development in rural areas

In 2014-2022 the amount of contracted funds under Priority 6 was EUR 327.6 million or 92% of all allocated funds under this priority. EUR 259.5 million or 73% all amount allocated to this priority was paid, and EUR 221 million (62% of all allocated funds under this priority) has been paid and declared to the EC for completed projects.

In 2014-2022 1 790 projects for non-agricultural business in the rural areas were completed. 8 262 projects also have been implemented to improve services and infrastructure (including cultural and natural heritage) in rural areas. At the end of 2022, the number of residents using better services and infrastructure reached 348 452 (or 33% of the total rural population).

In 2022, under measure M19 “LEADER” 49 local development strategies were being implemented (46 rural and 3 multisector, which were financed under EAFRD and EMFF). The number of inhabitants in rural areas which are covered by LAGs amounts to 1 075 726 and includes all people living in Lithuania rural areas. During 2014-2022, under measure M19 1 369 jobs were created.

Overview of support for investment in the agricultural sector

The overview of support for investment in agricultural sectors analysed the contribution of investment activities 4.1, 6.1 and 6.3 to the development of key agricultural sectors. The livestock sector accounted for the largest share of the investment support – EUR 462.9 million or 59.2% of the contracted investment projects. Until the end of 2022, 8 893 projects were being implemented in this sector, for which EUR 355 million have been paid (57% of the total support paid for investment activities). This is followed by the crop sector with 3 075 investment projects, for which the contracted amount of support amounted to EUR 145.8 million, or 18.7% of the total investment support, and for which EUR 140.5 million was paid (22.6% of the total amount of support paid under the analysed activities). For the 2 351 investment project in the horticulture sector, the amount of support contracted amounted to EUR 130.5 million, or 16.7%, and the amount of support paid amounted to EUR 89.5 million (14.4%). Investment support for processing and marketing is also available under 4.2 activity area. In 2014-2022, EUR 86.2 million has been approved under this activity area. The largest number of projects (51) is in the area of

crop production processing, with support payments amounting to EU 23 million. This is followed by support for investments in dairy processing (22 projects implemented with support payments amounting to EUR 15.5 million) and meat processing (22 projects implemented with support payments amounting to EUR 8.5 million).

KEY INFORMATION ON ACHIEVEMENTS TOWARDS MILESTONES SET IN THE PERFORMANCE FRAMEWORK

In the performance framework which is included in the Programme there are specified goals that are planned to achieve, i.e., final indicator values that are planned to be achieved in 2025. In the performance framework for Lithuania there are 13 core indicators and 2 additional indicators foreseen. By the end of 2022, the final goals of 5 indicators had been reached. Under Priority 3, the value of the indicator "Number of agricultural holdings participating in risk management systems (TS 3B)" was achieved. Under the Priority 5, the value of the indicator "Area of agricultural and forestry land subject to carbon sequestration / storage management (ha) (TA 5E) + Area of agricultural land subject to GHG emission management and / or reduction in ammonia (ha) (TA 5D)" was achieved. Under the priority 6, the values of the indicators "Population per LAG" and "Number of actions supported to improve basic services and infrastructure in rural areas" (TA 6B and 6C) were reached. Under the priority 4, the value of the additional indicator "Area (ha) of other areas with significant natural handicaps (13.2) and other areas with specific handicaps (13.3)" was achieved.

Progress in implementing the performance plan shows that priorities 2 and 4 are being implemented successfully and that there is no risk, that the objectives of these priorities will not be achieved, except for the area supported under the Priority 4. Priorities 3 and 5 are moderately successful and there is a risk that some of the objectives of these priorities may not be achieved. The implementation of Priority 6 is exceptional as the implementation rate according to the indicator of total public expenditure is 62%, but other indicators have already been reached and exceeded.

ACTIONS AIMED AT IMPLEMENTING THE REQUIREMENTS OF TECHNICAL ASSISTANCE AND PUBLICITY OF THE PROGRAMME

In 2014-2022, support for Technical assistance is provided under three activities: 1) Implementation of the Programme (first activity); 2) Information and publicity of the Programme (second activity); 3) Lithuanian Rural Network (third activity).

Slightly more than EUR 84.2 million is allocated for the implementation of the Technical assistance measure. 93 projects were being implemented under Technical assistance measure in 2014-2022, of which 6 projects are continuous. During 2014-2022, for all these projects almost EUR 76 million was paid (90% of the total amount assigned to Technical Assistance), and almost EUR 51 million was declared to the EC (60.5% of the total amount assigned to Technical Assistance).

3 continuous projects are implemented under the first activity (by all three possible beneficiaries – Ministry of Agriculture, National Paying Agency and Agricultural Data Centre). These projects ensure the smooth implementation of the Programme, the staff is recruited from project funds to carry out the functions assigned to each of the institutions in connection with the implementation of the Programme. 2 continuous projects are implemented under the second activity (by both possible beneficiaries – Ministry of Agriculture and National Paying Agency). During the implementation of these projects, information about the Programme was disseminated through the main media. Under the third activity, 1 continuous project is implemented by Lithuanian Rural Network Secretariat. Remaining 87 project is being implemented by members of Lithuanian Rural Network. The members of the Lithuanian Rural Network implement two types of projects: projects for the implementation of event communication measures and projects for the implementation of electronic communication measures. While implementing the Action Plan of 2022, the Lithuanian Rural Network Secretariat organized events (20 events in total, 11 of them were thematic events of "The Lithuanian Rural Network Workshop" format),

periodically participated in meetings organized by the European Network for Rural Development (ENRD), where they presented their country's innovations, shared best practices, also participated in virtual meetings of representatives of the *Nordic-Baltic* rural network secretariats, published 12 periodical newsletters "The Lithuanian Rural Network News" and carried out other activities.