

# ENHANCEMENT CAPACITY OF FINANCIAL INSTRUMENT APPLICATION IN CONSISTENCY WITH OTHER FORMS OF PUBLIC INTERVENTIONS

**Project Brochure  
2018**



Funded by the  
European Union



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# GENERAL INFORMATION

*The Lithuanian and Croatian partners received a grant from the European Commission under "Multi-region assistance for the assessment of the potential use of financial instruments supported by the ERDF, CF, ESF and EAFRD in accordance with Title IV of Regulation (EU) 1303/2013". Reference: Grant agreement number 2015CE160AT070 signed on 16 December 2016.*

Grant Action was implemented by Central Project Management Agency (coordinator) and other beneficiaries – Ministry of Finance of the Republic of Lithuania and the Ministry of Regional Development and European Union Funds of the Republic of Croatia. Lithuanian Public Investment and Development Agency and Croatian Bank for Reconstruction and development participated as affiliated entities.

Research and consultancy services were provided by a consortium of BGI Consulting (Lithuania), Razbor (Croatia), Spatial Foresight (Luxembourg) and t33 (Italy).

# AIM OF THE PROJECT

*Part of the grant was used to acquire research and consultancy services aimed at enhancing the capacity of Lithuanian and Croatian public institutions to use financial instruments to deal with market failures in the public sector, and to do it in consistency with other forms of public interventions.*

## **THE SPECIFIC AIMS OF THE SERVICES ARE:**

- To provide the Lithuanian and Croatian authorities with statistical and analytical data, conclusions and recommendations which would allow to build a comprehensive and systematic view on existing government interventions in markets where services of general economic interest or/and considered as merit goods are dominating. Namely in the following sectors:
  - **WATER SUPPLY/SEWAGE**
  - **SOLID WASTE MANAGEMENT**
  - **ENERGY AND ENERGY EFFICIENCY**
  - **TRANSPORT AND COMMUNICATIONS**
  - **CULTURE AND TOURISM**
  - **URBAN REGENERATION AND REVITALIZATION**
  - **HEALTH CARE**
  - **EDUCATION AND SCIENCE**
  - **SOCIAL CARE**
- To help the authorities to understand the impact of government interventions on the market, on government objectives and on the functioning of financial instruments, and to identify the optimal balance of financial instruments and other forms of government interventions.
- To help Lithuanian, Croatian and other Member States' institutions understand when and how financial instruments can or cannot be consistent with other forms of government interventions.

# RESEARCH STUDY “ASSESSMENT OF PUBLIC INTERVENTIONS’ IMPACT ON THE SETUP AND IMPLEMENTATION OF FINANCIAL INSTRUMENTS”

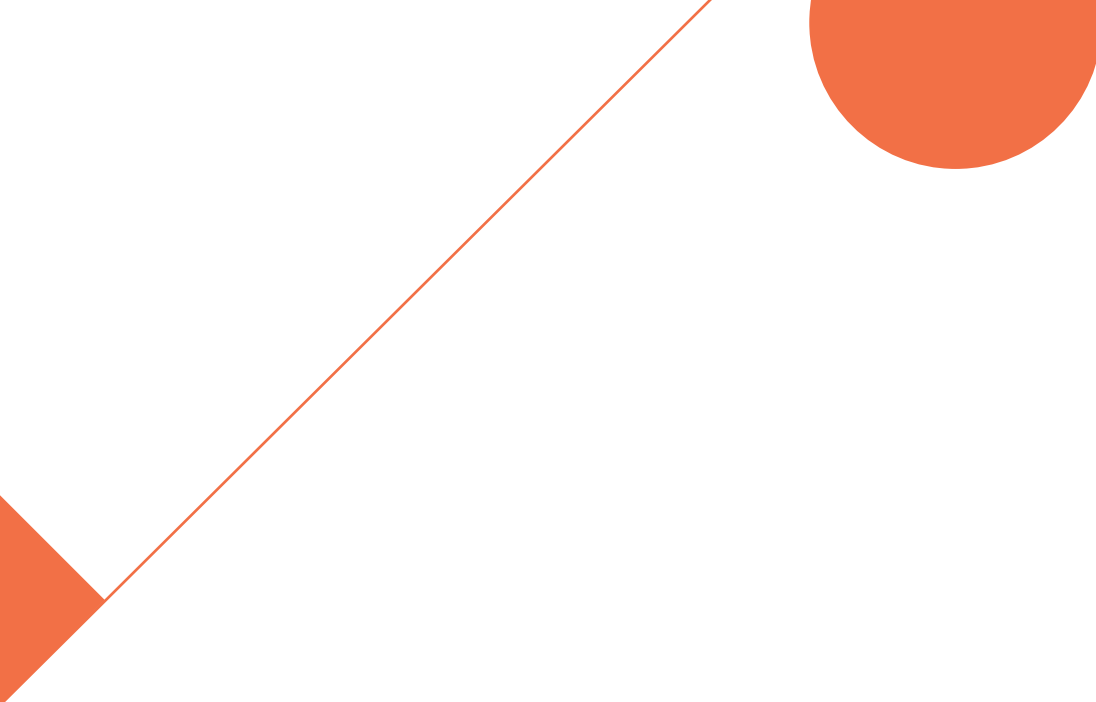
*The main objective of the study is to provide recommendations on the application of financial instruments in consistency with other forms of public interventions. These include provisions on how to adjust policy objectives in order to address market and government failures properly with the government interventions, and how to effectively combine different government interventions and sectoral recommendations on the potential for application of financial instruments.*

The main tasks covered by the study are an assessment of the scope of government interventions in each sector, the impact of government interventions on the market and market players and consistency of the forms of government interventions with each other, policy objectives and actual market needs in each sector. The study report is structured according to the sectors analysed and different government interventions are analysed individually as well as in groups constituting specific services in each sector.

## CLASSIFICATION OF GOVERNMENT INTERVENTIONS

For the purpose of the research, the government interventions were classified as public services and other interventions, namely financing, income support and regulations. Public services are overarching interventions through which the government addresses market failures, while other interventions are a means of providing public services or regulating their provision. Thus, financing, income support and regulations on types of interventions were attributed to related public services and analysed in the context of the particular service in further stages of the research. In addition, the most important supply and demand characteristics of each public service and the most important information regarding each of the public service-related interventions were provided in the classification stage.

Based on the information obtained in this stage, the most important public services and their related interventions were selected for further in-depth analysis. The criteria of selection were the volume (in terms of public financing and number of related inter-



ventions) and potential for further liberalisation in the provision of the services, as well as the feasibility for the introduction of financial instruments.

## ASSESSMENT OF THE IMPACT OF THE GOVERNMENT INTERVENTIONS

In order to assess the impact of government interventions, public services and related interventions were analysed according to the following criteria: efficiency, side effects, additionality and affordability.


**EFFICIENCY.** Since competitive pressure is a necessary condition for the efficient provision of public services, the competitiveness of the different providers of each service was analysed. In order to understand the lack of competitiveness, possible obstacles to entering the market were also analysed and the impact of each related intervention on the competitiveness in the market for a particular service was taken into account. Allocative efficiency, that is, the balance between demand and supply, was also analysed. This is crucial since a shortage of services results in a loss

for consumers, while a surplus of a service leads to a wasteful use of public resources. Cases of low efficiency were focused on in order to identify the shortcomings of government interventions.

**SIDE EFFECTS.** The externalities of government interventions were analysed in order to capture the side effects of public services and related interventions. Negative side effects were focused on in order to identify the shortcomings of government interventions which were not foreseen and not addressed when planning the intervention.

**ADDITIONALITY.** The extent to which change occurs due to the presence of an intervention was analysed by assessing the impact of government interventions on employment, business competitiveness or capital investments. Cases of a lack of impact on the aforementioned aspects and detrimental effects were focused on in order to identify the shortcomings of the government interventions.

**AFFORDABILITY.** In order to assess the achievement of the equity objectives of government interventions, the affordability of public services for their target groups was comprehensively analysed by assessing both the direct (i.e. cost) affordability



and indirect aspects of affordability. These include, for example, affordability in terms of the capabilities of recipients, time and distance, red tape constraints, etc. The impact of related interventions on the affordability of the service was also analysed and cases of low affordability were focused on in order to identify the shortcomings of government interventions.

## **CONSISTENCY IN THE FORMS OF GOVERNMENT INTERVENTIONS**

Consistency among government interventions related to the same service was analysed in order to assess the overall coherence of public service delivery. Two interventions might supplement one another when the impact of the intervention is strengthened by the presence of another intervention. The interventions might contradict each other when they have different objectives or undermine each other's impact. A replacement effect between two interventions might also occur when in the absence of intervention the same objectives can still be achieved by other interventions. The interventions also may not have any impact on one another. Cases of inconsistency were focused on

in order to provide recommendations on how to combine different forms of interventions more effectively.

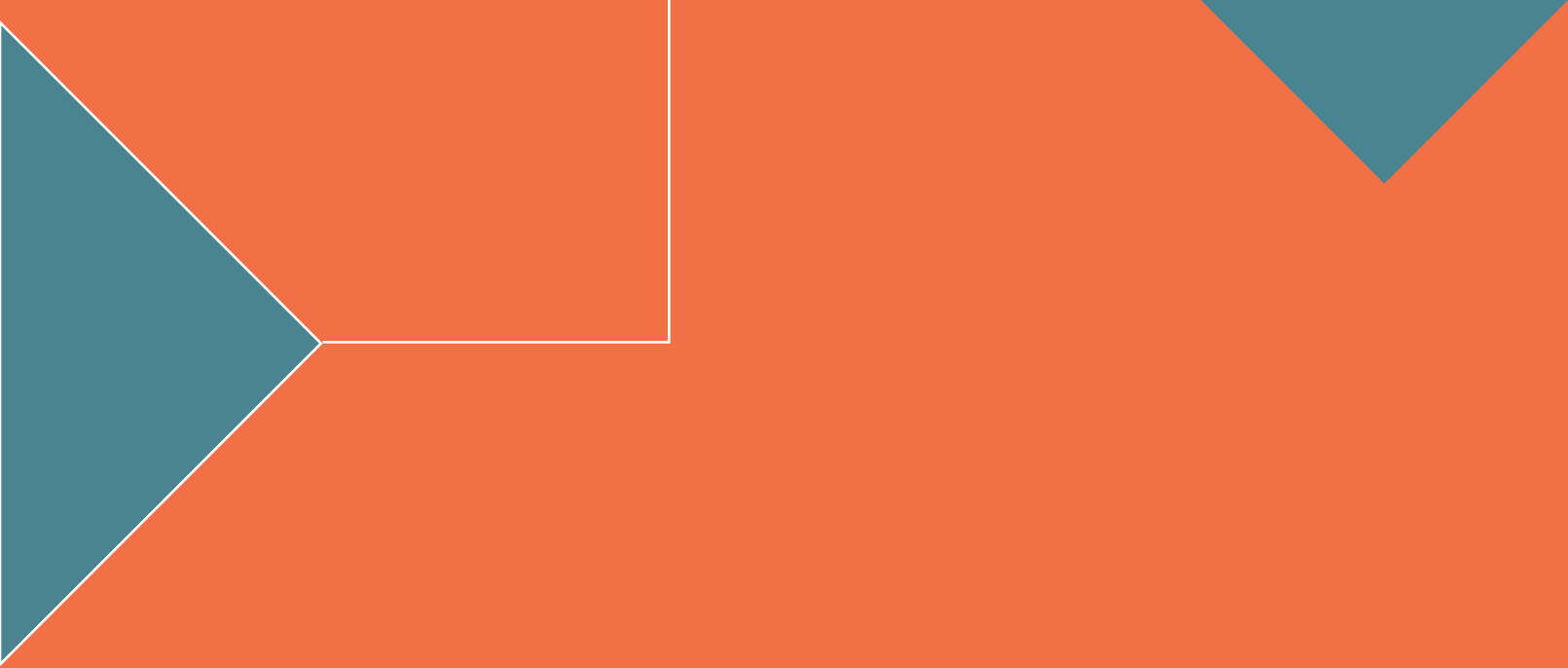
## **LESSONS LEARNED AND CONCLUSIONS DRAWN FROM THE ASSESSMENT OF GOVERNMENT INTERVENTIONS IN LITHUANIA**

### **CONCLUSIONS DRAWN FROM THE ANALYSIS OF "SOFT" SECTOR INTERVENTIONS**

Conclusions drawn from the analysis of "soft" sector interventions (health care, social care, education and science, culture and tourism) cover the planning and implementation phases and focus on efficiency, affordability, additionality and consistency criteria.

In terms of planning, among the main issues relevant to all sectors analysed, the lack of definition given to the interventions' implementation timeframe, purpose, objectives and results to be achieved by the intervention can be mentioned. The lack of definition for an implementation timeframe causes





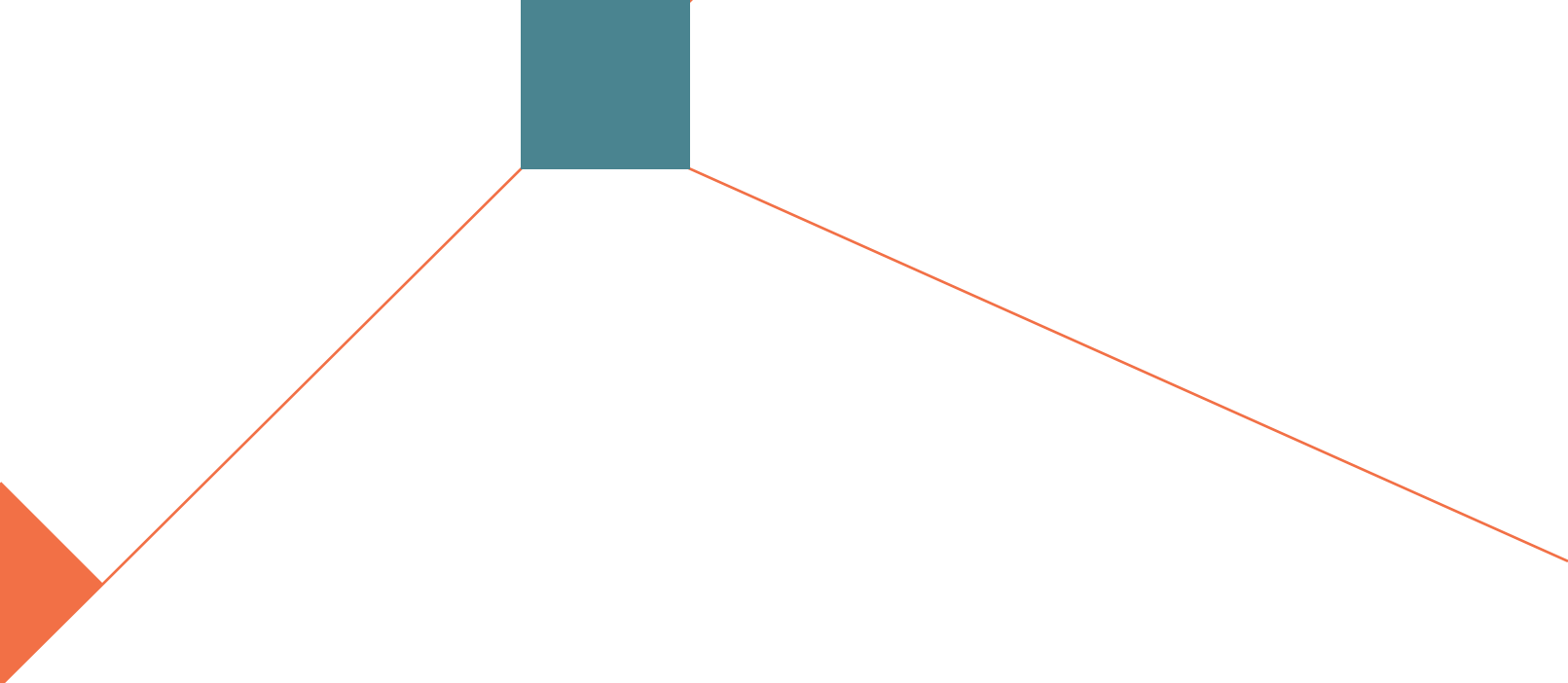
uncertainty both for public service users and for providers (e.g. in the case of compensation for children attending private early childhood education institutions). It is important to note, though, that it is not necessary to define a timeframe in terms of years or exact dates. An intervention could be defined for implementation until certain results are achieved. Related to this, however, is the issue that in the case of most interventions their purpose and main objectives are not clearly defined in the documents that establish them. This lack of definition results in difficulties assessing the necessity and relevance of particular interventions, defining the results to be attained and measuring progress towards them.

The gap between the planned scope of implementation for the intervention and the actual capabilities of the public institutions to fully implement it can also be seen as one of the planning shortcomings. One of the instances for the appearance of such a gap is the compensation from the state budget of compulsory health insurance fees for certain society groups. Even though the state is committed to compensate compulsory health insurance fees for 19 different social groups and to ensure they will receive

healthcare services of equivalent quality and quantity as those paying compulsory health insurance fees, the funding per person from the state budget for those society groups is twice as low as that paid by the others who are insured.

In terms of efficiency, two main issues are relevant to all sectors analysed. The efficiency of the implementation of interventions is hindered by a lack of coordination among the institutions responsible for their planning and implementation. For example, in the cases of reforms to healthcare and educational institution networks, their implementation is delayed due to a lack of coordination between the ministries responsible for the implementation of the reforms and the municipalities that are the founders of the institutions to be reformed. Lack of coordination also reduces the efficiency of the implementation of ESIF interventions. For example, in the culture and tourism sector there is a measure aimed at improving the infrastructure of cultural institutions, while the activities of these institutions are financed from the state budget. These two interventions, however, are not coordinated between themselves. Therefore, it is possible that the institutions receiving ESIF interventions for the improvement of





must be ensured and monitored only by their establisher. This means that public government institutions have no means of controlling the quality of education provided in private early childhood education institutions, even though they do receive public funds for service provision in the form of early childhood education vouchers. Without an external quality control system, the quality of services provided in public healthcare institutions is also not ensured.

Regarding the lack of continuity and effective use of the results of the interventions, the issue is mostly evident in the case of ESIF interventions. For example, it is not ensured that practical vocational training centres established using ESIF funds are used to their full capacity. The funds are not attributed to the running and constant update of other created products, such as an informational system for adult learners.


Concerning the consistency of different governmental interventions, the issue of the lack of coordination is relevant as well, resulting in unattained optimal compatibility between interventions. Furthermore, the choice between different governmental interventions aimed at the same target group

poses certain issues. For example, in the social care sector there are a lot of different interventions aimed at the same target group, the costs of provision, the time needed for the provision and the convenience for users of which vary. Since in terms of consistency these interventions may be duplicating each other, it is often needed to choose which type of intervention should be applied to a particular person. The issue is that the optimal way of intervening is not always the one chosen.

### **CONCLUSIONS DRAWN FROM THE ANALYSIS OF “HARD” SECTOR INTERVENTIONS**

Conclusions drawn from the analysis of “hard” sector interventions (water supply and sewage, solid waste management, energy and energy efficiency, transport and communications, urban regeneration and revitalization) include both the planning and implementation phases and a focus on efficiency, affordability, additionality and consistency criteria.

In terms of planning such interventions, usually the best quality for planning is attributed to the interventions financed by ESI funds. This is related to the fact that the documents regulating



ESI funds clearly lay down formal requirements for the allocation of funds, including the period for the implementation of the intervention, the eligible cost, output, result indicators, etc.

There are cases when the planning phase could be improved by involving the proper assessment of key aspects such as financial return, effects on the user and on infrastructure, results to be achieved, etc. Gaps in the current design of interventions are seen in the following examples: the pricing system of road user charges (vignettes) is based on time instead of kilometres (i.e. the pricing system does not properly compensate for the scope of pollution or damage to road infrastructure), modernisation of the central heating network is carried out without the massive renovation of heating units, and tariffs do not take into account the future needs to renew/replace infrastructure financed by ESI subsidies.

In addition, urban planning assigned to the regeneration of urban brownfields can lack institutional collaboration. The formulation of state urban policy is under the responsibility of the Ministry of Environment, but public interventions in urban development are dispersed through separate ministries. The commitment of

public authorities to participate in the implementation of the plans is not clearly defined.

In terms of efficiency, gaps are present, and the substantial potential to increase efficiency lies in improving coordination between the stakeholders and merging the managers of the services. In the water supply and sewage sector, efficiency could be increased by merging municipality-owned water companies and by connecting new consumers. In transport and communications, the efficiency of passenger carriage public services could be increased by improving the coordination of these particular services (introducing single tickets and removing differences in discounts applied to particular groups). In the energy and energy efficiency sector, the efficiency of the impact of heating network renovation would be noticeably higher if the heating units within residential buildings were also modernised. Efficiency gaps also exist due to the use of excessive infrastructure (e.g. excessive capacity of rolling stock used for railway passenger carriage, or the centralised water supply network is upgraded or extended in areas that could use the local water supply and wastewater treatment infrastructure).



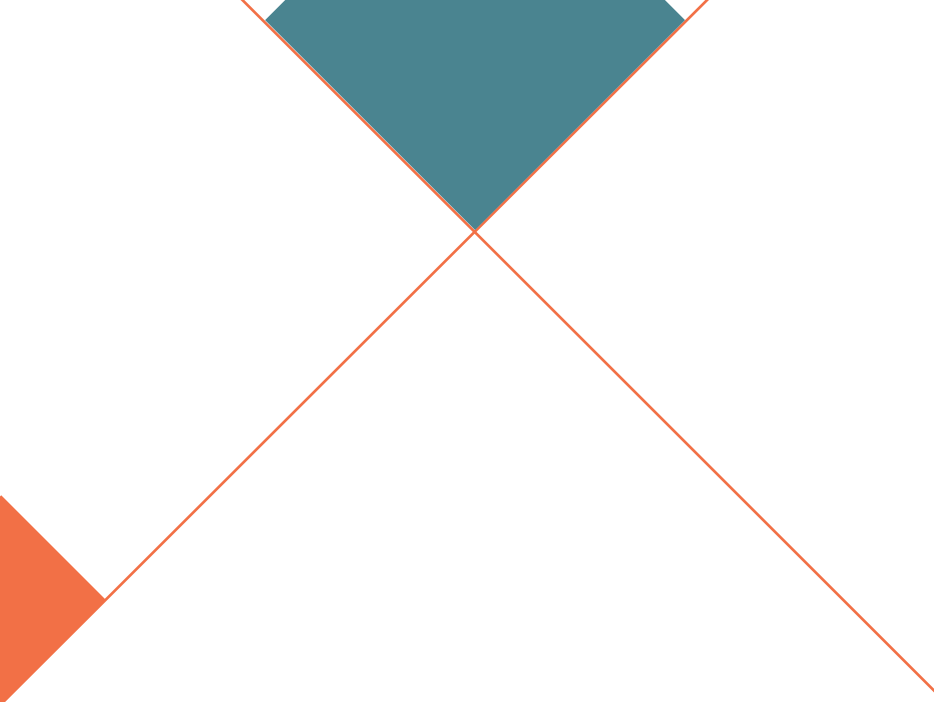
## LESSONS LEARNED AND CONCLUSIONS DRAWN FROM THE ASSESSMENT OF GOVERNMENT INTERVENTIONS IN CROATIA

The conclusions drawn from the analysis of interventions in nine sectors (urban regeneration and revitalisation, solid waste management, water supply and sewage, transport and communications, energetics and energy efficiency, health care, social care, education and science, culture and tourism) cover planning and implementation phases and focuses on planning, efficiency, affordability, additionality and consistency criteria.

In terms of planning, all sectors, except for education and science, which was estimated to be planned well, were assessed to be planned averagely or poorly. The reasons for that are found mostly in insufficient management of public services, which leads to non-existence of baseline criteria and planning of division of responsibilities among different levels of government which is particularly the case in the solid waste management sector.

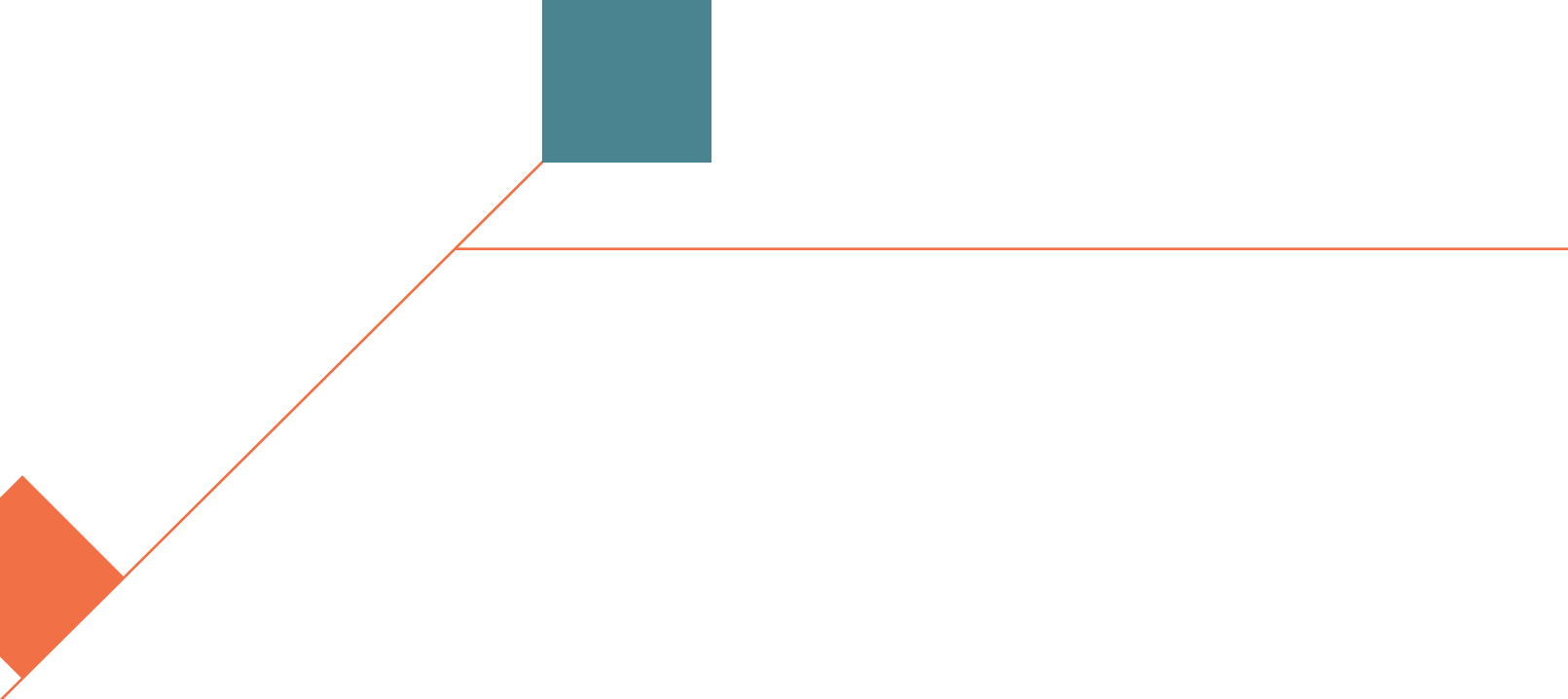
Apart from that, most sectors show the lack of result indicators and planning of their target values, which prevents systematic monitoring and evaluation of interventions, particularly in case of health care, social care and education and science sectors. When it comes to energy and energy efficiency, transport and communications and water supply and sewerage sectors the main planning issues occur due to political reasons (poor organisation and management of public companies often due to nepotism in employment, corruption, lack of implementation of planned and necessary restructuring, etc.) which are weakening the sectors. General overview of all sectors is leading to a conclusion that in most sectors planning is good on national level in terms of clear strategic long-term and short-term objectives but in almost all sectors the planning of interventions is not sufficient meaning that there is no clear plan and means for achievement of strategic goals. This is particularly clear in culture and tourism sector. Overall, interventions planned for ESIF financing show good planning raising the average in all sectors.

In terms of efficiency, all sectors show low to medium efficiency. In urban regeneration and revitalisation sector this is the case



mostly because funds are allocated to a limited number of territories, which leads to current investments covering only 5 percent of brownfield locations and in addition private entities cannot compete with public providers on equal terms in the market. In solid waste management sector collection and disposal of municipal waste appear to be of low efficiency due to dispersed management levels of local companies while the situation is much better with recycling yards having a more structured management. In health care sector as well as in culture and tourism sector the efficiency is low primarily due to highly centralised public services with very few private operators making it less responsive to market demands and needs. Water supply and sewage sector efficiency is not sufficient primarily because of the scattered utility companies on regional/local level with a large number of service providers and poor coverage of water/sewerage system in rural areas meaning that the supply does not meet the demand. Education and science and social care sectors show inability to meet the overall demand (e.g. R&D support services, social care for elderly and disabled). In addition, social care sector also faces one potential negative side-effect in terms of dependency syndrome of recipients. On the other hand, most

of the ESIF interventions in education and science sector are at an early stage of implementation, therefore the efficiency of the sector is yet to be confirmed upon achieving planned results. In transport and communications sector, the lowest efficiency is seen in railway sector where highly inefficient public companies dominate the market with state covering billions of losses due to droppage of railway use (cargo 39 percent in 10 years and passenger 40 percent in 3 years) and significant reduction of the quality of services. Apart from that, public road companies are also highly unsustainable leading to poor efficiency in road sector as well. The energetics and energy efficiency sector suffers from high burdens on final consumers, introducing measures (e.g. dividers in heating sector) which do not result in savings or increased efficiency. Improving efficiency in this sector requires large capital investments for increasing energy efficiency of production units, network and final consumers' equipment. To sum up, the lack of efficiency evident in most sectors is primarily due to political reasons, that lead to poor interventions planning as well as highly centralised public services not enabling the market competition, which would lead to increase of quality and efficiency of services provision.



Concerning affordability, there are no significant affordability issues, however, some sectors do show affordability problems. In solid waste management sector, the main challenge is low quality, which arises from significant differences on local level in terms of affordability of the service in a given area (e.g. poor rural areas). Health care sector seems affordable at first due to free health care on the expense of the state, which in fact leads to negative side-effect of over-consumption and non-effective use of health care services leading also to problems regarding affordability since this produces long waiting lists forcing people to choose private medical care. In education (higher education and non-formal adult education) and culture and tourism (museums, theatres, etc.) sectors services are not affordable to low-income households leading to primary consumption by higher-income households.

In terms of additionality, most interventions have positive impact or potential for positive impact (in case of interventions that have been recently introduced) on target groups, job creation or potential job creation. However, in most sectors the impact on capital investments is low or non-existent.

Concerning the consistency, in almost all sectors there are no contradicting or replacing interventions with the exception of water supply and sewage sector. In education and science sector, most interventions are in fact supplementing one another.

The biggest issue that seems to affect the efficiency and the overall performance of all sectors lies in the highly centralised provision mode of the services. Uneven conditions are applied to public and private providers (health, education, culture) or the market is monopolized by public providers (rail transport, water supply, energetics) leading to poor supply/demand consistency and quality of supply due to non-existence of the real competition.



## TABLE. CRITERIA FOR ASSESSMENT OF POTENTIAL FOR FINANCIAL INSTRUMENTS

Source: BGI Consulting et al, 2017

KEY CRITERIA	SUPPLY SIDE (Service providers)	DEMAND SIDE (Users)
<b>GOOD/SERVICE PRICING SYSTEM</b>	Price setting/ cost reduction e.g. energy efficiency	Elasticities, affordability (incl. income)
<b>REGULATORY AND GOVERNANCE FRAMEWORK</b>	Rules and institutional setting for service provision, including e.g. market access, property rules, quality requirements	Information on price/goods and services, choice, incentives e.g. fiscal
<b>MARKET POTENTIAL</b>	Input incl. prices, market players, technology, innovation	Present and future needs, preferences
<b>ACCOUNTABILITY AWARENESS</b>	Performance metrics/data, complaint mechanisms, other tools	Market mechanisms supporting/information activities
<b>CAPACITY</b>	Technical and management skills, incentives, past experience	Information/market acceptance

## POTENTIAL FOR THE USE OF FINANCIAL INSTRUMENTS

### CRITERIA FOR THE POTENTIAL OF THE USE OF INCREASED FINANCIAL INSTRUMENTS IN LITHUANIA AND CROATIA

Data collected during the analysis of public services and service-related interventions was used to assess the compliance of various services and service-related interventions with criteria indicating the potential to introduce financial instruments. An extensive review of the methodological literature led to the identification and further development of some key criteria on the potential for the introduction of financial instruments.

All criteria identified relate to the overarching principle of revenue generation. This is a key element to be considered

when assessing the type and amount of financial support to be provided by public policy. This is, for instance, clearly acknowledged under ESIF, where net revenue generation is used under certain conditions to reduce the amount of support granted to beneficiaries, the rationale being that profitable investments require less financial support from public money<sup>1</sup>. When support through financial instruments is considered, revenue generation is a main condition for final recipients to be able to repay the received funds.

Analysis carried out according to the above criteria enabled for conclusions to be drawn on the potential for the introduction of FIs for financing the provision of concrete analysed services.

<sup>1</sup>For a recent study addressing this topic, see CSIL, t33 (2015), Study to determine flat-rate revenue percentages for sectors or subsectors within the fields of ICT, RDI and energy efficiency to apply to net revenue generating operations co-financed by the European Structural and Investment Funds (ESI Funds) in 2014-2020.

## **EFFICIENCY OF THE INTRODUCTION OF FINANCIAL INSTRUMENTS AND THEIR BALANCE WITH OTHER GOVERNMENT INTERVENTIONS**

FIs are not designed to address alone the malfunction or inefficiency of public interventions. Or, from a different perspective, the incapacity to achieve policy objectives may sometimes indicate a lack of efficiency necessary to establish an FI;

- However, FIs can, where applicable, increase the efficiency of public financial support and help achieve policy objectives, i.e. in the case of shortages in public resources and a higher economic, i.e. societal benefit, especially where there are unmet policy objectives;
- A precondition for FIs is a clear, consistent and predictable normative background;
- Grant support may enhance the suitability of FIs in the case of projects that are only partially suitable to this type of support. For example, in the context of urban projects, grants may help to overcome development barriers such as

site decontamination or the provision of basic infrastructure. They can also be used to fund investments that are needed for the success of a specific project but which are expected to generate limited or no revenues, e.g. public spaces;

- To mitigate the potential risks of support through FIs, GIs in support of the final recipients are relevant; for example, FIs might not reach the intended target because this is too risky or due to a lack of demand: setting up proper incentives for the FI and support to the intended target to stimulate demand are possible remedies;
- In services related to “provide financing for energy efficiency improvement at the consumer level” for both public and private sectors in Lithuania, which already make use of financial instruments, the possibility has been detected to add a component of subsidies. Such a combination could increase the demand for renovation projects generating energy savings that are still at a low level.

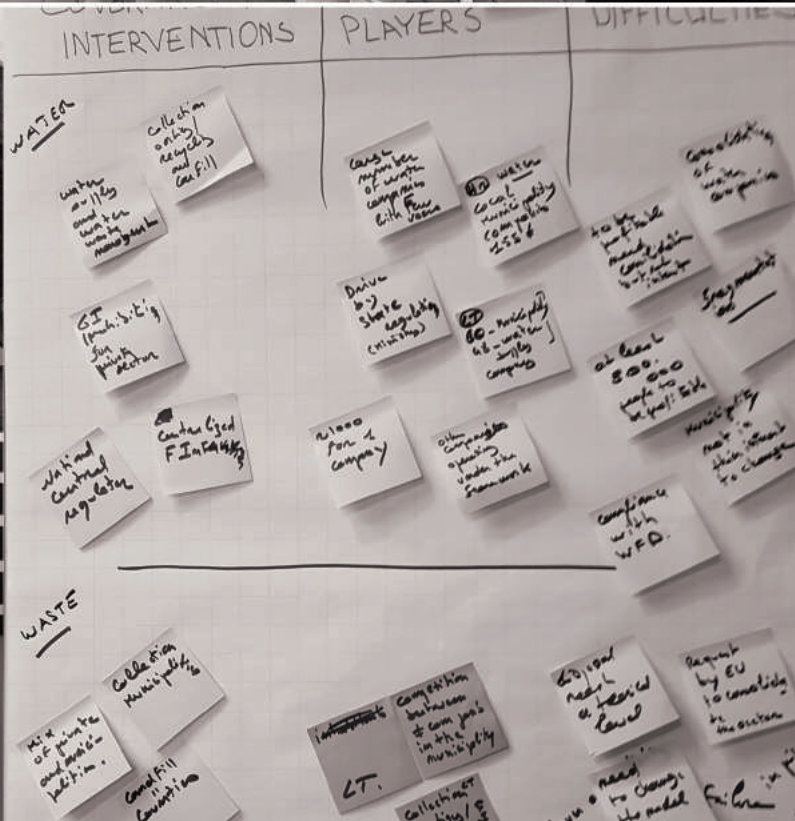
## **THE OPTIMAL PLACE AND ROLE OF FINANCIAL INSTRUMENTS AMONG OTHER PUBLIC INTERVENTIONS**

- The role of FIs is primarily established by their nature of funding GIs. Thus FIs have a role as funding GIs and their suitability normally has to be compared with that of other funding GIs;
- Identification of the optimal use of FIs is a matter of calculation at the sector and governance levels, considering the resources available and the policy objective to be achieved;
- Literature identifies spaces for FIs in case of market failures (needs not covered by market standard financing products) or failures in government interventions (needs insufficiently covered by public intervention);
- The appropriateness of FI support is less obvious in the case of public infrastructure delivering basic services (with high investment costs that can only be partially covered by direct payments from users), or when affordability issues contribute to lower revenues, e.g. in the case of services targeting vulnerable groups of people at risk of exclusion.

# WORKSHOPS & EVENTS

## ZAGREB WORKSHOP

*The need for government interventions in different policy sectors as well as the potential for financial instruments was discussed at a workshop in Croatia on 14th of July, 2017. In total, 25 participants representing different ministries from Croatia and Lithuania implementing European Structural and Investment Funds (ESIF) as well as different line ministries engaged in the discussions, learning more about the research project – mapping and classifying government interventions and assessing the consistency between financial instruments and other government interventions.*



## VILNIUS WORKSHOP

*The role and place of financial instruments as well as the preconditions to successfully introduce financial instruments as government interventions was discussed in Vilnius on 19 September; 43 representatives from different sectorial ministries as well as financial institutions and academics from Croatia and Lithuania attended. The workshop consisted of presentations providing insights on the study results, examples of introducing financial instruments as government intervention and examples of implementing financial instruments in different national contexts. In addition, different participants were invited to share their experiences of financial instruments.*

# Role of financial instruments

- \* Attract investments - <sup>no context of decreasing public resources</sup> leverage effect
- \* Increase efficiency
- \* change behaviour of final recipients

## Optimal use of financial instruments

- \* complement gov. intervention to fill in the financial gap (cooperation is key)
- \* Overcome borrower limitations (municipalities / PPP)

## Presentation on value added of ESIF financial instruments

Enhancement capacity of financial instruments application in consistency with other forms of public intervention

Junone Burnelyte,  
European Investment Bank

Vilnius, 13 September 2017



## KEY INSIGHTS DRAWN FROM THE WORKSHOPS

The workshops provided the research team with valuable insights on the situations and contexts in which Lithuanian and Croatian authorities would like to enhance the use of financial instruments. The following summarise the main lessons learnt from the workshops relevant to enhancing the use of financial instruments in Lithuania and Croatia.

- In both countries, there is a need to explore the use of financial instruments further due to the reduced level of public resources available for public service provision.
- In both countries, the need for and added value of financial instruments in particular policy sectors need to be assessed against and in consistency with existing government/public interventions.
- In both countries, market failures and suboptimal investment situations are similar for the different policy sectors. The institutional setting in the two countries including the government interventions in place to address market failures are similar.
- In both countries, it is important to undertake a market assessment for potential financial instruments before discussing potential delivery and management options.
- In both countries, the introduction of new financial instruments is challenging in a context where potential final recipients can be grant dependent. A shift in mentality is needed among final recipients as well as in line ministries involved in the delivery of ESIF.
- In both countries, the use of fund-of-funds could be considered a more optimal delivery option to avoid a plethora of small funds being established with the resultant high management costs and fees.
- In Croatia, the need to explore the potential for financial instruments focuses more on high potential sectors, i.e. revenue generating or cost-saving operations related to business investments in R&I, extending the broadband network, SME support, infrastructure investment, urban and territorial development.
- In Lithuania, the need to explore the potential for financial instruments focuses on policy sectors where there is less experience and fewer examples of good practice elsewhere in Europe, i.e. loans for renovating cultural heritage assets, loans and guarantees for water or road infrastructure, the promotion of R&D. Financial instruments in these sectors may coincide with general public service provision and require more specific delivery and management options (e. g. public-private partnerships).





## **TRAINING SESSIONS “ASSESSING THE COMBINATION OF PUBLIC INTERVENTIONS TO UNLOCK THE POTENTIAL OF FINANCIAL INSTRUMENTS”**

In the framework of this project, four training sessions were organised: two in Lithuania (16th of January, 2018, 17th of January, 2018) and two in Croatia (23th of January, 2018, 24th of January, 2018) for 40 participants at each. The training sessions were organised to present and discuss the findings of the project and to share the increased understanding on government interventions and financial instruments with other ministries and agencies. Training consisted of different presentations, panel discussions and interactive sessions. In addition, the training provided the opportunity to network with players relevant to the implementation of financial instruments.

The training aimed at exploring the effectiveness and efficiency of government interventions in different policy sectors. More

specifically the workshop aimed at jointly assessing the combination of current government interventions, reflecting on how public interventions should be organised to best address market failures and government failures.

## **CONFERENCE EVENT “ENHANCING THE COMBINATION OF PUBLIC INTERVENTIONS TO UNLOCK THE POTENTIAL OF FINANCIAL INSTRUMENTS”**

The main conclusions and recommendations of this project were presented in two final conferences: “Enhancing the combination of public interventions to unlock the potential of financial instruments”, one held in Lithuania (18th of January, 2018) and the other in Croatia (25th of January, 2018) for 100 participants at each. The conferences consisted of different presentations and panel discussions. In addition, the conferences provided the opportunity to network with players relevant to the implementation of financial instruments.

The conferences aimed to provide more insights on the consistency, effectiveness and impact of public interventions. Furthermore, the unlocked potential for financial instruments was discussed resulting from better balanced public interventions. More specifically, the state of play on the performance of Lithuanian and Croatian public interventions were presented, as well as the role and usage of financial instruments in combination with existing public interventions.

# CONTACT PERSONS REGARDING THE PROJECT AND ITS KEY DELIVERIES

PLEASE DO NOT HESITATE TO INQUIRE REGARDING THE PROJECT AND ANY RELATED ISSUES

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