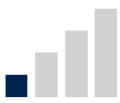


STRATEGIC PLANNING AND BUDGET FORMATION ARE NOT RESULTS-ORIENTED



1st out of IV budget governance maturity levels

> **80** Planning documents adopted by the Seimas and the Government

> **1400** Evaluation criteria



Approving State budget appropriations target results are **not set out**

11.7 bn Eur to appropriation managers

1.3 bn Eur to implementation of municipal functions



Budgetary flexibility is decreased by the financing of programmes, funds and entities with the pre-determined fixed part of taxes and other revenues

> **0.7** bn Eur allocations per year

> **0.2** bn Eur not used



No assessment is made of the most beneficial use of State investment programme funds, e.g.

108 Multifunctional centres are located at 6–15 km distance from each other



There no common rules for project (selection) financing

141 Financing arrangements > **9600** Applicants

REPORTING FOR PERFORMANCE RESULTS AND USE OF FUNDS DOES NOT INFORM DECISION-MAKING



National set of financial statements covers not all data of entities that are part of the government sector, therefore, it is not adequate for calculation of financial indicators or control



Government submits its Annual report to Seimas in spring without financial accounts, which are submitted only in autumn



Government Annual report accounts for not all performance results; it is avoided to present information about the results that were not achieved

14

Annual reports of ministries give not all the information stipulated by the legislation

! Expected changes in strategic planning and budget formation in 4Q 2020, new quality mid-term budget for 2021–2023

INSUFFICIENT RESERVES TO ENSURE FISCAL STABILITY OF THE STATE

496.8 m Eur accumulated amount of reserves in 2018 to ensure the fiscal stability of the state

65.5 m Eur smaller amount than planned

MANAGEMENT OF THE STATE AND MUNICIPAL REAL ESTATE DOES NOT GENERATE MAXIMUM BENEFITS FOR THE SOCIETY



2.8 bn Eur State real estate (RE)



28.1 thousand State RE objects



> **700** State RE managers



~ **180** m Eur maintenance costs

! There are no long-term State RE management guidelines

~11%

(~1.17 m m²) State RE handed over to hospitals, schools, etc. for use free of charge

~5%

(~0.53 m m²) State RE handed over to **entities not part of the public sector** (associations, etc.) for use free of charge

~7.5 m Eur

Revenue would be received by the State if the RE handed over to **entities not part of the public sector** for use free of charge would be leased under the market conditions



4.7 bn Eur value of RE in municipalities



- no common policy for RE management in municipalities
- no assessment of the municipalities' needs for RE necessary for performance of functions
- no accurate information about RE managed by municipalities