

28 February 2023

## **Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the first payment request submitted by Lithuania on 30 November 2022, transmitted to the Economic and Financial Committee by the European Commission**

### **Executive summary**

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 30 November 2022, Lithuania submitted a request for payment for the first instalment of the non-repayable support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Lithuania provided due justification of the satisfactory fulfilment of the 33 milestones of the first instalment of the non-repayable support, as set out in Section 2(1.1.1) of the Council Implementing Decision of 20 July 2021 on the approval of the assessment of the recovery and resilience plan for Lithuania<sup>1</sup>.

Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones. Based on the information provided by Lithuania, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of 31 out of 33 milestones related to the first instalment of the non-repayable support. Lithuania has not currently provided the necessary information for the Commission to reach a positive preliminary assessment on milestone 142 (*Delivery of the proposals made on the basis of an in-depth analysis for the withdrawal of tax exemptions and special tax regimes to the Parliament*) or milestone 144 (*Delivery of the proposals to expand environmental taxes and taxation of other sources less detrimental to economic growth on the basis of an in-depth analysis to the parliament*). For these milestones, the Commission will proceed in accordance with Article 24(6) of Regulation (EU) 2021/241.

The milestones positively assessed as part of this payment request demonstrate significant steps in the implementation of Lithuania's Recovery and Resilience Plan. This includes, among others, reforms to enhance institutional and legal mechanisms to promote the production, transmission and consumption of electricity from renewable sources as well as establishment and operationalisation of the Sustainable Mobility Fund, development of an electric charging infrastructure, support for the uptake of fuels from Renewable Energy Sources, reorganisation of the school network, modernisation of vocational education and training, improving the quality of education, improvements to tax administration and collection with automation of business processes at State Tax Inspectorate and more transparency in used vehicles trade sector, enhanced framework for Public Private Partnerships, establishment of a single innovation agency and a science policy implementing agency, setting-up an accreditation scheme for provision of social care as well as introduction of additional benefit for disabled and elderly single persons. The milestones also confirm progress towards the completion of investment projects related to sustainable sources of energy and sustainable mobility and reforms to accelerate the deployment of 5G networks.

By the transmission of this positive preliminary assessment of the satisfactory fulfilment of 31 out of 33 milestones related to the first instalment of the non-repayable support and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones.

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<sup>1</sup> ST 10477 2021 INIT and ST 10477 2021 ADD 1, not yet published in the Official Journal.

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## Non-repayable support

<b>Number:</b> 21	<b>Related Measure:</b> B.1.1. More sustainable electricity produced in the country
<b>Name of the Milestone:</b> Entry into force of the legislation to improve institutional and legal mechanisms to promote the production, transmission and consumption of electricity from renewable sources	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force	<b>Time:</b> Q4 2021
<b>Context:</b> <p>The objective of reform B.1.1. "More sustainable electricity produced in the country" is to promote the production, transmission and consumption of electricity from renewable sources, improving institutional and legal mechanisms, and providing investment incentives for businesses and citizens. In particular, this reform aims to: i) increase the production of electricity from renewable energy sources (RES) to at least 7 TWh by 2030, which shall ensure that RES generate 50% of total national electricity consumption; ii) increase local electricity production capacities; iii) facilitate the development of capacities required for the production of electricity from RES by supporting the most economically efficient technologies; iv) gradually integrate the electricity producers using RES into the market; v) ensure a minimum financial burden on electricity consumers; vi) ensure non-discrimination against the producers of imported electricity and allowing other Member States to benefit from the support mechanism introduced by the draft Law on energy from renewable sources; vii) ensure the dismantling of power plants which stopped their operation; viii) ensure that electricity is not produced at negative prices; ix) create appropriate conditions for prosumers and RES communities.</p> <p>Milestone 21 concerns the entry into force of amendments regarding the Law on Energy from Renewable Sources, the Electricity Law and the Energy Law (offshore and onshore).</p> <p>Milestone 21 is the only milestone contributing directly to reform B.1.1. This reform is also accompanied by 3 sub-measures: sub-measure 1 on the preparatory work for the development of offshore wind park and related infrastructure, through milestone 22; sub-measure 2 on the support for the construction of onshore RES plants (solar and wind power) through target 23 and 24 and individual storage facilities through target 25 and 26; and sub-measure 3 on the installation of other electricity storage infrastructure, through target 27.</p>	
<b>Evidence provided:</b> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"><li>i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li><li>ii) Copy of the amendment of 31/03/2022 No. XIV-1001 amending the Law on energy from renewable sources No. XI-1375 (hereinafter referred to as "Amendment No. XIV-1001") and a link to the publication in the Register of Legal Acts (<a href="#">TAR 07/04/2022, No. 7250</a>);</li><li>iii) Copy of the amendment of 31/03/2022 No. XIV-1002 amending the Law on electricity No. VIII-1881 (hereinafter referred to as "Amendment No. XIV-1002") and a link to the publication in the Register of Legal Acts (<a href="#">TAR 07/04/2022, No. 7251</a>);</li></ul>	

- iv) Copy of the amendment of 31/03/2022 No. XIV-1003 amending the Energy law No. XI-884 (hereinafter referred to as “Amendment No. XIV-1003”) and a link to the publication in the Register of Legal Acts ([TAR 07/04/2022, No. 7253](#)).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities covers all constitutive elements of the milestone.

In particular:

- **Entry into force of amendments regarding the Law on Energy from Renewable Sources, the Electricity Law and the Energy Law:** the evidence provided by the Lithuanian authorities demonstrates that on 31/03/2022 the following amendments were adopted:
  - Amendment No. XIV-1001 entered into force on 08/04/2022 according to the Registry of Legal Acts;
  - Amendment No. XIV-1002 entered into force on 01/07/2022 as stated in Article 27;
  - Amendment No. XIV-1003 entered into force on 01/07/2022 as stated in Article 2.
- **Establishing that the Lithuanian Energy Agency consults and provides methodological assistance on the issues linked to activities in the electricity sector, which facilitates the processes for applicants and ensures that information is provided in a timely manner:**
  - Article 8 of Amendment No. XVI-1001 states that the Lithuanian Energy Agency provides consultations and methodological assistance on activities in the electricity sector, and on possible incentive measures for installations using renewable resources. This article further requires that the Lithuanian Energy Agency prepares and publishes on its website: i) “aggregated information on the procedures and permits”; ii) “opportunities for operating in the electricity sector”; and iii) “incentives for installations using renewable energy sources”. The publication of this information on the Agency website facilitates the processes for applicants and ensures that information is provided in a timely manner;
  - Furthermore, in line with the description of the measure B.1.1, whereby this reform fulfils the following objectives:
    - **In line with point ix of that description, to create appropriate conditions for prosumers and RES communities:** Article 12.1 of Amendment No. XIV-1001 states that prosumers and persons seeking to become prosumers are entitled to install power plants using RES with a capacity not exceeding 1 MW. This represents an increase from 500 kW. Article 12.3 further states that power plant may also be built, installed and operated by renewable energy communities;
    - **In line with point iii of that description, to facilitate the development of capacities required for the production of electricity from RES by supporting the most economically efficient technologies:** Article 8 of Amendment No. XVI-1001 enables the Lithuanian Energy Agency to provide advice and methodological assistance on activities in the electricity sector. It provides the prerequisites for faster obtaining of information on renewable energy development, permits and support on a one-stop basis.
- **Regulating the conditions for auction winners to sell electricity under bilateral agreements, as this provides more clarity for investors on how to operate in the market:**
  - Article 11.1 and Article 11.2 of Amendment No. XVI-1001 establish the conditions under which electricity producers may sell electricity by amending Article 20.2 of the Law on

Energy from Renewable Sources No XI-1375. The articles describe the framework for trading electricity in Lithuania both on the electricity exchange and under bilateral agreements. By distinguishing between electricity traded on the electricity exchange and under bilateral agreements, the Lithuanian authorities provide more clarity for investors on how to operate in the market:

- Article 11.1 of Amendment No. XVI-1001 states that in the context of electricity traded on the electricity exchange specifically, the production of electricity from renewable sources is encouraged by paying the producer a given price premium based on the sum of the price supplement won at an auction and the intra-day electricity market price, until the maximum price fixed by the State Energy Regulatory Council is reached;
  - Article 11.2 of Amendment No. XVI-1001 adds that in the context of trade in electricity under bilateral agreements, the production of electricity from renewable sources is encouraged by paying the producer a price supplement won at an auction, based on the sum of the contract price set in the bilateral agreement and the intra-day electricity market price, until the maximum price fixed by the State Energy Regulatory Council is reached.
- Furthermore, in line with the description of the Council Implementing Decision, whereby this reform aims to fulfil objectives:
- **In line with point viii of that description, to “ensure that electricity is not produced at negative prices”** and in line with point v to **“ensure a minimum financial burden on electricity consumers”**, Article 11.3 of Amendment No. XVI-1001 further extends the requirement to producers who sell electricity under bilateral agreements, not to produce electricity at negative prices, and specifies that no price supplement will be granted if the retail price is equal or higher than the maximum price fixed by the State Energy Regulatory Council;
  - **In line with point vi of that description, to “ensure non-discrimination against the producers of imported electricity and allowing other Member States to benefit from the support mechanism introduced by the draft Law on Energy from Renewable Sources”**, Art.15.9 of Amendment No. XVI-1001 states that natural and/or legal persons of the Republic of Lithuania and foreign natural and/or legal persons and/or other organisations or subdivisions, or groups of persons acting on the basis of a joint activity agreement, are entitled to participate in the tendering procedure, if the conditions included in the mentioned article are fulfilled. This article ensures that all electricity producers (national and foreign) are entitled to the same conditions, therefore ensuring non-discrimination.
- **Setting long-term renewable energy targets for all sectors, i.e., set long-term national targets at the legislative level and create certainty for investors regarding RES development:**
    - To ensure a coverage of “all sectors”, the Lithuanian authorities refer to Directive (EU) 2018/2001, whereby Article 7.1 states that the “gross final consumption of energy from renewable sources in each Member State shall be calculated as the sum of: i) gross final consumption of electricity from renewable sources; ii) gross final consumption of energy from renewable sources in the heating and cooling sector; and iii) final consumption of energy from renewable sources in the transport sector”;
    - To that effect, Article 1.2 of Amendment No. XVI-1001 sets as objective that at least 50% of Lithuania’s gross final energy consumption in 2030 will result from renewable energy sources. Likewise, Article 1.3 of Amendment No. XVI-1001 states that by 2030 energy from renewable sources will represent:

<ul style="list-style-type: none"> <li>▪ At least 15% of the final energy consumption in all forms of transport;</li> <li>▪ At least 70% of the electricity production in relation to Lithuania’s gross final consumption, and by 2045, reach 100% of the electricity production in relations to Lithuania’s gross final consumption;</li> <li>▪ 80% of the energy mix for heating in households;</li> <li>▪ At least a share of 90% of district heating.</li> </ul> <ul style="list-style-type: none"> <li>○ The Amendment No. XVI-1001 does not include the cooling sector as per Directive (EU) 2018/2001, since the Lithuanian authorities argue that a centralised cooling network has not been developed in Lithuania.</li> </ul>
<p><b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled</p>

<b>Number:</b> 28	<b>Related Measure:</b> B.1.2. Moving without polluting the environment
<b>Name of the Milestone:</b> Entry into force of a legislative framework establishing a procedure for determining energy efficiency and environmental protection requirements for the purchase of road transport vehicles and for cases in which they are mandatory	
<b>Qualitative Indicator:</b> Legislation entered into force	<b>Time:</b> Q4 2021
<p><b>Context:</b></p> <p>The objective of measure B.1.2 “Moving without polluting the environment” is to significantly reduce greenhouse gas emissions by phasing out the most polluting road transport vehicles in cities and regions and by increasing the share of renewable energy sources (RES) in the transport sector. This will be achieved through support for the purchase of clean vehicles by the public sector and business (sub-measure B.1.2.1); support for the purchase of zero-emission public transport vehicles (sub-measure B.1.2.2); installation of vehicle charging/alternative fuel filling infrastructure (sub-measure B.1.2.3); and support the development of the RES fuels sector (biomethane gas, second-generation liquid biofuels for transport and green hydrogen) (sub-measure B.1.2.4).</p> <p>Milestone 28 contributes to the initial phase of the implementation of measure B.1.2 and concerns the entry into force of a legislative framework, which establishes a procedure to determine: i) the energy efficiency and environmental protection requirements for the purchase of road transport vehicles of specified categories, and ii) the cases in which those requirements are mandatory. This legislative framework must also be used to calculate the lifetime energy and environmental impacts of these vehicles.</p> <p>Besides milestone 28, reform B.1.2 “Moving without polluting the environment” also contains milestone 29 on the establishment of a sustainable mobility fund (due by Q1, 2022 and also part of this payment request) and milestone 30 on the introduction of an electronic road toll system (due by Q1, 2023). Under each sub-measure, reform B.1.2 also contains targets 31 and 32 on the purchase and registration of clean transport vehicles, target 33 on the production of electric buses (sub-measure B.1.2.1), milestone 34 on the inter-urban mobility system reform, targets 35 and 36 on the delivery of public transport vehicles (sub-measure B.1.2.2), milestone 37 on the operationalisation of an information system for public and semi-public electric vehicle recharging points, targets 38 and 39 on the operationalisation of public and semi-public electric vehicle recharging points, targets 40 and 41 on the operationalisation of private electric vehicle recharging points, target 42 on the operationalisation of public compressed biogas and hydrogen station, milestone 43 on the adoption of an action plan to integrate electric charging infrastructure network</p>	

(sub-measure B.1.2.3), milestone 44 on an IT system of renewable transport fuel accounting units, target 45 on the operationalisation of new biomethane gas generation facilities, target 46 on the production of liquid second generation biofuels, and target 47 on the production of green hydrogen (sub-measure B.1.2.4).

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Law on alternative fuels of 23/03/2021 No. XIV-196 (hereinafter referred to as “Law on Alternative Fuels”) and a link to the publication in the Register of Legal Acts ([TAR 08/04/2021, No 7413](#));
- iii) Copy of the Order of the Minister of Transport and Communications of 20/07/2021 No. 3-358 amending the Order of the Minister of Transport and Communications of 21/02/2011 No. 3-100 “On the approval of the description of the procedure for determining energy efficiency and environmental protection requirements applicable to the acquisition of road vehicles and the procedure for the cases in which their application is mandatory” (hereinafter referred to as “Order No. 3-358”) and a link to the publication in the Register of Legal Acts ([TAR 21/07/2021, No 16175](#)).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities covers all constitutive elements of the milestone.

In particular:

- **Entry into force of the legislation which determines the energy efficiency and environmental protection requirements for the purchase of road vehicles:** in line with the description of the measure, the Law on Alternative Fuels of 23/03/2021 entered into force on 01/07/2021, with the exception of Articles 30, 31, 32 which entered into force on 01/01/2022 as reflected in Article 35. Order No. 3-358 was published on 21/07/2021 and entered into force the day after of its publication in the Register of Legal Acts. These legal acts establish the requirements for the procurement of vehicles, or services provided with them. These requirements, set in terms of energy efficiency and environmental protection, are defined as the minimum percentage of clean vehicles to be procured in the total rolling stock of a certain category of vehicles.
- **Determining the energy efficiency and environmental protection requirements for road vehicles of category M1, N1, N2, N3, M2 and M3, as follows:**
  - To establish the energy efficiency and environmental protection requirements, the Law on Alternative Fuels provides the main definitions of vehicles;
  - Article 2.23 defines a “clean vehicle” as a vehicle of category M1, M2 or N1, with CO2 emissions not exceeding 50 g/km and real driving emissions not exceeding 80 percent of the limit value laid down in Regulation (EC) No. 715/2007. As of 01/01/2026, Article 35.12 amends this definition, by defining a “clean vehicle” as a vehicle of category M1, M2, N1, which produces 0 g/km of CO2 emissions;
  - Article 2.36 defines the “zero-emission heavy-duty vehicle” as a vehicle of category M3, N2 or N3, without an internal combustion engine or with an internal combustion engine using an alternative fuel producing less than 1 g/km or less than 1 g/kWh of CO2 emissions;



- Section 6 of the Order No. 3-358 states that vehicles which have been modified to reduce their emissions may also be considered as “clean vehicles”, if a technical examination has been carried out;
- The Law on Alternative Fuels considers two periods: from 02/08/2021 until 31/12/2025, and from 01/01/2026 until 31/12/2030 and lays down the requirements for the public procurement of road vehicles or services provided with them:
  - For the first period, Article 15.3 of the Law on Alternative Fuels establishes for each category a minimum percentage of clean vehicles of the total number of road vehicles procured and/or used for the provision of services by the contracting authority or contracting entity, as follows: at least 60% of road vehicles of category M1, M2 and N1; at least 8% of road vehicles of category N2 and N3; and at least 80% of vehicles of category M3;
  - For the second period, Article 15.4 of the Law on Alternative Fuels establishes an updated minimum objective of the total number of road vehicles procured and/or used for the provision of services by the contracting authority or contracting entity, as follows: 100% of road vehicles of category M1, M2 and N1; at least 16% of road vehicles of category N2 and N3; and 100% of road vehicles of category M3.
- Article 15.6 of the Law on Alternative Fuels foresees the possibility to extend the requirements under the second period beyond 31/12/2030, if no new procurement requirements are defined.
- **Determining the cases in which the energy efficiency and environmental protection requirements are mandatory for road vehicles of category M1, N1, N2, N3, M2 and M3:**
  - Article 15.1 sub-paragraph 1 of the Law on Alternative Fuels establishes that the energy efficiency and environmental protection requirements are mandatory for public procurements related to the purchase, rental, or leasing contracts for the use of road transport vehicles. The requirements are also mandatory for a series of transport services laid down under Article 15.1 Sub-paragraph 2 of the Law, namely the transport of persons, waste, parcel or postal services;
  - Article 15.7 of the Law on Alternative Fuels foresees exceptions to the energy efficiency and environmental protection requirements for vehicles used in special circumstances. This includes, among others, vehicles used in agriculture, forestry, protection, construction, and healthcare.
- **The energy efficiency and environmental protection requirements must be used to calculate the lifetime energy and environmental impacts of road vehicles of category M1, N1, N2, N3, M2 and M3:**
  - Article 15.2 of the Law of Alternative Fuels stipulates that the contracting authority or contracting entity must assess the lifetime energy and environmental impact of the road transport vehicle and comply with the energy efficiency and environmental protection requirements for the procurement of road transport vehicles;
  - Section 7 of the Order No. 3-358 states that for the vehicles covered by public procurement that do not contribute to the minimum requirements of Articles 15.3 up to Article 15.6, an assessment must be performed on the basis of the lifetime energy and environmental impact of the vehicle, in terms of energy consumption, CO2 emissions, nitrogen oxides emissions, non-methane hydrocarbons and particulate matter. Additionally, according to Section 8 of the Order No. 3-358, the contracting authority or contracting entity may, in addition to the operational energy and environmental performance requirements and procurement requirements set out in section 7, identify

other types of environmental impacts. Section 9 of the Order No. 3-358 requires that the assessment under Article 15.2 must be carried out as follows: i) by reference to the energy efficiency and environmental protection requirements of vehicles in the technical specifications; ii) by using the criteria for energy efficiency and/or environmental protection of vehicles to evaluate and compare offers; and iii) by other means prescribed by the Law on public procurement or by contracting entities in the field of water management, energy, transport or postal services.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 29	<b>Related Measure:</b> B.1.2. Moving without polluting the environment	
<b>Name of the Milestone:</b> Sustainable Mobility Fund that shall finance the development of alternative fuels and vehicle infrastructure is established and operational		
<b>Qualitative Indicator:</b> Provision in the agreement/order indicating the entry into force		<b>Time:</b> Q1 2022
<p><b>Context:</b></p> <p>The objective of measure B.1.2 “Moving without polluting the environment” is to significantly reduce greenhouse gas emissions by phasing out the most polluting road transport vehicles in cities and regions and by increasing the share of renewable energy sources (RES) in the transport sector. This will be achieved through support for the purchase of clean vehicles by the public sector and business (sub-measure B.1.2.1); support for the purchase of zero-emission public transport vehicles (sub-measure B.1.2.2); installation of vehicle charging/alternative fuel filling infrastructure (sub-measure B.1.2.3); and support the development of the RES fuels sector (biomethane gas, second-generation liquid biofuels for transport and green hydrogen) (sub-measure B.1.2.4).</p> <p>Milestone 29 contributes to the initial phase of the implementation of measure B.1.2 and concerns the establishment and operationalisation of a Sustainable Mobility Fund to finance the development of alternative fuels infrastructure and the purchase and usage of clean vehicles.</p> <p>Besides Milestone 29, reform B.1.2 “Moving without polluting the environment” also contains milestone 28 on the establishment of a procedure for determining energy efficiency and environmental protection requirements for road transport vehicles (due by Q4, 2021 and part of this payment request) and milestone 30 on the introduction of an electronic road toll system (due by Q1, 2023). Under each sub-measure, reform B.1.2 also contains targets 31 and 32 on the purchase and registration of clean transport vehicles, target 33 on the production of electric buses (sub-measure B.1.2.1), milestone 34 on the inter-urban mobility system reform, targets 35 and 36 on the delivery of public transport vehicles (sub-measure B.1.2.2), milestone 37 on the operationalisation of an information system for public and semi-public electric vehicle recharging points, targets 38 and 39 on the operationalisation of public and semi-public electric vehicle recharging points, targets 40 and 41 on the operationalisation of private electric vehicle recharging points, target 42 on the operationalisation of public compressed biogas and hydrogen station, milestone 43 on the adoption of an action plan to integrate electric charging infrastructure network (sub-measure B.1.2.3), milestone 44 on an IT system of renewable transport fuel accounting units, target 45 on the operationalisation of new biomethane gas generation facilities, target 46 on the production of liquid second generation biofuels, and target 47 on the production of green hydrogen (sub-measure B.1.2.4).</p>		

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Government resolution of 23/11/2022 No. 1152, on Implementation of law on alternative fuels, establishing the sustainable mobility fund (hereinafter referred to as the "Government Resolution");
- iii) Letter of 30/11/2022 No. 2-4909 by the Ministry of Finance to the Ministry of Transport and Communications establishing the budgetary appropriations for the operationalisation of the sustainable mobility fund (hereinafter referred to as the "Letter No. 2-4909");
- iv) Letter of 06/02/2023 No. 2-450 by the Chancellor of the Ministry of Transport and Communications confirming that the Sustainable Mobility Fund is operational (hereinafter referred to as the "Letter No. 2-450");
- v) Copy of the Law of 23/03/2021 No. XIV-196 on alternative fuels (hereinafter referred to as "Law on Alternative Fuels").

The authorities also provided:

- vi) Copy of the Programme of the XVIII Government of the Republic of Lithuania of 11/12/2020 No. XIV-72;
- vii) Copy of the Implementation plan of the Program of the XVIII Government of the Republic of Lithuania, adopted by the resolution of the Government of 10/03/2021 No. 155;
- viii) Letter of 18/01/2023 No. 2-213 by the Ministry of Transport and Communications on the secondment of a representative to the Council's staff composition of the Sustainable Mobility Fund;
- ix) Copy of the draft order by the Minister of Transport and Communications amending order No. 3-277 of the minister for transport and communications of the republic of Lithuania of 30/05/2022 approving the description of the progress measure No. 10-001-06-01-01 'Promote the use of alternative fuels in transport' of the transport development programme of the minister for transport and communications of the Republic of Lithuania for the period 2022-2030;
- x) Copy of the draft description of the justification for the information contained in the development programme progress measure description on "Promote the use of alternative fuels in transport" (progress code: 10-001-06-01-01).

**Analysis:**

The justification and substantiating evidence provided by Lithuanian authorities covers all constitutive elements of the milestone.

In particular:

- **The Sustainable Mobility Fund is established:**

- The Government Resolution was published on 23/11/2022 and entered into force on 24/11/2022, thereby establishing the Sustainable Mobility Fund (hereinafter referred to as the "Fund"). In accordance with the requirements of article 30 of the Law on Alternative Fuels, the Government Resolution establishes: i) the management and use of the Fund, ii)

the composition, the functions, the rights and obligations of the board of the Fund, and iii) the organisation of the Fund;

- Paragraph 10 of the Government Resolution states that the Ministry of Transport and Communications is responsible for determining the amount of funds allocated for the administration of the Fund. Paragraph 11 states that the Ministry of Transport and Communications is responsible for approving the composition of the board of the Fund. The functions of the board are defined in paragraph 14 of the Government Resolution.
- **The Sustainable Mobility Fund is operational:**
  - Letter No. 2-450 states that the fund is operational;
  - Paragraph 5 of the Government Resolution states that the Central Project Management Agency (CPMA) shall be the **administrator of the Fund**. Letter No. 2-450 confirms that within the CPMA, the Division of sustainable transport projects is responsible for the Fund's operation;
  - Letter No. 2-4909 indicates that **the necessary funds** for the start-up of the Fund are included in the 2023 State Budget. In the same letter, the Ministry of Finance informed the Ministry of Transport and Communications that the State Budget Reserve Programme provides EUR 11 million for the start of the Fund's activities. Letter No. 2-450 confirms that the budget for the Sustainable Mobility Fund is available and solely dedicated for the purposes of the Fund.
- **The Fund is established to finance the purchase and use of clean vehicles, installation, modernisation and/or development of alternative fuels infrastructure for the vehicles in a targeted and continuous manner until at least 2030:**
  - Article 30.1 and Article 30.4 of the Law on Alternative Fuels determine the requirements of the Fund, specifying that it is to be set up to finance the acquisition, use, installation, modernisation and/or development of alternative fuels and vehicles using alternative fuels in a targeted and continuous manner until 2030. Paragraph 9 of the Government Resolution states that the Fund will finance the sustainable mobility measures set out in the aforementioned Article 30.1 and Article 30.4 of the Law on Alternative Fuels.
- **The fund is also to be used to support establishing restrictions for the use of internal combustion engine-powered vehicles, with the exception of zero- and low-emission vehicles:**
  - Article 30.1 and Article 30.4 of the Law on Alternative Fuels determines the requirements of the Sustainable Mobility Fund, specifying that it finances the limitation of vehicles powered by internal combustion engines, with the exception of zero- and zero-emission vehicles. Paragraph 9 of the Government Resolution states that the Fund will finance the sustainable mobility measures set out in the aforementioned Article 30.1 and Article 30.4 of the Law on Alternative Fuels.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 37	<b>Related Measure:</b> B.1.2. Moving without polluting the environment - B.1.2.3. Installation of vehicle charging/alternative fuel filling infrastructure	
<b>Name of the Milestone:</b> Entry into operation of an information system for public and semi-public recharging points for electric vehicles		
<b>Qualitative Indicator:</b> Entry into operation of an information system for public and semi-public recharging points for electric vehicles		<b>Time:</b> Q1 2022

**Context:**

The objective of reform B.1.2 “Moving without polluting the environment” is to significantly reduce greenhouse gas emissions by phasing out the most polluting road transport vehicles, in cities and regions and by increasing the share of renewable energy sources (RES) in the transport sector. This shall be achieved through support for the purchase of clean vehicles by the public sector and business (sub-measure B.1.2.1); support for the purchase of zero-emission public transport vehicles (sub-measure B.1.2.2); installation of vehicle charging/alternative fuel filling infrastructure (sub-measure B.1.2.3); and support the development of the RES fuels sector (biomethane gas, second-generation liquid biofuels for transport and green hydrogen) (sub-measure B.1.2.4).

The objective of sub-measure B.1.2.3 is to create an optimal network of public, semi-public and private charging and alternative fuel filling infrastructure, in order to create favourable conditions for business and citizens to operate clean vehicles. This is achieved through: (i) making an information system for public and semi-public charging and refilling points for electric vehicles operational; and (ii) providing support to businesses, natural persons and municipalities to install and make operational electric charging points, compressed biogas stations and hydrogen refuelling stations. Milestone 37 concerns the entry into operation of an information system which shall (i) provide and record unique identification codes of public and semi-public recharging points for electric vehicles and their operators, as well as (ii) real-time static/dynamic data from public and semi-public charging stations for electric vehicles operating in Lithuania.

Milestone 37 is the first step of the implementation of the sub-measure B.1.2.3, and it will be followed by targets 38 and 39 on the entry into operation of recharging points and very high-power charging stations for freight and buses, targets 40 and 41 on private recharging points and target 42 on public compressed biogas and hydrogen stations. Milestone 43 on the adoption of an action plan to integrate electric charging infrastructure is also part of this payment request. The sub-measure has a final expected date for implementation of 30/06/2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii) The link to the information system (<https://ev.lakd.lt/en>)
- iii) A transfer-acceptance certificate signed by the service recipient (Lithuanian Road Administration) and the service provider (UAB LEXITA) on 08/05/2022 which confirms that the work performed from 24/11/2021 to 08/05/2022 under contract No. S-1456 complies with the technical specifications of the contract and the invoice.
- iv) Certificate of the state road traffic information system module’s acceptance and its suitability for operation signed by the Lithuanian Road Administration on 03/06/2022.

The authorities also provided:

- v) Technical specification for electric transport infrastructure registration creation, maintenance, and modification services (hereinafter referred to as “technical specifications of the contract”), as part of the procurement of 16/07/2021 for services for the creation of registration of electric transport infrastructure in the Central Public Procurement Information System, with link to the procurement ([CVPP \(eviesiejipirkimai.lt\)](https://cvpp.eviesiejipirkimai.lt)).

- vi) Copy of the Law on alternative fuels of 23/03/2021 No. XIV-196 (hereinafter referred to as “Law on Alternative Fuels”) and a link to the publication in the Register of Legal Acts ([TAR 08/04/2021, No 7413](#))
- vii) Note on milestone 37 of 02/01/2023 and its annex (hereinafter referred to as “additional data”).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities covers all constitutive elements of the target.

In particular:

- **The entry into operation of an information system for public and semi-public recharging points for electric vehicles** (hereinafter referred to as “the information system”): In line with the description of sub-measure B.1.2.3 (1), the Lithuanian authorities provided the following information to certify the entry into operation of the information system:
  - A transfer-acceptance certificate signed by the service recipient (Lithuanian Road Administration) and the service provider (UAB LEXITA) on 08/05/2022 which confirms that the work performed from 24/11/2021 to 08/05/2022 under contract No. S-1456 complies with the technical specifications of the contract;
  - A certificate confirming that the information system is suitable for operation signed by the Lithuanian Road Administration on 03/06/2022.
- **The technical specifications of contract No. S-1456, are based on the following provisions of the Law on Alternative Fuels:**
  - Article 2.35 defines the information system as “a database that records, stores and processes static and dynamic data from publicly accessible and semi-public charging stations for electric vehicles<sup>2</sup>;
  - Article 25 specifies how every operator shall register their public and semi-public charging points (hereinafter referred to as “publicly available recharging points”) in the information system. A unique identification code is assigned to every publicly available recharging point;
  - Articles 2.33 and 2.34 provide a definition for static and dynamic data to be collected from every publicly available recharging point;
  - Article 35.9 requires that as of 01/01/2023, all new publicly available recharging stations must be able to provide dynamic data.
- **The information system provides and records unique identification codes of public and semi-public recharging points for electric vehicles and their operators, as follows:**
  - Paragraph 32 of the technical specifications of the contract No. S-1456 requires that the information system automatically generates a code for each publicly accessible recharging point and their operators according to predefined rules.

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<sup>2</sup> Art.2.27 of the Law on Alternative Fuels defines a “semi-public” recharging point as a point located in a publicly accessible space, such as, supermarkets, cinemas and other parking spaces that are only accessible for a time-period determined by its operators”. The Commission notes that the proposal for the Alternative Fuels Infrastructure Directive does not provide for a definition of “semi-public” recharging points but defines them as “publicly accessible”.

- **The information system provides real-time static/dynamic data from public and semi-public charging stations for electric vehicles operating in Lithuania:**
  - The technical specifications of the contract No. S-1456 ensure that the information system provides real-time static/dynamic data as follows:
  - Paragraph 33 of the technical specification for the contract requires that all static and dynamic data of the information system are made publicly available to users with a newly created web page (link to website: <https://ev.lakd.lt/en>);
  - Paragraph 43 defines the static (sub-paragraph 1) and dynamic (sub-paragraph 2) data that the system must collect;
  - Paragraph 44 requires that the system collects and updates the dynamic data of publicly available recharging points at least every three minutes, thus ensuring that the data is provided in real time;
  - LT has provided additional data containing the registrations of operators and their respective publicly available recharging points, for the period of 25/04/2022 until 12/06/2022, during which the number of operators increased from 1 to 40 (of which 24 approved), and the number of publicly available recharging points registered increased from 58 to 648;
  - Furthermore, in line with the description of sub-measure B.1.2.3, the establishment of the information system is contributing to the creation of an optimal network of public, semi-public and private charging and alternative fuel filling infrastructure, and creating favourable conditions for business and citizens to operate clean vehicles. Prior to the entry into operation of the information system, there was no unified information system available for public and semi-public recharging points in Lithuania. To that effect, the information system provides for all users (businesses and citizens) access to data in the same format, on the network of public and semi-public charging stations. The development of the information system will lead to more information to the consumers and the public, increase the attractiveness of the use of electric vehicles, and will allow easy and fast access to data of public recharging stations for electric vehicles.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 43	<b>Related Measure:</b> B.1.2. Moving without polluting the environment – Sub-measure B.1.2.3. Installation of vehicle charging/alternative fuel filling infrastructure	
<b>Name of the Milestone:</b> Adoption of the action plan to integrate electric charging infrastructure network		
<b>Qualitative Indicator:</b> Adopted action plan on electric charging infrastructure		<b>Time:</b> Q4 2021
<b>Context:</b>		
<p>The objective of reform B.1.2 “Moving without polluting the environment” is to significantly reduce greenhouse gas emissions by phasing out the most polluting road transport vehicles in cities and regions and by increasing the share of renewable energy sources (RES) in the transport sector. This will be achieved through support for the purchase of clean vehicles by the public sector and business (sub-measure B.1.2.1); support for the purchase of zero-emission public transport vehicles (sub-measure B.1.2.2); installation of vehicle charging/alternative fuel filling infrastructure (sub-measure B.1.2.3); and support the development of the RES fuels sector (biomethane gas, second-generation liquid biofuels for transport and green hydrogen) (sub-measure B.1.2.4).</p>		

The objective of sub-measure B.1.2.3 is to create an optimal network of public, semi-public and private charging and alternative fuel filling infrastructure, in order to create favourable conditions for businesses and citizens to operate clean vehicles. Under this sub-measure, the following will be carried out: (i) making operation an information system for public and semi-public charging/refilling points for electric vehicles and (ii) providing support to businesses and natural persons and the municipalities that have not developed and implemented Sustainable Urban Mobility Plans (SUMPs) under 2014-2020 financial period to install and make operational charging infrastructure and refuelling stations.

To this end, milestone 43 concerns the adoption of an action plan which identifies the priority directions for development and set requirements for the installation of recharging points for electric vehicles in order to ensure the maximum efficient development of recharging infrastructure for electric vehicles.

Milestone 43 is the first step of the implementation of sub-measure B.1.2.3 and it will be followed by targets 38 and 39 on the entry into operation of public recharging points, and targets 40 and 41 on private recharging points, as well as target 42 on public compressed biogas and hydrogen stations. Sub-measure B.1.2.3 also contains milestone 37 on the entry into operation of an information system of (public and semi-public) recharging points. The sub-measure has a final expected date for implementation of 30/06/2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Action plan to integrate the electric charging infrastructure network approved by Order No. 1-210/3-344 of the Energy and Transport Ministers on 01/07/2022 with link to the website where the action plan can be accessed (hereinafter referred to as “action plan”) ([TAR 04/07/2022, No 14442](#)).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities covers all constitutive elements of the milestone.

In particular:

- **The adoption of an action plan:** in line with the description of the sub-measure, namely “to create an optimal network of public, semi-public<sup>3</sup> and private charging and alternative fuel filling infrastructure, in order to create favourable conditions for business and citizens to operate clean vehicles”, the action plan was adopted by the Order No. 1-210/3-344 of the Energy and Transport Ministers on 01/07/2022. The Order No. 1-210/3-344 entered into force on 04/07/2022. In line with the requirements of the Council Implementing Decision, the adopted action plan identifies the priority directions for the development of recharging infrastructure in Lithuania. The action plan also sets out the requirements for the installation of

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<sup>3</sup> Art.2.27 of the Law on Alternative Fuels defines a “semi-public” recharging point as a point located in a publicly accessible space, such as, supermarkets, cinemas and other parking spaces that are only accessible for a time-period determined by its operators”. The Commission notes that the proposal for the Alternative Fuels Infrastructure Directive does not provide for a definition of “semi-public” recharging points but defines them as “publicly accessible”.



recharging points for electric vehicles in order to ensure the maximum efficient development of recharging infrastructure for electric vehicles.

- **The adopted action plan identifies the priority directions, as follows:**
  - 24 priority axes are described under Chapter VI of the action plan. Additionally, actions are listed in the Annex to the action plan including the timeframe, the responsible administration, the funding source, the indicator and the indicator result of each priority axe. The priorities are categorized as follows:
    - Development of recharging infrastructure (paragraphs 34.1 to 34.7);
    - Promotion of the purchase and use of electric vehicles (paragraphs 35.1 to 35.3);
    - Technological integration into the electricity grid (paragraphs 36.1 to 36.3);
    - Legal and regulatory change (paragraphs 37.1 up to 37.5);
    - Fiscal measures (paragraphs 38.1 and 38.2);
    - Information dissemination and communication (paragraphs 39.1 to 39.4).
- **Paragraph 33 of the adopted action plan identifies priority directions for the development of recharging points for electric vehicles, based on:**
  - The objectives of planning and developing charging infrastructure for electric vehicles as enshrined in the Law on Alternative Fuels;
  - Experience from other countries;
  - Analysis of the existing recharging infrastructure in Lithuania;
  - Assessment of the data and forecasts provided in the Study ‘Assessment of the suitability and preparation of the electricity distribution network and the regulatory environment for the energy transformation’ carried out by AB “Energija Distribution Operator” and UAB “Smart Continent LT”;
  - The planned EU legislative changes.
- **The priority directions for the installation of recharging points for electric vehicles are described in the action plan under Chapter VI paragraph 34 – Priority axes for the development of recharging infrastructure:**
  - Paragraph 34.1 to 34.7 describe the priority axes that must be followed for the installation of private, public and semi-public recharging points for electric vehicles based on the analysis of the action plan. They include installation of private charging points in individual homes and gardens, in multi-apartment buildings, in workplaces, in national roads, in municipal areas and in parking spaces such as airports, seaports, railways and bus stations.
- **The adopted action plan sets the requirements for the installation of recharging points for electric vehicles:**
  - Paragraph 37 in Chapter VI sets out the legal framework for the development of recharging points for electric vehicles and the technological solutions that any actions taken under the action plan should comply with.
- **Ensures the maximum efficient development of recharging infrastructure for electric vehicles as follows:**
  - The action plan identified that an efficient development depends both on the development of the infrastructure as well as on demand for the infrastructure. Paragraph 32 in Chapter VI of the action plan states that “the current deployment of recharging points is not

sufficiently efficient due to the limited number of electric vehicles” in Lithuania. "The average utilisation rate of the recharging infrastructure per recharging point is between 3 % and 4 % and is considered to be highly inefficient”.

- By including actions on both the producer and consumer side, the action plan ensures a maximum efficient development and ensures no overcapacity is developed. This is ensured through:
  - Actions under paragraph 35 (promotion of the purchase and use of electric vehicles), paragraph 38 (fiscal measures) and paragraph 39 (information dissemination and communication) which will address the current lack of demand for electric vehicles;
  - Actions under paragraph 37 (legal and regulatory change) will review and improve the regulatory framework on installation, design and operation of recharging installations taking into account the current and future number of charging stations (paragraphs 37.2 and 37.3) and address potential electricity demand disruptions (paragraphs 37.4 and 37.5);
  - The Annex to the action plan gives an indication of the need for the development of recharging infrastructure under each priority axes according to the estimated increase in electric vehicles by 2030.
- Moreover, the action plan assures efficient development through the tendering specifications. Chapter VII – guidelines and recommendations – recommends to municipalities to “Include in the tender [for recharging infrastructure] sets specific conditions ensuring that the infrastructure is used in the most efficient way (e.g. by setting a minimum number of charging sessions for electric vehicles per day) and taking into account the price level proposed by the bidders” (point 41.7), meaning that support schemes would have to prioritize the infrastructure that is valuable not only for the consumer but also for the electricity network, ensuring that the infrastructure installed is developed in a maximum efficient way.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 44	<b>Related Measure:</b> B.1.2.4. Support to develop RES fuels sector (biomethane gas, second generation liquid biofuels for transport and green hydrogen)	
<b>Name of the Milestone:</b> Entry into operation of an IT system of renewable transport fuel accounting units		
<b>Qualitative Indicator:</b> IT system of accounting units for fuels from renewable sources operational		<b>Time:</b> Q4 2021
<p><b>Context:</b></p> <p>The objective of measure B.1.2 “Moving without polluting the environment” is to significantly reduce greenhouse gas emissions by phasing out the most polluting road transport vehicles in cities and regions and by increasing the share of renewable energy sources (RES) in the transport sector. This will be achieved through support for the purchase of clean vehicles by the public sector and business (sub-measure B.1.2.1); support for the purchase of zero-emission public transport vehicles (sub-measure B.1.2.2); installation of vehicle charging/alternative fuel filling infrastructure (sub-measure B.1.2.3); and support the development of the RES fuels sector (biomethane gas, second-generation liquid biofuels for transport and green hydrogen) (sub-measure B.1.2.4).</p> <p>The objective of sub-measure B.1.2.4 is to create a supply of renewable fuels and to promote their use in the transport sector. This is achieved through: i) providing support to establish and make</p>		

operational a biomethane gas production facility with a total capacity of 27.1 MW; ii) providing support to develop second-generation biofuel sector's capacities with the outlook to achieve a capacity for liquid second generation biofuels of 12.4 KTOE; and iii) providing support to establish an operational green hydrogen production from renewable energy sources, as a result of which a total of 1 680 000 m<sup>3</sup> of green hydrogen shall be produced (560.000 m<sup>3</sup> on an annual basis).

To this end, milestone 44 concerns the entry into operation of an IT system to ensure the level of consumption of biomethane gas in the transport sector, by i) recording the quantities of biomethane gas and other renewable fuels supplied to the transport sector; and ii) recording the certificates given to producers for which the resulting gas will be used to fulfil the fuels obligations. Milestone 44 is the first step of the implementation of sub-measure 4 and it will be followed by target 45 on the entry into operation of new biomethane capacity, target 46 on the production of additional second-generation biofuels, and target 47 on the production of green hydrogen. The sub-measure has a final expected date for implementation of 30/06/2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) The link to the platform (<https://daei.baltpool.eu/en>) and screenshots from the renewable fuel accounting system operated by the legally appointed system administrator "Baltpool";
- iii) Letter of confirmation of 24/03/2022 No. SD-220055 from the legally appointed system administrator "Baltpool" signed by the general manager of "Baltpool" and addressed to the competent authority (Ministry of Energy) confirming that the IT system for renewable and transport fuels accounting is operational.

The authorities also provided:

- iv) Copy of the Order of the Minister of Energy of 07/07/2021 No. 1-162 on the rules and procedures for the selection of the system administrator (hereinafter referred to as "Order No. 1-162") and a link to the publication in the Register of Legal Acts ([TAR 07/07/2021, No 15404](#));
- v) Copy of the Order of the Minister of Energy of 27/08/2021 No. 1-201 on the appointment of the system administrator (hereinafter referred to as "Order No. 1-201") and a link to the publication in the Register of Legal Acts ([TAR 27/08/2021, No 18144](#));
- vi) Copy of the Order of the Minister of Energy of 29/12/2021 No. 1-379 on the rules and procedures of the system operation (hereinafter referred to as "Order No. 1-379") and a link to the publication in the Register of Legal Acts ([TAR 29/12/2021, No 27508](#));
- vii) Copy of the Law on alternative fuels of 23/03/2021 No. XIV-196 (hereinafter referred to as "Law on Alternative Fuels") and a link to the publication in the Register of Legal Acts ([TAR 08/04/2021, No. 7413](#)).

**Analysis:**

The justification and substantiating evidence provided by Lithuanian authorities covers all constitutive elements of the milestone.

In particular:

- **Entry into operation of the IT system:**

- A letter of confirmation from the legally appointed system administrator “Baltpool” (hereinafter referred to as “the letter of confirmation”), signed by the general manager of “Baltpool” (No. SD-220055) and addressed to the competent authority (Ministry of Energy) confirms that the IT system for renewable transport fuel accounting units (referred as certificates in the Council Implementing Decision) is operational on 01/12/2021. This letter states that the system was developed in accordance with the requirements set by the Law on Alternative Fuels of 23/03/2021 No. XIV-196 entered into force on 01/07/2021 and the Order No. 1-379. The selection of “Baltpool” as the system operator was determined by the rules and procedures found under paragraph 17 of the Order No. 1-162. The selection of “Baltpool” as system operator was confirmed by the Order No. 1-201 which states that “Baltpool” is required to set up, manage and, where necessary, improve the IT system of renewable transport fuel accounting units for a minimum duration of three years.

**In line with the description in the Council Implementing Decision, the IT platform ensures the level of consumption of biomethane gas in the transport sector stated in the Law on Alternative Fossil Fuels through:**

- **The record of the quantities of biomethane gas and other renewable fuels supplied to the transport sector, as follows:**
  - According to Article 16.4 of the Law of Alternative Fuels, the suppliers are required to register into the IT system and to implement the fuel obligations laid down under Article 16.1 and Article 16.3. According to the letter of confirmation (page 2, row named “Registration module” of the table), fuel and gas suppliers in the transport sector, as defined by paragraph 5 of Order No. 1-201, started registering into the IT system on 01/12/2021;
  - Paragraph 12 of the Order No. 1-201 requires the suppliers in the transport sector to provide information on the quantities of fuels, natural gas and their renewable counterparts placed on the domestic market;
  - According to the letter of confirmation (page 2, row named “Collection of data on actual placing on the market of fuels and RES blended” of the table), the system can register quantities of fuels from RES placed on the internal market and allocate units of account for renewable fuels to suppliers on the basis of the information received.
- **The record of the certificates given to producers for which the resulting gas will be used to fulfil the fuels obligations, as follows:**
  - Paragraph 28 of Order No. 1-379 defines a certificate as a unit of account for renewable fuels, which represents one megajoule (MJ) of renewable fuel placed on the domestic market in a calendar year. It is used to take stock of the amount of renewable fuels sold on the domestic market and to assess the fulfilment of the obligations of fuel and natural gas suppliers in the transport sector. The fuel obligations for renewable fuels (Article 16.1 sub-paragraphs 1 to 9) and biogas or non-biological gaseous fuels (Article 16.3 sub-paragraphs 1 to 6) are defined in the Law on Alternative Fuels;
  - According to the letter of confirmation (page 2, row named “Module for the allocation of units of account for fuels from renewable energy sources” of the table) the system records the details of the certificates given to producers. The market participants are allowed to transfer units of account to other entities in accordance with the rules and requirements stated in the regulation.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 70	<b>Related Measure:</b> C.1.3 Customer-oriented services	
<b>Name of the Milestone:</b> C.1.3 Customer-oriented services		
<b>Qualitative Indicator:</b> Competence centre for open data and digital transformation operational		<b>Time:</b> Q4 2021
<p><b>Context:</b></p> <p>The objective of measure C.1.3. is to further develop customer-oriented services through the digitalisation of public and administrative services as well as improving the decision-making process for the development and upgrade of new public services, increasing accessibility of services for people with disabilities and integrating investments to create missing electronic services.</p> <p>Milestone 70 foresees the entry into operation of a competence centre for open data and digital transformation. To this end, the Competence Centre has the following structure and competences: (i) the Digital Solutions Monitoring and Evaluation Group will analyse and monitor existing and new solutions and (ii) the Data and Architecture Group will define the overall architecture of information systems and data as well as the standards and technical requirements to be applied to the newly developed solutions.</p> <p>Milestone 70 represents the first step envisaged for the completion of the measure and will be followed by target 73 due by Q2 2026, on the completion of at least 15 projects to digitise and upgrade the level of maturity of public services. Other milestones of measure C.1.3 (milestone 68, 69 and targets 71 and 72, due in Q2 2023, Q1 2025 and Q1 2026) will be dealing with developing solutions for digital public services to persons with disabilities.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii) Copy of the Protocol Decision of 21/06/2021 No. 34 of the Government of the Republic of Lithuania establishing the competence centre for open data and digital transformation (hereinafter referred to as "Protocol Decision No.34") and Annex to Protocol Decision;</li> <li>iii) Copy of the Order of 13/08/2021 No. V-115 of the Chancellor of the Government of the Republic of Lithuania (hereinafter referred to as "Order No. V-115") on the establishment of a working group on open data and digital transformation competency centre initiative (hereinafter referred to as "Working Group");</li> <li>iv) Copy of the Rules of Procedure of the Competence Center, approved in the minutes of the Working Group meeting of 21/10/2021 (hereinafter referred to as "Rules of Procedure");</li> <li>v) Copy of minutes of meeting of the Working Group of 21/10/2021. (hereinafter referred to as "Minutes of the Working Group");</li> <li>vi) Copy of the visualisation of the scheme on project selection/evaluation of the Ministry of Economy and Innovation of 29/06/2021 (hereinafter referred to as "Evaluation scheme");</li> <li>vii) Copy of the document on IT architecture principles developed by the Open Data and Digital Transformation Competence Centre, including functional architecture, data architecture, and technology architecture of 01/12/2021 (hereinafter referred to as "IT architecture principles");</li> </ul>		

- viii) Copy of the Order on the methodology for assessing planned digital solutions allowing secure and use-friendly access to services of 12/09/2022, No. 4-98 approved by Order of the Minister of the Economy and Innovation. (hereinafter “the Methodology”);
- ix) Copy of the list of assessed projects and obtained scores.

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities covers all constitutive elements of the milestone.

In particular:

- **Establishment and entry into operation of the Competence Centre for open data and digital transformation by a Resolution of the Lithuanian Republic:**
  - The evidence submitted by the Lithuanian authorities demonstrate that the Competence Centre for Open Data and Digital Transformation has been established and has entered into operation;
  - The Open Data and Digital Transformation Competence Centre is established by Protocol Decision No. 34 of the Government of Lithuania of 21/06/2021. The Council Implementing Decision required the entry into operation of a competence centre for open data and digital transformation by a Resolution of the Lithuanian Republic. The Lithuanian authorities have established the Open Data and Digital Transformation Competence Centre by way of a Protocol Decision of the Government. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, this does not affect the progress towards achieving the reform that the milestone represents. As such, the reform overall supports the objective of establishing a Competence Centre for Digital Transformation and Open Data, that is the main goal of this part of the reform. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled;
  - Protocol Decision No. 34 it entrusts the Office of the Government to implement the Open Data and Digital Transformation Competence Centre initiative (point 1 of the Decision) and to set up a Working Group of stakeholders of various Ministries and bodies with expertise in specific areas (in data architecture, registries and state information systems, IT infrastructure architecture, cyber security architecture). The Working Group will participate in the preparation of data architecture, IT architecture, cyber security architecture principles (see point 2 of the Decision). According to the same point of the Decision, the Working Group is tasked also with submitting proposals to the Office of the Government on the implementation of digital transformation projects prepared and/or submitted by Ministries;
  - With Order No. V-115 of 13/08/2021, the Working Group that the Office of the Government was mandated to establish has been set up and its composition and tasks have been defined. In addition, the Rules of Procedure of the Working Group were adopted by means of minutes of the first meeting of the Working Group on 21/10/2021 (point 18 of the Rules of Procedure and the minutes of the meeting of 21/10/2021). According to the Rules of Procedure, the meetings of the Working Group are organised at least once per month (point 4 of the Rules of Procedure);
  - In light of these elements, the Open Data and Digital Transformation Competence Centre has been established and has entered into operation.
- **The Competence Centre’s organisational structure:**
  - The Council Implementing Decision requires that the Competence Centre’s organisational structure is composed of two sections: one to monitor and evaluate digital solutions and the

second one to focus on data and architecture. The established Open Data and Digital Transformation Competence Centre has a single organisational structure, whereby the functions that would have been undertaken by the two separate sectors i) monitoring and evaluation of digital solutions and ii) data and architecture issues are entrusted to the Office of the Government and the Working Group. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the material effect of having a single organisation structure is not different from having two separate sections, given that both functions of the Open Data and Digital Transformation Competence Centre are assigned and carried out when assessing digital solutions. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

- **Assigned functions and competences:**

- The Open Data and Digital Transformation Competence Centre is established with the mandate to implement the provisions of the 18<sup>th</sup> Programme of the Government relating to data opening and digital transformation in the public administration (point 1 of Protocol Decision No. 34). The Implementation Plan to the 18<sup>th</sup> Programme of the Government (action 9.2.6) lists the following actions in relation to open data and digital transformation: to create a management mechanism for state information resources and digital transformation that ensures centralised development and development management, needs assessment, use of mandatory basic components (rights management, interoperability, classifiers, metadata structures, functional requirements, openness, e-services, etc.), costs evaluation and the preparation and use of benefit analysis, determining the responsibilities of managers, and creating incentives and establishing an institution of obligation to implement digitisation projects. According to point 2 of Order No. V-115, the Working Group is tasked with assessing the implementing measures for the actions envisaged under the Implementation Plan to the 18<sup>th</sup> Programme of the Government as regards Open Data and Digital Transformation;
- The competences of the Office of the Government and the Working Group in relation to the two functions listed in the Council Implementing Decision are described below:

- **Monitoring and evaluation of digital solutions:**

The Working Group that the Office of the Government is tasked with setting up has the following functions:

- Evaluating the progress of digital transformation and making proposals to the authorities responsible for the implementation of the Open Data and Digital Transformation Actions on how to implement the Digital Transformation and Data Opening Projects proposed for funding (points 1.2 and 1.3 of Protocol Decision No. 34 and point 2.2 of Order No. V-115);
- Reviewing project implementation descriptions prepared by the ministries responsible for the implementation of actions submitted to the Government (point 1.2 of Protocol Decision No. 34 and point 2.3 of Order No. V-115). The Annex to the Protocol Decision includes all actions under Digital Transformation and Open Data of the Plan for the Implementation of the 18<sup>th</sup> Government programme.

Therefore, all digital projects carried out under the Implementation Plan to the 18<sup>th</sup> Programme of the Government as regards Open Data and Digital Transformation have to be submitted for review by the Working Group.

- **Data and Architecture (Open Data Competence Centre):**

The Working Group is tasked with the following functions:

- Data:
  - Assessment of the state of play of implementation, the needs for the creation and development of State information resources and the submission of proposals to the Government;
  - Submission of proposals to the Government on i) the design and regulation of the management of State information resources, ii) setting priorities for the development, use and funding of state information resources, iii) the centralised management model for the creation, use and development of public information resources, iv) principles to be applied in the design of data, information systems, IT infrastructure and cyber security infrastructure, and v) setting out mandatory requirements for the use of basic components (right management, interoperability, classifications, metadata structures, functional and technical requirements, data opening, electronic services etc.) for the development and use of public information resources (see points 1.1.1-1.1.3 of Protocol Decision No. 34 and points 2.4.1-2.4.5 of Order No. V-115).
- Architecture:
  - Sharing solutions, infrastructure development and further use, after assessing the status and availability of these solutions (point 2.4.6 of Order No. V-115);
  - Application of state data architecture, registers and state information systems architecture, information technology infrastructure architecture, best practices and uniform standards in implementing of digital transformation and state information resource creation and development projects (point 1.1.4 of Protocol Decision No. 34 and points 2.4.6-2.4.7 of Order No. V-115).

Therefore, the Open Data and Digital Transformation Competence Centre is tasked and has been given the mandate to define the overall architecture of information systems and data, the standards and technical requirements to be applied to newly developed solutions. The Competence Centre is already involved in the preparation of amendments to the State Information Resources Management Law that will incorporate these elements relating to data and architecture.

- **Evaluation and selection of digital solutions:**

- The Methodology for the evaluation of digital solutions planned to be created that allows safe and convenient access to services was approved by Order of the Minister of Economy and Innovation on 12/12/2022. The Methodology sets out the mechanism for the review and evaluation of the development of new digital solutions and the upgrade of existing solutions, taking into account the main architectural principles developed by the Open Data and Digital Transformation Competence Centre (IT architecture principles), albeit in a more operational and simplified form, including operational architecture, data architecture, application and technology architecture.
- The Methodology lists the conditions, principles and assessment criteria applicable to digital solutions funded both by the RRF (under T73 and the second part of the reform) and the state budget (point 2 of the Methodology). The Methodology is addressed to State and municipal institutions and bodies and State enterprises which plan and implement projects for the development or modernisation of digital solutions, listed in the Implementation Plan to the 18th Programme of the Government and contributing to the State Development Programme for Digitalisation of the Ministry of Economy and Innovation of the Republic of Lithuania for the period 2021-2030 (point 1);
- The Open Data and Digital Transformation Competence Centre forms part of the Selection and Evaluation Committee for the selection of digital solutions (together with other



Ministries and bodies such as the Ministry of Economy and Innovation, Ministry of Interior, the Information Society Development Committee; see point 11 of the Methodology);

- While the Selection and Evaluation Committee aims to prioritise first the development of digital solutions with the greatest benefits to society (point 3 of the Methodology), all projects of public bodies and municipalities falling under the categories Open Data or Digital Transformation were reviewed by the Evaluation Committee (more than 80 projects, see Annexes 7 and 8);
- The digital projects were evaluated against the following criteria listed in the Methodology: i) use of open standards on data reporting and format and standards (point 9.6.3 of the Methodology), ii) interoperability by default (including the availability of a digital common solution) (point 9.6.2 of the Methodology), iii) inclusion of cybersecurity measures (point 9.6.4 of the Methodology), iv) compliance with “once-only principle” and re-use or sharing of data already collected by the authorities (points 9.3.2 and 9.5.1 of the Methodology), etc. Therefore, the projects will be assessed in light of their architecture compatibility on the basis of the selection criteria listed in the Methodology.
- In addition, the assessment criteria set out in the Methodology include an analysis of proposed digital solutions from the point of view of duplication with existing solutions and the advisability of technological solutions. In particular, the selection criteria include an analysis of i) whether the proposed solutions will be developed or modernised by re-using existing digital solutions in a given area and/or by re-using already existing information and communication technology infrastructure (point 9.5.3) and ii) whether parallel digital solutions have already been developed on the market with similar functionalities (point 6.2). When evaluating and assessing the project proposals, it will also be assessed whether it is appropriate and desirable to implement the proposed digital solutions (points 17.1 and 24);
- The criteria for assessment and selection do not only apply to newly developed solutions but also to the modernisation and upgrade of existing ones, as set out in the Methodology. It is specified throughout chapter III “Assessment criteria for digital solutions” and chapter IV “Submission and evaluation process of digital solutions” of the Methodology, that all selection criteria apply also to “modernised/upgraded or developed solutions”. Therefore, the functionality of existing solutions and challenges to be addressed will be assessed, as appropriate, for projects proposals submitted for review under the Methodology. In addition, projects proposed for funding will also be assessed against the criteria of whether they will re-use existing digital solutions or existing information and communication technology infrastructure.
- In view of the above, the implementation of the reform is based on the following principles: i) once only principle (point 9.3 of the Methodology), ii) inclusiveness and accessibility of services (point 9.4 of the Methodology), iii) openness and transparency (point 9.5 of the Methodology), iv) cross-border by default (point 9.5.4), v) interoperability by default (point 9.6 of the Methodology), vi) trustworthiness and security (point 9.6.4 of the Methodology on cybersecurity requirements);
- In addition, the visualisation of the scheme on project selection/evaluation demonstrates the sequence of evaluation steps followed in the evaluation and selection of projects in the second part of the reform (Target 73). Following an initial assessment of the proposals, and after the requirements and criteria have been developed, the projects proposed for funding are also assessed against the criteria in the Methodology, including from an architectural compatibility perspective.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 83	<b>Related Measure:</b> C.1.5. Step towards 5G - C.1.5.1. 5G roadmap
<b>Name of the Milestone:</b> Assigned radio frequencies for the deployment of 5G networks	
<b>Qualitative Indicator:</b> Assigned radio frequencies	<b>Time:</b> Q1 2022
<p><b>Context:</b></p> <p>The objective of measure C.1.5. is to increase digital connectivity by creating the preconditions for 5G connectivity and fostering innovation in connectivity. This measure consists of three sub-measures: implementing a 5G roadmap (sub-measure C.1.5.1); further development of very high-capacity networks (sub-measure C.1.5.2); and innovation in mobility (sub-measure C.1.5.3).</p> <p>Milestone 83 is part of sub-measure C.1.5.1 (5G roadmap) which aims to foster the development of 5G by facilitating regulatory and investment conditions in order to achieve commercially available services in 95% of the territory of urban areas, international land transport corridors (Via Baltica, Rail Baltica) as well as trunk roads and railway lines of national significance, airports and seaports. To this end, milestone 83 concerns the assignment of radio frequencies for 5G development in two spectrum bands: 3400-3800 MHz and 694-790 MHz</p> <p>Milestone 83 is the first step of sub-measure C.1.5.1, which also includes milestone 84 on the entry into force of the amendments to the relevant laws enabling faster installation of the electronic communications infrastructure (part of the same payment request) and target 85 on entry into operation of 5G services in urban areas, and other trunk roads and railway lines of national significance, airports and seaports (due in Q4 2025).</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii) Copy of the Orders of the Director of the Communications Regulatory Authority of 21/10/2021 and 04/03/2022 No. (1.9E)1V-153 and (1.9E)1V-957, amending the Order No. 1V-731 of 10/08/2018 on the approval of the plan for the development of radio communications in the 470-790 MHz radio frequency band (hereinafter referred to as "Order No. 1V-731") and a link to the publication in the Register of Legal Acts (<a href="#">TAR, 2018-08-10, No. 12994</a>);</li> <li>iii) Copy of the Order of the Director of the Communications Regulatory Authority of 22/10/2021 No. 1V-964 concerning the approval right to grant an auction to use radio frequencies (channels) from the radio frequency bands 713-733 MHz and 768-788 MHz (hereinafter referred to as "Order No. 1V-964") and a link to the publication (<a href="#">No (1.9E)1V-964 of 22/10/2021</a>);</li> <li>iv) Copy of the Order of the Director of the Communications Regulatory Authority of 25/10/2021 No. 1V-968 on the publication of the auction on granting the right to use radio frequencies (channels) from the radio frequency bands 713-733 MHz and 768-788 MHz (hereinafter referred to as "Order No. 1V-968") and a link to the publication (<a href="#">No (1.9E)1V-968 of 25/10/2021</a>);</li> <li>v) Copy of the Order of the Director of the Communications Regulatory Authority of 22/03/2022 No. 1V-207 on the approval of the plan for the development of radio communications in the 3400-3800 MHz radio frequency band (hereinafter referred to as</li> </ul>	

“Order No. 1V-207”) and a link to the publication in the Register of Legal Acts ([TAR, 2022-03-22, No. 5120](#));

- vi) Copy of the Order of the Director of the Communications Regulatory Authority of 31/03/2022 No. 1V-227 concerning the approval right to grant an auction to use radio frequencies (channels) from the radio frequency bands 3400-3700 MHz (hereinafter referred to as “Order No. 1V-227”) and a link to the publication ([No. \(1.9E\)1V-227 of 31/03/2022](#));
- vii) Copy of the Order of the Director of the Communications Regulatory Authority of 31/03/2022 No. 1V-239 on the publication of the auction on granting the right to use radio frequencies (channels) from the radio frequency bands 3400-3700 MHz (hereinafter referred to as “Order No. 1V-239”) and a link to the publication ([No. \(1.9E\)1V-239 of 31/03/2022](#));
- viii) Copy of the Order of the Council of the Communications Regulatory Authority of 19/08/2022 No. TN-26 on the approval decision on Winners of the auction for the frequency band 3400-3700 MHz (hereinafter referred to as Resolution No. TN-26”) and a link to the publication ([No. TN-26 of 19/08/2022](#));
- ix) Copy of the Order of the Council of the Communications Regulatory Authority of 08/09/2022 No. TN-28 on the approval decision on winners of the auction for the frequency band 13–733 MHz and 768–788 MHz (hereinafter referred to as Resolution No. TN-28”) and a link to the publication ([No. TN-28 of 08/09/2022](#)).

The authorities also provided:

- x) Copy of the Order of the Director of the Communications Regulatory Authority of 20/01/2022 No. 1V-44 amending the Order No. (1.9E)1V-964 on the terms and conditions of the auction for the frequency bands 713–733 MHz and 768–788 MHz (hereinafter referred to as “Amendment No. 1V-44”) and a link to the publication ([20/01/2022 No \(1.9E\)1V-44](#)).

#### **Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Carrying out auctions and granting authorisations for the use of radio frequencies (channels) within the 694-790 MHz band:**
  - On 10/08/2018, the Radio Communications Development Plan for the Frequency Band 470-794 MHz was approved by Order No. 1V-731, which, alongside the amendments of 21/10/2021 and 04/03/2022, establishes the general provisions for the allocation procedure of the radio frequencies within the 470-794 MHz band (*under Chapter I of Order No. 1V-731*) and the services provided under the aforementioned frequency band (*in Chapter II of Order No. 1V-731*). Furthermore, the document determines the conditions of usage and the requirements for the development of terrestrial systems within this radio frequency band (such as the fact that the winner of the auction must start providing commercial 5G communication services no later than six months after the allocation in at least one of the five largest cities of Lithuania, by 31/12/2023 in the five largest cities of Lithuania and by 31/12/2025 on main roads of state significance and on main railway lines of state significance, air and seaports);

- On 22/10/2021, the Description of the terms and conditions of the auction for the 713-733 MHz and 768-788 MHz radio frequency bands was approved by Order No. 1V-964, providing the technical specifications of the auction execution procedures for the use of the radio frequencies within these frequency bands (*under Chapters IV, V and VI*). The document sets the basic conditions for the use of radio frequencies, indicating (*under Chapter III*) the initial prices for the right to use radio frequencies (channels) within these frequency bands as well as the technical specifications for the development of the 5G terrestrial networks, while (*Chapter II*) indicates the qualification requirements for the auction participants and the purpose of the bands. In addition, Articles 32 and 45 (*under Chapters IV and V*) indicate that the auction documents for the frequency bands 713-733 MHz and 768-788 MHz should be submitted by 25/01/2022 and the auction should start on 25/01/2022;
- On 25/10/2021, with the approval of Order No. 1V-968, the Communications Regulatory Authority (RRT) formally announced the auction to grant the right to use radio frequencies (channels) from the 713-733 MHz and 768-88 MHz radio frequency bands. However, due to the approval of Order No. 1V-44 amending the Order No. 1V-964 on 20/01/2022, the deadline for the auction documents and start of auction for the aforementioned frequency bands were postponed until 25/03/2022 and adjustments were made regarding the requirements for information on the manufacturers, suppliers and providers of IT services intended to be used by auction participants;
- Finally, on 08/09/2022, the Council of the Communications Regulatory Authority approved the decision No. TN-28, concerning the winner of the auction for the frequency bands 713-733 MHz and 768-88 MHz radio frequency bands, granting authorisations for the use of radio frequencies to: i) Telia Lietuva AB, for the 713–723 MHz and 768–778 MHz bands, ii) UAB Bitė Lietuva, for the 723–728 MHz and 778–783 MHz bands and iii) UAB Tele2, for the 728–733 MHz and 783–788 MHz bands.
- **Carrying out auctions and granting authorisations for the use of radio frequencies (channels) within the 3400- 3800 MHz band:**
  - On 22/03/2022, the Radio Communications Development Plan for the Frequency Band 3400-3800 MHz was approved by Order No. (1.9E) 1V-207. The document determines the general provisions for the assignment procedure of the radio frequencies within the 3400-3800 MHz band (*under Chapter I*) alongside the services provided under the aforementioned frequency band (*in Chapter II*). Furthermore, (*Chapters III and IV*) set the conditions of usage and the requirements for the development of terrestrial systems within the band (such as the fact that the winner of the auction must start providing by 31/12/2023, electronic communication services with terrestrial systems suitable for 5G or later generation technology communication in at least one of the five largest cities of the Republic of Lithuania and must install by 31/12/2025 at least 100 central stations in order to transmit signal suitable for 5G or later generation technology connection to at least 20 cities across the country);
  - On 17/03/2022, the Description of the conditions of the auction to grant the right to use radio frequencies (channels) from the 3400-3700 radio frequency bands was published for public consultation and, on 31/03/2022, was approved by Order No. 1V-227, providing the technical specifications of the auction execution procedures for the use of the radio frequencies within the frequency bands (*under Chapters IV, V and VI*). The document set the basic conditions for the use of radio frequencies, indicating the initial prices for the right to use radio frequencies (channels) within the frequency bands as well as the technical specifications for the development of the 5G terrestrial networks, while (*Chapter II*) indicate the qualification requirements for the auction participants and the purpose of the bands. In addition, Articles 34 and 47 foresee that the auction should be started by 31/05/2022;

- Therefore, on 31/03/2022, with the approval of Order No. 1V-239, the Communications Regulatory Authority (RRT) formally announced the auction to grant the right to use radio frequencies (channels) for the 3400-3700 radio frequency band;
- Finally, on 18/08/2022, the Council of the Communications Regulatory Authority approved the decision No. TN-26, concerning the winner of the auction for the frequency bands 3400-3700 MHz radio frequency band, granting authorisations for the use of radio frequencies to; (1) UAB Tele2, for the 3400-3500 MHz band, (2) Telia Lietuva, AB, for the 3500-3600 MHz band and (3) UAB Bitė Lietuva, for the 3600-3700 MHz band.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 84	<b>Related Measure:</b> C.1.5 Step towards 5G - C.1.5.1. 5G roadmap	
<b>Name of the Milestone:</b> Entry into force of the amendments to the relevant laws enabling faster installation of the electronic communications infrastructure		
<b>Qualitative Indicator:</b> Legislation entered into force		<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The objective of measure C.1.5. is to increase digital connectivity by creating the preconditions for 5G connectivity and fostering innovation in connectivity. This measure consists of three sub-measures: implementing a 5G roadmap (sub-measure C.1.5.1), further development of very high-capacity networks (sub-measure C.1.5.2), and innovation in mobility (sub-measure C.1.5.3).</p> <p>Milestone 84 is part of sub-measure C.1.5.1 (5G roadmap) which aims to foster the development of 5G by facilitating regulatory and investment conditions in order to achieve commercially available services in 95% of the territory of urban areas, international land transport corridors (Via Baltica, Rail Baltica) as well as trunk roads and railway lines of national significance, airports and seaports. To this end, Milestone 84 concerns the entry into force of the amendments to the relevant laws enabling faster installation of the electronic communications infrastructure in order to (i) promote the availability of public mobile communications services in all premises of public buildings and (ii) facilitate the deployment of public communications networks in national and municipal road lanes, squares, bridges, viaducts, tunnels.</p> <p>Milestone 84 represents the second step of sub-measure C.1.5.1, which after milestone 83 on assigned radio frequencies for the deployment of 5G networks (part of the same payment request), is followed by Target 85 on entry into operation of 5G services in urban areas and other trunk roads and railway lines of national significance, airports and seaports (due in Q4 2025).</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii) Copy of the Government Resolution of 29/09/2021 No. 789 comprehensive plan of the territory of the Republic of Lithuania (hereinafter referred to as "Resolution No. 789") and a link to the publication in the Register of Legal Acts (<a href="#">TAR 06/10/2021, No. 20951</a>);</li> <li>iii) Copy of the Law of 25/11/2021 No. XIV-635 amending the Law No. IX-2135 on electronic communications (hereinafter referred to as "Law No. XIV-635") and a link to the publication in the Register of Legal Acts (<a href="#">TAR 25/11/2021, No. 24230</a>);</li> </ul>		

- iv) Copy of the Order of 11/08/2021 No. (1.9E)1V-742 amending order No. 1V-978 on the Rules for the installation, marking, maintenance and use of electronic communications infrastructure (hereinafter referred to as "Order No. (1.9E)1V-742") and a link to the publication in the Register of Legal Acts ([TAR 12/08/2021, Nr. 17437](#));
- v) Copy of the Order of 24/02/2022 No. D1-58 amending Article 2.02.02:2004 "Public buildings" of Order No. D1-91 on technical building regulation (hereinafter referred to as "Order No. D1-58") and a link to the publication in the Register of Legal Acts ([TAR, 24/02/2022, No. 3544](#)).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Entry into force of the amendments on the requirements of construction technical regulations and the installation of the electronic communications infrastructure:** the evidence submitted by the Lithuanian authorities demonstrates that the following four legal acts relating to the construction, technical regulations and the installation of the electronic communications infrastructure have been amended and entered into force:
  - Resolution No. 789 approving the Comprehensive plan of the territory of the Republic of Lithuania of 29/09/2021 entered into force on 07/10/2021;
  - Law No. XIV-635 on electronic communications: amendments entered into force on 01/12/2021 (Article 2 of Annex 2 to the Law No. XIV-635 on electronic communications);
  - Order No. (1.9E)1V-742 on the rules for the installation, marking, maintenance and use of electronic communications infrastructure, amended and approved by the Director of the Communications Regulatory Authority, entered into force on 01/12/2021 (Article 2);
  - Order No. D1-58 on technical Building Regulation, approved by the Minister of Environment on 24/02/2022, entered into force on the following day.

The amendments in the four legal acts mentioned above are in line with the description of the milestone and the measure and: i) promote the availability of public mobile communications services in all premises of public buildings and ii) facilitate the deployment of public communications networks in public and municipal road lanes, squares, bridges, viaducts and tunnels.

- **Legislation to promote the availability of public mobile communications services in all premises of public buildings consisting of two complementary sets of rules:**
  - Order No. (1.9E)1V-742 amending the rules for the installation, marking, maintenance and use of electronic communications infrastructure and being supplemented by new provisions setting out technical requirements concerning the equipment of buildings with electronic communication engineering system, applicable in case of design, construction, refurbishment, repairs of public buildings (point 1.2) and thus promoting the availability/coverage of the required infrastructure and the provision of public mobile communications services. In particular, the new rules include detailed technical requirements for the electronic communications engineering system and location of such systems and elements in public buildings (points 232, 259, 260, 267);
  - Order No. D1-58 provides that, when designing, constructing, reconstructing, performing overhaul works and/or renovating public buildings, constructors are required to design and

<p>install the necessary mobile communications system to ensure access to public mobile services in all areas of public buildings, including lifts, car parks and corridors (point 23);</p> <ul style="list-style-type: none"> <li>○ Therefore, the amendments to the two sets of rules include technical requirements in order to foster the increased availability of public mobile communication services in public buildings.</li> </ul> <ul style="list-style-type: none"> <li>● <b>Legislation to facilitate the deployment of public communications networks in public and municipal road lanes, squares, bridges, viaducts and tunnels:</b> <ul style="list-style-type: none"> <li>○ Resolution No. 789 contains the objectives of the spatial development of the territory and the purpose of territorial use until 2030. It implements the goals of Lithuania’s 5G development, giving priority in the spatial development to urban areas, international road transport corridors (Via Baltica, Rail Baltica), trunk roads, railways of national significance, airports and seaports (paragraph 339 of Section 5 of Resolution No. 789 and Annex 8 to the Resolution setting out graphic information on the spatial plan). It also forms the basis for the planning and development of communications (masts, towers) and related infrastructure;</li> <li>○ Law No. XIV-635 creates the possibility for free access to elements of state and municipal roads (street lighting poles, road signs etc.) for developing electronic communication networks (Article 43). In addition, the Law on electronic communication provides for a simplified procedure for the installation and use of small area wireless access points without needing a separate prior permission from the public authorities, except in justified cases and in buildings or places of architectural, historical or natural value protected by law and regulation, or when necessary to ensure public safety) (Article 49). Article 49 of the Law on electronic communication also sets out the right to use the physical infrastructure managed by, used by and/or at the disposal of the state or municipal authorities (street lighting poles, road signs, etc.) which are technically suitable to carry the installation of small area wireless access points or the use of which is required to connect such points to the core public electronic communications network (Article 49).</li> </ul> </li> </ul>
<p><b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled</p>

<b>Number:</b> 89	<b>Related Measure:</b> C.1.5 Step towards 5G - C.1.5.3. Innovation in Mobility	
<b>Name of the Milestone:</b> Designate a competent authority for the administration of transport innovation measures		
<b>Qualitative Indicator :</b> N/A		<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The objective of measure C.1.5. is to increase digital connectivity by creating the preconditions for 5G connectivity and fostering innovation in connectivity. This measure consists of three sub-measures: implementing a 5G roadmap (sub-measure C.1.5.1), further development of very high-capacity networks (sub-measure C.1.5.2), and innovation in mobility (sub-measure C.1.5.3).</p> <p>Milestone 89 is part of sub-measure C.1.5.3 (Innovation in Mobility), which aims to promote the innovation in mobility through a competitive procedure, making funds available to a wide range of entities or consortia in the form of projects aiming to develop digital solutions to increase the digitalisation of various sectors through practical application of transport and communication innovations such as (i) autonomous transport, (ii) unmanned aircraft - drones, (iii) the Internet of Things, (iv) virtual reality v) robotisation or automation based on 5G and the introduction of</p>		

advanced technological solutions such as vi) transport bills and sustainable management of mobility data, vii) solutions for the digitisation of a unified ticketing system and transport facilities. To this end, milestone 89 concerns the designation of a competent authority which shall draw up the programme of activities to be financed alongside the selection criteria for the competitive procedure for innovation in mobility.

Milestone 89 is the first step of sub-measure C.1.5.3, which also includes target 90 on the entry into operation of digital solutions for mobility innovation (due in Q4 2025).

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Order of 13/10/2021 No. 837 by the Government of Lithuania (hereinafter referred to as “Order No. 837”) and a link to the publication in the Register of Legal Acts ([TAR, 2021-10-15, Nr. 21587](#));
- iii) Copy of the Resolution of 28/04/2021 No. 292 on the methodology of strategic management (hereinafter referred to as “Resolution No. 292”) and a link to the publication in the Register of Legal Acts ([TAR, 2021-04-29, Nr. 9093](#));
- iv) Copy of the Order of 22/06/2022 No. 1K-237 approved by the Minister of Finance on the rules for the administration of the 2021–2027 European Union funds investment program and the Economic Recovery and Resilience Facility on (hereinafter referred to as “Order No. 1k-237”) and a link to the publication in the Register of Legal Acts ([TAR, 2022-06-22, Nr. 13361](#));
- v) Copy of the Order of 07/07/2021 No. 1K-240 approved by the Minister of Finance on the rules of procedure for the Implementation of projects financed or co-financed by the European Union Funds and the Economic Recovery and Resilience Building Facility for 2021–2027 (hereinafter referred to as “Order No. 1k-240”) and a link to the publication in the Register of Legal Acts ([TAR, 2021-07-07, Nr. 15403](#)).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Designation of a competent authority which shall draw up the programme of activities to be financed as well as the conditions:**
  - According to Regulation 13/10/2021 No. 837 (Article 5.2.2), the Central Project Management Agency (“CPMA”) is the institution responsible for the administration of all Recovery and Resilience Facility measures (hereinafter referred to as RRF measures), including the measure C.1.5.3 Innovation in mobility;
  - The Methodology of Strategic Management (approved by the Government of Lithuania on 28/04/2021 by Resolution No 292) applies to measure C.1.5.3 Innovation in Mobility. Pursuant to its Article 68.2 the “manager of the progress tool”, in this case the Ministry of Transport and Communication (“MTC”), prepares a description of the measure and its financing conditions, programme of activities to be financed as well as participation conditions, selection criteria and implementation rules.



- **The selection criteria for the competitive procedure for innovation in mobility:**
  - The description of measures, financing conditions, project selection criteria and other conditions shall be prepared in accordance with the applicable provisions of the “*Rules for the Administration of the 2021-2027 EU Funds Investment Program and the Economic Recovery and Resilience Facility*” (Section I of Chapter VIII and Chapter VII);
  - In agreement with the MTC, the CPMA, as the entity responsible for administering RRF measures, will announce the open call, organise the evaluation of applications, sign the contracts for the selected projects, evaluate financial documents during the implementation phase, and organise the final evaluation of project results.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 91	<b>Related Measure:</b> D.1.1.1. Modern General Education – Background to Competitive Competences - D.1.1.1: Improving the quality of education	
<b>Name of the Milestone:</b> Entry into force of the legislation on the methodology of the procedure for external evaluation of the quality of activities of educational institutions implementing school education programs		
<b>Qualitative Indicator:</b> Legislation entered into force		<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The objective of measure D.1.1 is to improve general education as to reduce achievement gaps among pupils. The measure consists of seven sub-measures with a view to improving the quality of education (sub-measure D.1.1.1), reorganising the school network (sub-measure D.1.1.2), establishing the Millennium school programme (sub-measure D.1.1.3), strengthening the competences of teachers, deputies and managers (sub-measure D.1.1.4), developing the science, technology, engineering, art and mathematics (STEAM) ecosystem (sub-measure D.1.1.5), digitally transforming education (sub-measure D.1.1.6) and improving early childhood education and care (sub-measure D.1.1.7).</p> <p>Milestone 91 is part of sub-measure D.1.1.1 which envisages to: i) update the content of the education framework programme to take into account the latest scientific knowledge and developments; ii) adopt minimum indicators for monitoring the quality of school education; and iii) amend the procedure for the organisation and conduct of the external evaluation of schools carrying out school education programmes with a view to achieve better outcomes, greater inclusion and efficiency and to reduce achievement gaps among pupils, iv) put in place procedure for the organisation and conduct of the external evaluation of the activities of general education schools. To this end, milestone 91 is the first step in reaching the objective of sub-measure D.1.1.1 and covers the entry into force of legislation on the methodology with the following elements: i) to provide schools performance indicators on the organisation of education processes, support for students, management and leadership, and the school environment; ii) to set the procedures of self-assessment and external school evaluation; iii) to authorise the National Agency for Education to carry out the external evaluation of childcare centres and schools; iv) to establish the obligations for schools to improve school activities based on the data provided in the external evaluation.</p> <p>Besides this milestone 91, sub-measure D.1.1.1 also includes milestone 92 on revising the pre-primary, primary, lower secondary and secondary education programmes. The sub-measure has a final expected date for implementation in Q3 2022.</p>		
<b>Evidence provided:</b>		

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Copy of the consolidated version of the Order of 07/04/2007 No. JSAK-587 of the Minister of Education, Science and Sport “On the approval of the description of the procedures for the organisation and conduct of external evaluation of the performance of schools carrying out (hereinafter referred to as “Order No. JSAK-587”) and a link to the publication in the Register of Legal Acts ([TAR, 11/04/2007, No. 41-1550](#));
- ii) Copy of the Order of 21/06/2021 No. V-1150 on the amendment of the Order of the Minister of Education and Science of 02/04/2007 No. ISAK-587 “On the Approval of the procedure for external evaluation of the activities of schools carrying out general education programmes” (hereinafter referred to as “Order No. V-1150”) and a link to the publication in the Register of Legal Acts ([TAR, 2021-06-21, No. 13998](#));
- iii) Copy of the Order of 27/12/2021 No. V-2308 of the Minister of Education, Science and Sports on the “Approval of the necessary indicators for monitoring the education of municipalities and schools implementing the general education curricula” (hereinafter referred to as “Order No. V-2308”) and a link to the publication in the Register of Legal Acts ([TAR, 2021-12-27, No. 27174](#));
- iv) Copy of the Order of 04/05/2022 No. V-692 of the Minister of Education, Science and Sport on the approval of the selection criteria for schools implementing the general education curricula for the external assessment of activities (hereinafter referred to as “Order No. V-692”) and a link to the publication in the Register of Legal Acts ([TAR, 2022-05-18, No. 10464](#));
- v) Copy Order 02/06/2022 No. V-908 of the Minister of Education, Science and Sport on the “Approval of the description of the procedure for organising and conducting external evaluation of the quality of the activities of schools providing pre-school and/or pre-primary education programmes” and a link to the publication in the Register of Legal Acts ([TAR, 2022-06-02, No. 12096](#));
- vi) Copy of Order of 03/10/2022 No V-1568 of the Minister of Education, Science and Sport amending the Order on the National Education Agency (hereinafter “Order No. V-1568) and a proof of registration in the electronic document management system of the Ministry of Education, Science and Sport on 03/10/2022;
- vii) Copy of the Law of 25/06/1991 No. I-1489 on Education (hereinafter “Law No. I-1489) and a link to the publication in the Register of Legal Acts (Lithuanian Echo, [1991-08-06, No. 153-0](#));
- viii) Note on milestone 91 of 03/01/2023.

The authorities also provided:

- ix) Copy of the Order of 25/05/2022 No. V-448 of the Minister of Education, Science and Sport on the “Approval of the descriptions of the necessary minimum indicators for educational monitoring of schools implementing general education programs (hereinafter referred to as “Order No. V-448”) and a link to the publication in the Register of Legal Acts ([TAR, 2022-03-25, No. 5812](#)).

#### **Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Entry into force of the legislation on the methodology:**

- In order to establish the methodology for the external evaluation of schools, five pieces of legislation (Order No. V-2308, Order No. V-692, Order No. V.1150, Order No. V-1568, Order No. V-908) entered into force.
- **Minimum indicators for monitoring the quality of school education. Provide schools performance indicators on the organisation of education processes, on support for students, on management and leadership, and on the school environment:**
  - Order No. V-2308, which was adopted and published in the Register of Legal Acts on 27/12/2021 and entered into force on the day following its adoption, sets the indicators for monitoring the performance and quality of schools implementing the general education curricula (Article 3.2) as detailed below;
  - Table 2 of Order No. V-2308 contains the following indicators (name and its number):
    - On organisation of education processes - school funding per pupil (No.7), distribution of pupils by foreign language learning (No.8), share of pupils participating in non-formal education activities for children organised at school and other educational providers (No.10);
    - On support for students - number of pupils per teacher in general education (No.4), distribution of pupils by non-formal education pathways (No.11), number of educators per 100 pupils (No.13);
    - On management and leadership - breakdown of teaching staff by seniority and qualification categories (No.1), share of post per pedagogue (No.2), share of teaching staff participating in international exchange programmes (No.3), share of pupils enrolled in joint classes and/or less than 8 pupils in classes (No.5);
    - On school environment - learning and total floor area per pupil (No.6), number of Wi-Fi access points per 100 pupils (No.9), number of classrooms by size (small, medium, large) (No.12).
  - Order No. V-692, adopted on 04/05/2022 and having entered into force on 19/05/2022 following the day of its publication in the Register of Legal Acts, lays down the criteria for being included in the list of schools that are at risk of low performing and will be subject to external assessment. The selection is also based on the evaluation of the performance of the head of the school, and the analysis of the data obtained from the school's evaluation (performance and progress report, etc.).
- **Amend the procedure for the organisation and conduct of the external evaluation of schools carrying out school education programmes. Set the procedures of self-assessment and external school evaluation:**
  - The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description of milestone 91 and has undertaken the assessment on a revised basis. In such description, it is stated that the legislation shall set the procedures of self-assessment and external school evaluation. However, Lithuania's recovery and resilience plan does not mention self-assessment procedures. Therefore, the legal provisions concerning the procedures of external school evaluation are the ones considered relevant for the fulfilment of milestone 91. Against this background, the justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.
- **In order to improve external evaluation of schools, Lithuania amended existing procedures and set new one as follows:**
  - Article 37.6 of Law No. I-1489 requires carrying out regular external evaluations of schools and defines the responsibilities for carrying out such evaluations. The procedure for external

evaluation is provided in Chapter 3 of Order No. ISAK- 587. That Order was modified several times as presented in the Note on milestone 91 of 03/01/2023, and more recently by Order No. V-1150 in order to apply a more holistic approach to evaluate schools. Order No. V-1150 was adopted and published in the Register of Legal Acts on 21/06/2021 and entered into force on the day following its adoption. The modification of Article 13.3 requires the National Agency of Education to draw up a list of schools which would be subject to external evaluation in accordance with a set of selection criteria and submit the list to the Minister of Education, Science and Sport for approval by 01/10 of the current year. Furthermore, the external evaluation plan for the quality of school activities has been revised, as well as a new Chapter (Chapter VII) has been added on remote external evaluation to mitigate the impact of the Covid-19 crisis. Order No. V-908 was adopted and published in the Register of Legal Acts on 02/06/2022 and entered into force on the day following its adoption. It lays down the objectives, principles, organisation, areas and implementation of the external evaluation of pre-primary and pre-schools, thereby ensuring that external school evaluation applies to all schools in Lithuania.

- **Authorise the National Agency for Education to carry out the external evaluation of childcare centres and schools:**
  - In their request for payment, the Lithuanian Authorities made reference to the existence of a clerical error in the Council Implementing Decision, with respect to the description of milestone 91;
  - In particular, the description of the milestone mentions external evaluation of “childcare centres”. However, the correct terminology, as rightly translated from Lithuanian, is “pre-school and pre-primary education programmes”. In Lithuania, early childhood education and care provision is divided in two parts: the first is pre-school education designed for children from birth until they begin attending pre-primary programme, the second part of the early childhood education and care provision. This is supported by the reading of the milestone and the recovery and resilience plan. Therefore, the Commission considers this a clerical error and has undertaken the assessment on this basis;
  - The authorisation of the National Agency for Education to organise and carry out external evaluations of the activities of schools carrying out school and formal vocational training programmes, existed in Lithuania based on Order No. ISAK-587. Sub-paragraph 11.18 of Order No. V-1568 (the Order was published in the electronic document management system of the Ministry of Education, Science and Sport on 03/10/2022 and entered into force following the day of its adoption) introduced that the National Agency for Education can from now on organise and conduct external evaluation of schools implementing pre-school and/or pre-primary education programs as well thus closing a gap in the evaluation system.
- **Establish the obligations for schools to improve school activities based on the data provided in the external evaluation:**
  - The obligation for general schools to improve school activities based on the data provided in the external evaluation existed in Lithuania based on Articles 15.8, 15.9 and 15.10 of Order No. ISAK-587, but not for pre-schools and pre-primary schools. Order No. V-908 has closed this gap by laying down new obligations for pre-schools and pre-primary schools to improve their performance based on external evaluation data as follows:
    - Article 14.5 provides to initiate the presentation of the school’s external evaluation findings to parents/guardians and children;
    - Article 14.6 provides to draw up a school improvement plan together with the authority exercising the rights and duties of the owner; and

- Article 14.7 provides to use the results of the evaluation and to publish, plan and improve the school's performance.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 93	<b>Related Measure:</b> D.1.1. Modern General Education – Background to Competitive Competences” D.1.1.2 Reorganisation of the school network	
<b>Name of the Milestone:</b> Entry into force of the amendments to the Rules on the Establishment of a network of schools conducting formal education programmes		
<b>Qualitative Indicator:</b> Legislation entered into force		<b>Time:</b> Q1 2021
<p><b>Context:</b></p> <p>The objective of measure D.1.1 is to improve general education as to reduce achievement gaps among pupils. The measure consists of seven sub-measures with a view to improving the quality of education (sub-measure D.1.1.1), reorganising the school network (sub-measure D.1.1.2), establishing the Millennium school programme (sub-measure D.1.1.3), strengthening the competences of teachers, deputies and managers (sub-measure D.1.1.4), developing the science, technology, engineering, art and mathematics (STEAM) ecosystem (sub-measure D.1.1.5), digitally transforming education (sub-measure D.1.1.6) and improving early childhood education and care (sub-measure D.1.1.7).</p> <p>The objective of sub-measure D.1.1.2 is to amend the rules on the creation of the network of schools carrying out formal education programmes with a view to set new requirements for municipalities. The new rules shall result in reducing the number of joint classes, the number of small gymnasiums and the number of small schools (with less than 200 pupils). In order to achieve this objective, milestone 93 concerns the entering into force of the legislation which shall lay down: i) the new requirements for municipalities concerning the size of the school, notably to reorganise state schools with 60 or fewer pupils; ii) the rules for joined classes, notably the elimination of the possibility to merge grades 5-8, iii) the further reorganisation procedures, iv) funding requirements, notably classes smaller than those specified in the rules would not be funded.</p> <p>Milestone 93 represents the initial step envisaged for the completion of sub-measure D.1.1.2 and is followed by milestone 94 on the plans on the reorganisation of the school network prepared and approved by municipalities in accordance with the legislation adopted under milestone 93 due by Q2 2022 and part of the same payment request.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii) Resolution of the Government of the Republic of Lithuania amending the Resolution of 29/06/2011 No. 768 “On approval of the rules for the establishment of a network of schools conducting formal education programmes” of 22/12/2021 No. 1110 together with the final consolidated version (hereinafter referred to as “Resolution No. 1110”) and links to the publication in the Register of Legal Acts (<a href="#">TAR, 2021-12-23, Nr. 26837</a> and <a href="#">TAR, 2011-06-30, No. 79-3869</a>);</li> <li>iii) Resolution of the Government of the Republic of Lithuania No. 832 of 17/08/2022 amending Resolution No. 679 of 11/07/2018 „ On Approval of the description of the procedure for</li> </ul>		

calculating, distributing and using education funds (hereinafter referred to as “Resolution No. 872”) and a link to the publication in the Register of Legal Acts ([TAR, 2022-08-22, Nr. 17376](#));

- iv) Consolidated version of Resolution of 11/07/2018 No. 679 On Approval of the description of the procedure for calculating, distributing and using education funds (hereinafter referred to as “Resolution No. 679”) and a link to the publication in the Register of Legal Acts ([TAR, 2018-07-16, No. 12063](#));
- v) Copy of a table by the Ministry of Education, Science and Sport of 09/2022 on the projected changes following the reorganisation of the school network for 2022 and for 2027;
- vi) Copy of the Law of 18/07/2000 No. VIII-1864 on “The approval, entry into force and implementation of the Civil Code” (hereinafter referred to as “Law No. VIII-1864”) and a link to the publication in the Register of Legal Acts: ([State News 06/09/2000, No.74-2262](#)).

The authorities also provided:

- vii) Copy of the Law of 25/06/1991 No. I-1489 on education of the Republic of Lithuania (hereinafter referred to as “Law No. I-1489”) and link to the publication in the Register of Legal Acts: ([Lithuanian Echo, 1991-08-06, No. 153-0](#)).

#### **Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Entry into force of the amendments on the Rules for the Establishment of a Network of Schools Conducting Formal Education Programmes:**
  - The milestone required the entry into force of the amendments to the Rules on the Establishment of a Network of Schools Conducting Formal Education Programmes. This has been implemented by Resolution No. 1110 which amended Resolution No. 768 with the objective to reorganise the school network in a way that it reduces the number of small schools and gymnasiums and the number of joint classes. Reorganising the school network should contribute to increased efficiency and quality of general education. Resolution No. 1110 was adopted on 22/12/2021 and entered into force the day following its publication in the Register of Legal Acts on 24/12/2021, with certain exceptions aimed at ensuring the gradual implementation of the school network reorganisation:
    - Articles 1.2.4 (to reorganise special schools), 1.2.41 and 1.2.43 (to increase the number of pupils to 21 in third-year gymnasium) that shall enter into force on 01/01/2024 (see Article 2.1 of Resolution No. 1110).
    - Articles 1.2.26 and 1.2.42 (to increase the classes to two and number of pupils to 31 in third-year gymnasium, with some exceptions) that shall enter into force on 01/01/2026 (see Article 2.2 of Resolution No. 1110).

Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the deviation is limited to a segment of the school network, notably to special schools and formation of third-year classes in gymnasiums to adjust more gradually to the new rules;

- In 2022, there were 912 general schools (primary, lower secondary primary and gymnasium type schools) in 60 municipalities. There are around 40 special schools out of which 11 schools have 60 or less pupils and 391 gymnasium type schools;
- Special schools: these type of schools should be reorganised or closed (if they have 60 or less pupils). The longer adjustment time by 2024 is proportionate for schools where

children with special educational needs are taught, because mainstream schools need to prepare gradually (e.g. train teachers) to receive children with special needs and provide inclusive education;

- Third-year gymnasium classes: the requirements for the number of classes and the number of students in third-year gymnasium classes are set to be implemented gradually and are becoming progressively stricter, notably the number of students will be increased from 12 to at least 21 as from the school year 2024-2025; and the number of students and classes will progressively be increased, so that there shall be at least two third-year gymnasium classes and at least 31 students as a general rule (with some exceptions e.g. for minority gymnasiums) as from the school year 2026-2027. Out of the 391 gymnasium-type schools, almost half of them have only one gymnasium class each. A gradual adjustment for gymnasiums is proportionate because it will allow a better preparation of the school system: it has to be ensured that all pupils concerned by this change can follow an upper-secondary education curriculum and have access to high-quality education. Reorganisation of school staff (teachers and school-leaders) and school transport require time to be properly planned. Moreover, a gradual implementation is justified taking into account that a significant reorganisation of the school network is already underway in Lithuania, notably that small schools with less than 60 pupils were already closed (which do not fall under the exemptions as specified in the section on school size), joint classes in grades in 5-8 being reduced, only two classes can be merged in grades 1-4 and the minimum number of pupils in classes is set.
- As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The amendment provides for the following new requirements for municipalities concerning:

- **The size of the school, including to reorganise state schools with 60 or fewer pupils and the rules for joint classes, including the elimination of the possibility to merge grades 5-8 and the criteria:**
  - Article 1.2.3 provides that primary schools and lower secondary schools where 60 or fewer pupils are enrolled in pre-primary, pre-school or general education programmes shall be reorganised or dissolved. However, this article provides exemptions from the general rule to non-state schools, children’s socialisation centres, special schools and special education centres. Non-state schools are not in the scope of the milestone, which requires the reorganisation of state schools. As regards socialisation centres, they received an exemption because they do not only provide education but also methodological advisory support to other schools. As regards special schools, they are planned to be reorganised or dissolved (if they have 60 or less pupils) by 2024 as provided by Article 2.1, which allows for a gradual implementation of the general rule by 01/01/2024. This gradual implementation is provided since pupils with special educational needs will have to study in mainstream schools alongside their peers (see section on “entry into force”);
  - Articles 1.2.26 and 1.2.42 lay down the rules for gymnasiums third-year and fourth-year classes, notably to increase the number of pupils and classes. The requirements for the number of classes and the number of students that can be in third-year gymnasium classes are set to be implemented gradually and are becoming progressively stricter, notably that gymnasiums shall comprise of at least two third-year classes and 31 pupils (15 or more pupils per class), and where a single third-year class gymnasium is allowed (for instance, national

minority gymnasiums), it is recommended to have at least 21 pupils in the class (see also section on “entry into force”);

- Annex 1 specifies the minimum number of pupils per class. Smaller classes than defined in Annex 1 are allowed only where pupils are taught in minority languages, in Vilnius, Šalčininkai districts, for the gymnasium in the municipality of Neringa and for some State schools if financed from the municipality budget (this concerns only 12 classes in 2022);
- The tables in Annex 1 to Resolution No. 1110 define the criteria for forming classes, including joint classes for the school years 2022-2023, 2023-2024, 2024-2025 and 2025-2026. According to the criteria, no joint classes are possible in grades 5-8 as of school year 2022-2023. As regards joint classes in grades 1-4 at primary level, only two classes can be merged, and it is recommended that only adjacent classes are merged. The new rules are expected to bring improvements, as before it was possible to merge more than two classes of different grades, including in grades 5-8;
- According to the table provided by Lithuania as evidence, there are no more schools with 60 or fewer pupils as of 2022, except for the schools falling under the exemptions (see above). Furthermore, the number of pupils per class increased, joint classes in grades 1-4 and 5-8 were reduced, and the number of small schools (with less than 200 pupils) decreased in 2022 and are projected to continue being reduced until 2027.
- **The further reorganisation procedures:**
  - Chapter VII of Resolution No. 1110 on the preparation, approval and implementation of the municipal plans on the reorganisation of the school network lays down the procedures for the reorganisation, including the role of the municipalities and the Ministry of Education, Science and Sport in the elaboration, approval and implementation of these plans. These rules come in addition to the reorganisation rules laid down in Article 2.97 as regards “Methods of reorganization of legal entities” of Law No. VIII-1864 and Article 44 Act No. I-1489 on school reorganisation procedures.
- **Funding requirements: classes smaller than those specified in the rules would not be funded:**
  - Article 1.2.22 of Resolution No. 1110 and Article 1.3 of Resolution No. 832 provide that schools and classes not complying with the rules on school and class size and joint classes should not receive funding from the State budget. Resolution No. 832 amending Resolution No. 679 was adopted on 17/08/2022 and entered into force following its publication on 22/08/2022. Since some rules related to third-year gymnasiums and special schools will be implemented gradually, the funding rules are adapted to the gradual implementation of these rules (Article 2 of Resolution No. 832 provides that point 1.5 enters into force on 01/09/2024 and points 1.10 and 1.13 enter into force on 01/09/2026). The limited exemptions for some schools from the general rule as provided by Resolution No.1110 were also introduced in Resolution No. 832 (see point on the size of schools), meaning also that they would continue to be funded from the State budget.

**Commission Preliminary Assessment:** Satisfactorily fulfilled



<b>Number:</b> 94	<b>Related Measure:</b> D.1.1. Modern general education – Background to Competitive competences D.1.1.2 Reorganisation of the school network	
<b>Name of the Milestone:</b> Plans for the transformation of the network of general education schools prepared and approved by municipalities in accordance with the newly approved rules for the development of the network of schools implementing formal education programs		
<b>Qualitative Indicator:</b> Decision of the municipalities approving the plans by municipalities		<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The objective of measure D.1.1 is to improve general education so as to reduce achievement gaps among pupils. The measure consists of seven sub-measures (sub-measure D.1.1.1), reorganising the school network (sub-measure D.1.1.2), establishing the Millennium school programme (sub-measure D.1.1.3), strengthening the competences of teachers, deputies and managers (sub-measure D.1.1.4), developing the science, technology, engineering, art and mathematics (STEAM) ecosystem (sub-measure D.1.1.5), digitally transforming education (sub-measure D.1.1.6) and improving early childhood education and care (sub-measure D.1.1.7).</p> <p>Milestone 94 is part of sub-measure D.1.1.2 which has as an objective to amend the rules on the creation of the network of schools carrying out formal education programmes with a view to set new requirements for municipalities. The new rules shall result in reducing the number of joint classes, the number of small gymnasiums and the number of small schools (with less than 200 pupils). In order to achieve this objective, milestone 94 concerns the adoption of the five-year municipal transformation plans which shall cover i) the transformation of the school network, in particular its strategic goal, objectives, priorities, ii) key performance indicators related to the reduction of social exclusion iii) and / or improvement of pupils' educational achievements, iv) more efficient use of funds, v) evaluation of the transformation of the school network, as well as a vi) mechanism for the establishment, reorganization, and liquidation of schools. Furthermore, the milestone specifies the approval procedure of the plans and the monitoring of their implementation, and that at least 80% of the municipalities must prepare and adopt a plan.</p> <p>Milestone 94 represents the second step and last step envisaged for the completion of sub-measure D.1.1.2 and it follows the completion of milestone 93 on entry into force of the amendments to the Rules on the Establishment of a Network of Schools Conducting Formal Education Programme and part of the same payment request. The sub-measure has a final expected date for implementation on 31/12/2021.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii) Copy of the Law of 25/06/1991 No. I-1489 on Education (hereinafter "Law No. I-1489) and a link to the publication in the Register of Legal Acts (<a href="#">Lithuanian Echo, 1991-08-06, No. 153-0</a>);</li> <li>iii) Copy of the Law of 14/05/1998 No. VIII-730 on administrative supervision of municipalities of the Republic of Lithuania (hereinafter "Law VIII-730") and a link to the publication in the Register of Legal Acts (<a href="#">03/06/1998, No. 51-1392</a>);</li> </ul>		

- iv) Resolution of the Government of the Republic of Lithuania amending the Resolution of 29/06/2011 No. 768 “On approval of the rules for the establishment of a network of schools conducting formal education programmes” of 22/12/2021 No. 1110 together with the final consolidated version (hereinafter referred to as “Resolution No. 1110”) and links to the publication in the Register of Legal Acts ([TAR, 2021-12-23, Nr. 26837](#) and [TAR, 2011-06-30, No. 79-3869](#));
- v) Copy of the Order of 27/12/2021 No. V-2308 of the Minister of Education, Science and Sports on education monitoring indicators and the minimum municipal education monitoring indicators (hereinafter “Order No. V-2308”) and a link to the publication in the Register of Legal Acts ([TAR, 2021-12-27, No. 27174](#));
- vi) Copy of the 60 decisions on the transformation plans of the municipalities, and copy of a table containing the links to these 60 decisions of the municipalities;
- vii) Copy of the 59 conclusions by the Ministry of Education, Science and Sport on the transformation plans of the municipalities and proof that they were published in the registry of the Ministry of Education, Science and Sport (no conclusions yet on one plan);
- viii) Copy of a table by the Ministry of Education, Science and Sport of 09/2022 on the projected changes by 2027 following the reorganisation of the school network;
- ix) Copy of the letter of the Head of the Government Representative of 18/11/2022 to the Department of Education Quality and Regional Policy of the Ministry of Education, Science and Sport.

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Plans for the transformation of the network of general education schools prepared and approved by municipalities in accordance with the newly approved rules for the development of the network of schools implementing formal education programs:**
  - Resolution No. V-768, as amended by Resolution No. 1110, lays the rules for the establishment of a network of schools conducting formal education programmes with the objective to reorganise the school network in a way that it reduces the number of small schools and gymnasiums and the number of joint classes. That resolution also, sets out also the procedure for the adoption of the plans of municipalities on the reorganisation of the school network. The amendment was adopted on 22/12/2021 and entered into force the day following its publication, on 24/12/2021. Furthermore, Articles 1.2.4, 1.2.41 and 1.2.43 enter into force on 01/01/ 2024; Articles 1.2.26 and 1.2.42 enter into force on 01/01/2026). The implementation of the legislation is analysed in the assessment of milestone 93 which is also part of this payment request. Resolution No. 1110 on the newly approved rules for the development of the network of schools implementing formal education programs with respect to the preparation and approval of the plan provide that the plans for the transformation of the municipal school network should be drawn up and implemented by the municipalities. (Article 1.2.35). The plans have been prepared and adopted by 60 municipalities. 55 plans comply with the new rules on the reorganisation of the school network.
- **The five-year municipal transformation plans shall cover the transformation of the school network, in particular its strategic goal, objectives, priorities, key performance indicators related to the reduction of social exclusion, quality of education and / or improvement of**

**pupils' educational achievements, more efficient use of funds, evaluation of the transformation of the school network, as well as a mechanism for the establishment, reorganization, and liquidation of schools:**

- Municipal plans on the reorganisation of the school network were adopted: 60 municipalities have adopted plans on the reorganisation of the school network and the plans of 55 municipalities comply with the new rules on the reorganisation of the school network. The five-year plans of the municipalities cover the different elements of the milestone as follows;
- Each plan contains information on the transformation of the school network in that municipality, particularly its strategic goal, objectives, priorities. The strategic goals, objectives and priorities differ from municipality to municipality depending on the specific challenges, including the size of the network. For instance, one of the strategic goals of the plan by Plungė district municipality is to create conditions for the development of good quality general education. The common objective of the plans is to modernise schools or to create favorable conditions for teachers to improve their qualifications. As regard priorities, some plans mention the need to create better conditions for meeting individual educational needs of students or to ensure equal educational opportunities for children living in the city and in rural areas of the municipality or to increasing the access to pre-school education;
- Key performance indicators in the plans relate to the reduction of social exclusion, quality of education and / or improvement of pupils' educational achievements: The plans include indicators in line with Order No. V-2308 (adopted and registered in the Register of Legal Acts on 27/12/2021 and entered into force following the day of its adoption) which are selected in line with the challenges in the given municipality. For example, in order to improve pupils' educational achievement, there are plans which include indicators to increase the basic educational achievement level in Lithuanian language and mathematics. In order to reduce social exclusion, the plans envisage for instance, to increase the share of pupils with special educational needs who get educational support. The municipalities also include these indicators in the lists of municipal education monitoring indicators and build on them when preparing the municipal education progress reports. The impact of the transformation of the school network, such as how educational achievements of students should improve, how gaps and social exclusion should be reduced, will be monitored, for instance, through the external evaluation of schools;
- More efficient use of funds: Achieving a more efficient use of financial resources is an objective of the plans (often referred to in the Chapter on strategic goal and priorities). Municipalities have carried out an analysis of their demographic and socio-economic situation with a view to identifying priorities and challenges as well to establish the main indicators and target values of the plan that will allow monitoring of its implementation. Standard indicators to monitor efficiency relate to school and class size, funding per pupil and teacher-to-student ratio, size of learning space per student. For example, on the basis of that analysis, the Druskininkai municipality envisages to increase the average number of students per class between 2022 and 2026 in order to ensure a more efficient use of available funds;
- Evaluation of the transformation of the school network: the transformation plans contain provisions on the monitoring and evaluation of the plans. The municipalities monitor the implementation of the plans by carrying out evaluations and envisage improvements based on the finding of that evaluations. In some plans the division in charge of education of the municipality's administration is instructed to monitor the implementation of the plan. In others a working group should analyse the data provided by the schools and if schools perform worse than as set out in the indicators, a plan needs to be prepared to improve the main result indicators of the school network transformation;

- Mechanism for the establishment, reorganization, and liquidation of schools. The plans contain the assessment of the functioning of the school network based on which the given municipality identifies the schools that are to be established, liquidated, merged and/or renamed. These schools are listed in the plan. Depending on the challenges in a municipality, there are plans which envisage the review (e.g. yearly) of the situation of schools listed in the plan and based on the findings of the evaluation, further steps could be taken, for instance merging schools.
- **The five-year plans were prepared by municipal administrations and approved by municipal councils. The decisions of the municipal councils were supervised by a representative of the Government. The implementation of the plans will be monitored by the Department of Education Quality and Regional Policy of the Ministry of Education and Science.**
  - In line with Article 33 of Resolution No. 768, the five-year school network restructuring plans for all municipalities have been prepared by the municipal administration and approved by the municipal councils. These decisions are published on the websites of the municipalities;
  - The letter of the Head of the Government Representatives of 18/11/2022 to the Department of Education Quality and Regional Policy of the Ministry of Education, Science and Sport summarises the findings gathered by the Government’s representatives during the supervision of the draft decisions of the municipal councils concerning the plans for the reorganisation of the schools network. Furthermore, the Government’s representatives, also examined compliance with Article 7 of Law No. VIII-730 and Resolution No. 1110 whether municipalities executed the decisions of the government;
  - The Department of Education Quality and Regional Policy of the Ministry of Education, Science and Sport has analysed and monitored the compliance of all the plans with Resolution No. V-768. The conclusions were published for 59 plans (except one) in the registry of the Ministry of Education, Science and Sport and proof of this was provided. The Ministry monitors the implementation of the plans via the education management information system every year. The information system was set up in line with Article 56<sup>2</sup> of Law No. I-1489 and is designed to provide data and information necessary to analyse and evaluate the state of education.
- **Decisions on school transformation will be taken by 30/04 each year. At least 80% of the municipalities will draw up and approve their school network transformation plans up to and including 2025 in accordance with the relevant rules:**
  - Article 44.6 of Law No. I-1489 provides that the decision on the school transformation must be adopted by 30/04 each year. According to the evidence provided, 60 municipalities have adopted a school network transformation plan and 55 (around 92%) comply with Resolution No. V-768 regarding the new requirements on the reorganisation of the school network. The plans are approved for the period 2021-2025 or 2022-2026.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 95	<b>Related Measure:</b> D.1.1. Modern general education – Background to Competitive competences - D.1.1.3: Millennium School programme	
<b>Name of the Milestone:</b> Entry into force of the legislation on the Millennium School Progress Program		
<b>Qualitative Indicator:</b> Legislation entered into force		<b>Time:</b> Q4 2021

**Context:**

The objective of measure D.1.1 is to improve general education as to reduce achievement gaps among pupils. The measure consists of seven sub-measures with a view to improving the quality of education (sub-measure D.1.1.1), reorganising the school network (sub-measure D.1.1.2), establishing the Millennium school programme (sub-measure D.1.1.3), strengthening the competences of teachers, deputies and managers (sub-measure D.1.1.4), developing the science, technology, engineering, art and mathematics (STEAM) ecosystem (sub-measure D.1.1.5), digitally transforming education (sub-measure D.1.1.6) and improving early childhood education and care (sub-measure D.1.1.7).

Milestone 95 is part of sub-measure D.1.1.3 which has as its objective to reorganise and improve school infrastructure and ensure equal access to education for Lithuanian children, regardless of where they live, and their socio-economic background. The “Millennium Schools” programme aims at setting out the conditions and requirements for municipalities seeking support for school activities, teachers’ training and infrastructure development. Municipalities can be supported to consolidate educational resources and strengthen existing schools, with a view to creating an inclusive education ecosystem in schools by introducing a networking-based organisation and management of education. The programme must also aim at increasing the motivation of teachers and the attractiveness of the profession through supporting teachers to improve their competences and acquire higher qualifications. Therefore 80 % of the Lithuanian municipalities must implement the Millennium School programme, supporting 150 schools.

Milestone 95 represents the first step of the sub-measure D.1.1.3 and envisages i) the entry into force of legislation on the “Millennium Schools” progress programme, ii) setting out the requirements for municipalities to participate in the programme, iii) establishment of a monitoring mechanism, iv) providing the selection criteria for the municipal applicants, v) mandating the Ministry of Education, Science and Sports with the monitoring of the implementation of the program. In addition, milestone 95 will be followed by targets 96 and 97 that concern a total of 150 schools supported as part of the “Millennium Schools” programme. The sub-measure has a final expected date for implementation in Q2 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Resolution of the Government of the Republic of Lithuania amending the Resolution of 29/06/2011 No. 768 “On approval of the rules for the establishment of a network of schools conducting formal education programmes” of 22/12/2021 No. 1110 together with the final consolidated version (hereinafter referred to as “Resolution No. 1110”) and links to the publication in the Register of Legal Acts ([TAR, 2021-12-23, Nr. 26837](#) and [TAR, 2011-06-30, No. 79-3869](#));
- iii) Copy of the Order of the Minister of Education, Science and Sport of 27/12/2021 No. V-2308 “On the approval of the minimum indicators for the monitoring of education in municipalities and schools implementing general education programmes” (hereinafter referred to as “Order No. V-2308”) and a link to the publication in the Register of Legal Acts ([TAR, 2021-12-27, No. 27174](#));
- iv) Copy of the Order of the Minister of Education, Science and Sport of the Republic of Lithuania of 31/01/2022 No. V-137 of “On Approval of the Millennium School programme” (hereinafter

referred to as “Order No. V-137”) and a link to the publication in the Register of Legal Acts ([TAR, 2022-02-01, No. 1660](#));

- v) Copy of the Order of the Minister of Education, Science and Sport of 08/02/2020 No. V-215 “On the establishment of the project portfolio Commission of the Ministry of Education, Science and Sport (hereinafter referred to “Order No. V-215”);
- vi) Table containing the links to the decisions of the municipalities on their participation in the Millennium Schools Programme;
- vii) Copy of the Order of the Director of the European Social Fund Agency of 10/06/2022 No. V-2022-00045 on the “Programme Monitoring Committee for the Millenium Schools Programme” (hereinafter “Order of 10/06/2022”) and a proof that the Order was registered in the Register of the European Social Fund Agency ([Link to the Order](#)).

The authorities also provided:

- viii) Copy of the Order of the Minister of Education, Science and Sport of 01/02/2022 No. V-153 “Regarding the approval of the Ministries of Education, Science and Sport, the manager of the 2021-2030 development programme, progress measure No. 12-003-03-01 on the implementation of the “Millennium Schools” programme (hereinafter referred to as “Order No. V-153”) and a link to the publication in the Register of Legal Acts ([TAR, 2022-02-02, No. 1775](#)).

#### **Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Entry into force of the legislation on the Millennium School Programme (hereinafter: “Programme”) includes the following legislative acts as required by the milestone description:**
  - The lists of educational quality monitoring indicators of municipalities and schools: Order No. V-2308 on the approval of the minimum indicators for the monitoring of education in municipalities and schools implementing general education programmes was adopted on 27/12/2021 and entered into force on the day following its publication;
  - Amendments to the rules on the reorganisation of the school network: Resolution No. 1110 amending Resolution of 29/06/2011 No. 768 “On approval of the rules for the establishment of a network of schools conducting formal education programmes” was adopted on 22/12/2022 and entered into force on the day following its publication, on 24/12/2022. Articles 1.2.4, 1.2.41 and 1.2.43 enter into force on 01/01/ 2024; Articles 1.2.26 and 1.2.42 enter into force on 01/01/2026);
  - Order No. V-137 on the approval of the Programme was adopted on 31/01/2022 and entered into force on the day following its publication;
  - The requirements for the calls for municipalities (the targets, indicators, support packages for municipalities and schools) are laid down in Order No. V-137. In particular, Article 11 specifies the overall Programme implementation targets. As regards funding, the table in Article 14 of Order No. V-137 indicates that the maximum amount of funding available for the municipality will depend on the number of pupils (and specifies the amount/pupils within Article 14). Article 15 of that Order lays down the conditions for a higher funding in case several municipalities apply together. Article 20 provides the mandatory and optional indicators to be achieved by the municipalities. The indicators need to be included in the Progress Plan to be presented by the municipalities;

- The monitoring mechanism is established in Article 39 of Order No. V-137. This Article provides that the implementation of the Programme should be monitored by the Project Portfolio Commission of the Ministry of Education, Science and Sports (established by Order No V-215). The Commission consists of 9 members and is chaired by the Minister for Education, Science and Sport.
- **The municipal applicants shall meet the necessary selection criteria: 1.1 A municipality with at least 1,000 pupils in pre-primary, primary, basic and secondary education; 1.2. two or more contiguous (territorially contiguous) municipalities corresponding to criterion 1.1; 1.3. two or more adjacent (territorially adjacent) municipalities, when one of them does not comply with criterion 1.1.** The selection criteria for municipalities to participate in the Programme are specified in Order No. V-137 as follows:
  - Under Article 13.1, a municipality can apply if in its territory there are at least 1,000 pupils enrolled in pre-primary and general education programmes (these cover primary and secondary education schools) and it has developed a Progress Plan that involves the participation of no less than three schools;
  - Under Article 13.2.1, more municipalities can apply if in their territory there were at least 1,000 pupils enrolled in the schools (excluding vocational training establishments and institutions of higher education) and the municipalities have prepared a joint Progress Plan involving at least three schools from at least one municipality (territorially contiguous municipalities);
  - Under Article 13.2.2, more municipalities can apply if there are at least 1,000 pupils enrolled in the schools (excluding vocational training establishments and institutions of higher education) in the territory of at least one of the municipalities that have prepared a joint Progress Plan and that this should involve at least three schools from at least one municipality (territorially adjacent municipalities).
- **The prerequisites of the Programme are as follows:**
  - A vision for the development of a network of progressive Millennium Schools has been developed: planned investments and innovations shall be identified, which shall achieve the Millennium Schools quality standard, strengthen the expression of the characteristics of the Good School, implement commitments according to progress indicators:
    - Order No. V-137 establishes that the aim of the Programme is to create by 2030 an integrated, efficient and high-quality education eco-system in each Lithuanian municipality to bridge the gaps in pupils' achievement (Article 2). The programme shall be implemented in two phases, with phase I of the Programme starting on 01/02/2022 and ending on 30/06/2026. The start of the implementation of Phase II of the Programme will be adjusted taking into account the results of Phase I implementation, funding opportunities for follow-up activities and needs. (Article 3). The Programme must be implemented at municipal level, following an analysis by each municipality participating in the Programme of the state and evolution of the current education system and the elaboration of a Progress Plan, which identifies the necessary investments to be made (Article 5). Article 20 specifies the content of the Progress Plan. These must include – among others – the necessary investments to implement improvements in education, social innovations or other ways to strengthen the expression of good school characteristics, indicators and their target values to be achieved by implementing the Programme;
    - As regards the indicators, in addition to the four mandatory Programme progress indicators set for the municipalities (Article 20.4.1.), each municipality will have to commit to increasing the proportion of pupils who have achieved the level of

mathematics and Lithuanian language learning achievements required for basic educational achievements testing, decreasing the proportion of sets of joint grades 1-8 in general education schools, and growing the number of pupils per conditional teacher position in general education schools. There is also a minimum of three elective and four (quantitative and/or qualitative) additional progress indicators to be set by the municipality (Article 20.4.2), taking into account the activities to be implemented in each of the areas of the Programme: leadership in action; inclusive education; cultural education; science, technology, engineering, and mathematics and arts;

- Article 36 sets out the possible areas of investments, which include infrastructure, improving teachers' competences, school equipment and networking of schools. These areas identified for investments are relevant for the implementation of targets 96 and 97 which aim at supporting 150 schools to improve the quality of education.
- The general plan for the reorganization of the general education school network for 2021–2025 approved by the municipal council, which complies with the provisions of the rules for the development of the network of schools implementing formal education programs (e.g. no joint grades 5-8; in classes 1–4, only classes 1 and 2 or 3 and 4 two adjacent classes can be combined).
  - The amended rules on the school networks reorganisation are defined within Resolution No. 1110;
  - Article 1.2.38 of Resolution No. 1110 provides that the general plan for the reorganisation of the municipal school network shall be approved by the municipal council;
  - Annex I to that Resolution establishes that, in line with the with the provisions of the rules for the development of the network of schools implementing formal education programmes, no joint grades for the grades from 5 to 8 are to be formed. For the primary education curriculum (grades from 1 to 4) only two classes can be merged, and the Resolution recommends merging adjacent ones. According to the evidence provided by Lithuania, the number of merged classes in 1-4 are expected be reduced by 2027 and the joint classes are expected to be adjacent classes;
  - Article 23.1 of Order No. V-137 provides that, before agreeing on the Progress Plan with the implementer, the municipality shall amend the general plan for the transformation of the municipal school network for 2021-2025 if it does not comply with the provisions of the Rules on the reorganisaton of the school network, and approve the general plan for the transformation of the municipal school network for general education for the years 2022-2026 in accordance with the provisions of said rules. The municipal council approves a general plan for the reorganisation of the general education school network for 2021-2025 or 2022-2026;
- The list of schools forming the “Millennium Schools” network in the municipality and meeting the criteria for schools approved by the municipal council: Chapter IV of Order No. V-137 lays down the provisions for the invitation to participate in the Programme. Article 16 provides that the municipalities had to indicate their intention to participate in Phase I of the Programme by 31 March 2022 and in Phase II by 31 March 2023. Article 17.1 provides that municipalities, when indicating their intention to participate in the Programme, should provide the decision of the municipal council of participation in the Programme (reference to a document published in the Register of Legal Acts). Article 20.5 provides that only those the schools can participate in the Programme which meet the criteria for schools. According to the evidence provided, out of the 60 municipalities, 58 municipalities have declared their intention to participate in the Programme.



- **Criteria for schools (does not apply to schools planned to be established):** the criteria to participate in the Programme are specified in Article 20.5 of Order No. 137.
  - The school does not organize the selection of pupils during admission: Article 20.5.3 provides that the schools do not organise selection procedures for pupils' admission;
  - The number of students on 01/09 of the current school year. There are at least 200 students: Article 20.5.3 lays down that the number of pupils in pre-primary and general education shall be at least 200 on 01/09 of the current school year. This Article also provides that the 200 pupils threshold would not apply to new schools, in line with the milestone description, which mentions that the criteria would not apply to schools planned to be established. The reason for this is that newly established schools have no pupils registered in the registers. The schools participating in the Programme shall be listed in the Progress Plan;
- **Increasing the motivation of teachers and the attractiveness of the profession** will be implemented in the Programme, for instance, through leadership actions (Article 29), more professional development opportunities for teachers to enable them to provide each pupil with the support he/she needs (Article 31) or investing in teachers' competences (Article 36).
- **Consolidate educational resources and strengthen existing schools with a view to creating an inclusive education ecosystem in schools and introducing networking-based organisation and management of education:** networking between schools is one of the principles of the Programme (Article 7.3). This will be achieved by sharing material, intellectual and human resources with students and teachers in other schools (Article 10.4) as well as sharing of knowledge and experience that also enable other schools in the territory of the municipality to improve (Article 29.4).
- **The implementation of the program shall be monitored by the Ministry of Education, Science and Sports (a monitoring group has been set up):** The monitoring of the implementation of the Programme is further specified in Article 40 of Order No. V-137. It provides that, in order to monitor the implementation of the Programme, a Programme Monitoring Committee shall be formed consisting of the representatives of the Ministry of Education, Science and Sport, the Implementer, the Managing Authority, the National Agency for Education, the Ministry of Culture and other partners. Article 41 requires the publication of a report on the implementation of the Programme by 31/03. As evidenced by Order of 10/06/2022, the Programme Monitoring Committee has been set up, chaired by the Ministry of Education, Science and Sport and including representatives from the European Social Fund Agency, the National Education Agency, the Central Project Management Agency, the Association of Lithuanian Municipalities, the Association of Lithuanian School Heads and the Ministry of Culture.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 105	<b>Related Measure:</b> D.1.1. Modern general education – Background to Competitive competences D.1.1.7: Improving early childhood education and care	
<b>Name of the Milestone:</b> Study on the feasibility of developing early childhood education infrastructure in municipalities		
<b>Qualitative Indicator:</b> Publication of the study on the feasibility of developing early childhood education infrastructure in municipalities		<b>Time:</b> Q2 2022
<b>Context:</b>		
The objective of measure D.1.1 is to improve general education to reduce achievement gaps among pupils. The measure consists of seven sub-measures with a view to improving the quality of education		

(sub-measure D.1.1.1), reorganising the school network (sub-measure D.1.1.2), establishing the Millennium school programme (sub-measure D.1.1.3), strengthening the competences of teachers, deputies and managers (sub-measure D.1.1.4), developing the science, technology, engineering, art and mathematics (STEAM) ecosystem (sub-measure D.1.1.5), digitally transforming education (sub-measure D.1.1.6) and improving early childhood education and care (sub-measure D.1.1.7).

Milestone 105 is part of sub-measure D.1.1.7. The objective of sub-measure D.1.1.7 is to improve the access to and quality of early childhood education and care. This objective must be achieved by i) reviewing the criteria for pre-school curricula, ii) put in place a system for external evaluation of the performance of schools implementing pre-school education programmes, and iii) carrying out a study to map infrastructure needs for early childhood education and care to ensure that all children have equal access to it in the whole territory of the country.

Milestone 105 consists of the publication of a study on the feasibility of developing early childhood education infrastructure in municipalities. The study: i) covers the modernisation of the existing structure and the development of new infrastructure (such as transport), for providing early education conditions for all children from birth to compulsory school age and ii) provides a basis for ulterior government decisions on modernisation of infrastructure and on creation of new infrastructure in municipalities. Besides this milestone 105, sub-measure D.1.1.7 also includes milestone 106 on legislation concerning the criteria (guidelines) for pre-school education curriculum. This sub-measure has a final expected date for implementation in Q3 2023.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the “Study on the feasibility of developing early childhood education infrastructure in Lithuanian municipalities” and link to publication: [ikimokiklinio-ugdymo-infrastrukturos-pletra-studija-2022-08-12.pdf \(smm.lt\)](#);
- iii) Copy of the summary of the “Study on the feasibility of developing early childhood education infrastructure in Lithuanian municipalities” and link to publication: [https://smsm.lrv.lt/uploads/smsm/documents/files/ikimokiklinio-ugdymo-infrastrukturos-pletra-savivaldybese -Santrauka-2022-08-12.pdf](https://smsm.lrv.lt/uploads/smsm/documents/files/ikimokiklinio-ugdymo-infrastrukturos-pletra-savivaldybese-Santrauka-2022-08-12.pdf);
- iv) Copy of the Order of the Minister of Education, Science and Sports of 30/09/2022 No. V-1542 "Regarding the approval of the funding guidelines of the regional progress instrument No. 12-003-03-01-23 (RE) to increase access to education for children experiencing exclusion" (hereinafter referred to as “Order No. V-1542”) and a link to the publication in the Register of Legal Acts ([TAR 30/09/2022, No. 19988](#)).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Publication of the study on the feasibility of developing early childhood education infrastructure in municipalities. The study shall cover both the modernisation of the existing infrastructure and the development of new infrastructure (such as transport), providing early education conditions for all children from birth to compulsory age:** The “Study on the feasibility

of developing early childhood education infrastructure in Lithuanian municipalities” was published on the website of the Ministry of Education, Science and Sport on 12/08/2022:

- The study is based on a survey conducted among municipalities in February-March 2022 with the objective to map the past (2016-2021) and planned (2022-2024) investments by the municipalities to improve access to the pre-school education programme for all children from birth to compulsory school age;
- Chapter V of the study “Analysis of the economic feasibility of investment in the development of municipal early childhood education” contains the feedback from all 60 Lithuanian municipalities on the needs for infrastructure investment for 2022-2024, covering the needs for modernising or enlarging the existing buildings, as well as for constructing new buildings. Based on this information by municipalities, an interactive map was compiled (link: <http://www.svis.smm.lt/zemelapiai/> also available on page 94 of the study) showing – among others – the new investment needs. Chapter III of the study presents the needs for providing school transportation.
- **The study shall provide a basis for ulterior government decisions on the modernisation of infrastructure and on the creation of new infrastructure in municipalities:**
  - Order No. V-1542 was adopted on 30/09/2022 and it entered into force the day following its publication. This Order lays down the funding requirements for ensuring equal access to quality education and training in Lithuania. In addition, Order No. V-1542 establishes a link between the investment needs identified in the study and the funding possibilities. Article 2.0.4. of Chapter III of Order No. V-1542 states that for projects under Activity 2 referred to in paragraph 2.1, notably on the creation of new places for early childhood education, investments and infrastructure improvements by establishments implementing pre-school programmes should be consistent with the information contained in the interactive map of schools implementing pre-school programmes available at [www.svis.smm.lt](http://www.svis.smm.lt) under “lands”. This map is available at the same link as the interactive map listing all the investment needs identified in Chapter V of the study by the municipalities for the period 2022-2024. These investment needs cover the construction of new pre-school buildings, the modernisation or extensions of existing buildings excluding transport.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 110	<b>Related Measure:</b> D.1.3. Vocational guidance system to balance supply and demand on the labour market	
<b>Name of the Milestone:</b> Entry into force of the Government Resolution on the procedures regulating the Vocational Guidance (career guidance) system		
<b>Qualitative Indicator:</b> Legislation entered into force		<b>Time:</b> Q1 2022
<b>Context:</b> The objective of measure D.1.3. is to establish a career development and career guidance system which shall start at an early age (from grade one). The measure envisages: i) the establishment of a career counselling and planning system in order to identify areas of interest and decide on possible career paths at an early age, ii) helping children to gain knowledge of competences acquired in educational institutions to learn about the transition between different levels of education, iii) mandating schools and municipalities to become responsible for educational careers and career planning, iv) providing career guidance in schools by career professionals, v) providing quality		

information on further learning or career opportunities based on data from the national human resources monitoring system, and vi) making career guidance an integral part of the life-long learning system, enabling people with qualification and/or professional experience to receive career guidance, which shall be provided not only through the life-long learning information system but also through the Network of Regional Careers Centres.

To this end, milestone 110, as the first step within the implementation of the reform, requires the entry into force of the legislation which establishes: the framework, management and quality assurance of the career counselling and lifelong planning system starting from primary school and provision of services integrated with the Lifelong learning (LLL) system to adults; the functions and basic competency requirements of career professionals, the funding model for services provided to pupils and adults, the scope of the institutions involved and the involvement of the social partners; as well as basic standards for the use of National Human Resources Monitoring System information and setting out principles of the Vocational Guidance (career guidance – hereinafter referred to as “career guidance”) system monitoring.

In addition to milestone 110, measure D.1.3. also envisages target 111 requiring at least 380 career specialists to provide career guidance in schools. The expected implementation date of this measure is Q4 2024.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Order of the Minister for Education, Science and Sport of 25/04/2022 No. V-617 on the Description of educational requirements and professional knowledge for career specialists (hereinafter referred to as Order No. V-617) and a link to the publication in the Register of Legal Acts ([TAR, 2022-04-25, Nr. 8330](#));
- iii) Copy of the Resolution of the Government of the Republic of Lithuania of 24/08/2022 No. 847 on the Approval of the procedure for the provision of vocational guidance (career guidance) (hereinafter referred to as “Resolution No. 847”) and a link to the publication in the Register of Legal Acts ([TAR, 2022-08-24, Nr. 17472](#));
- iv) Copy of the Order of the Minister for Education, Science and Sport of 31/08/2022 No. V- 1334 on the Approval of the recommendations on the functions of career specialists and the provision of vocational guidance services in educational institutions” (hereinafter referred to as “Order No. V-1334”) and a link to the publication in the Register of Legal Acts ([TAR, 2022-08-31, Nr. 17986](#));
- v) Copy of the Law of 17/01/2017 No. XIII-198 on the Remuneration of Employees of State and Municipal Institutions (hereinafter “Law No. XIII-198” and a link the publication in the Register of Legal Acts ([TAR, 2017-01-31, No. 1764](#));
- vi) Copy of the Law of 25/06/1991 No. I-1489 on Education (hereinafter “Law No. I-1489) and a link to the publication in the Register of Legal Acts ([Lithuanian Echo, 1991-08-06, No. 153-0](#)).

The authorities also provided:

- vii) Copy of a document regarding the functions of the Regional Career Centres.

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

In order to establish the career guidance system, three pieces of legislation, Resolution No. 847, Order No. V-617 and Order No. V-1334, laying down the procedures for career guidance, the educational requirements for career specialists and the provision of career guidance in educational institutions were adopted and entered into force.

- **The framework, management and quality assurance of the career counselling and lifelong learning planning system starting from primary school, and provision of services integrated with the Lifelong learning (LLL) system to adults, enabling people with qualification and/or professional experience to receive career guidance, which shall be provided not only through the LLL information system but also through the Network of Regional Careers Centres, identifying areas of interest and decide on possible career paths at an early age and helping children to gain knowledge of competences in educational institutions:**
  - Resolution No. 847 which was adopted on 24/08/2022 and entered into force on the day following its adoption establishes the framework and management as well as the integration of career guidance with life-long learning, starting from primary school and provision of services to adults:
    - The framework is provided in Articles 1-6. In particular, Article 2 specifies that career guidance is provided in the education system and in the framework of an employment support scheme to advise individuals on career development, to provide information on professions and counselling services. Article 3 requires to provide information so that knowledge can be acquired about professions, their characteristics and career paths, which should help identify the interest and decide on a possible career path;
    - The management of career guidance is laid down in Articles 7-12 on the procedures for the planning and coordination of career guidance, in Articles 13-16 on the organisation and administration of career guidance, and in Articles 17-24 on the distribution of career staff in general education, vocational training and other educational establishments. Article 14 provides that educational institutions should ensure continuous provision of career guidance to learners or students, which should help them to gain knowledge of competences;
    - As regards providing career guidance services in an integrated way with life-long learning, Article 15 mandates the Lithuanian Pupils' Non-formal Education Center (hereinafter "the Center") to provide methodological support and advice to municipal career guidance coordinators, education institutions and to the Employment Service (some services of the Employment Service provided in the Regional Career Centers based on Article 16) for the provision of career guidance. In particular, the Center ensures the maintenance and development of an electronic platform for career guidance and provides career guidance to individuals ranging from pupils to adults. This electronic platform under Article 15 is envisaged to be connected to a new one-stop shop system for life-long learning that Lithuania is currently developing (to be established under milestone 108);
    - Article 18.7 of the Law on education (Law No. I-1489) requires that career guidance is provided to persons who have started the primary education curriculum and Article 2 of Resolution No. V- 847 establishes that career guidance is provided in the education system. The two pieces of legislation together stipulate that career guidance starts from primary school;

- The quality assurance for career counselling is ensured by the different articles within the three pieces of legislation as follows: i) Article 4 of Resolution 847 requires the educational and other institutions providing career guidance to ensure the quality of career guidance. Article 13.1 of the same Resolution specifies that career guidance in education institutions (except higher education) is ensured by municipalities according to the Plan of career guidance services attached as the Annex to the Resolution No. 847 (hereinafter referred to as “Annex”). The Annex sets out the types and minimum hours of career guidance services to be provided in schools. ii) Article 6 of the Order No. V-617 and iii) Articles 4 and 5 of the Order No. V-1334 require that a person admitted to working as or to the position of career specialist must meet the requirements laid down in the legislation.
- **The functions and basic competency requirements of career professionals, the funding model for services provided to pupils and adults, the scope of the institutions involved and the involvement of the social partners, mandating schools and municipalities to become responsible for educational careers and career planning:**
  - As regards the competencies and functions:
    - Order No. V-617 lays down the educational qualification, as well as professional requirements for career professionals, and was adopted and published in the Register of Legal Acts on 25/04/2022 and entered into force on the day following its adoption. Articles 1-5 of and the Annex to this Order lay down the requirements for the content of the career specialist qualification development program and its implementation;
    - Additionally, Articles 3.1, 3.2 and 3.3 also specify that the educational requirements are to be met gradually by those who worked as career guidance professionals (around 80 career professionals) when the legislation entered into force, notably until 01/09/2023; 01/09/2024 and 01/09/2028, accordingly. Therefore, since there were no such requirements for career specialists before the adoption of this legislation, the gradual application of the requirements ensures that career guidance professionals have sufficient time to acquire the necessary competencies as required by the legislation;
    - Order No. V-1334 contains the recommendations on the functions of career professionals and on the provision of career guidance services in educational establishments. The Order was adopted and published in the Register of Legal Acts on 31/08/2022 and entered into force on the day following its publication. The recommendations also define the development of students' career competencies and career guidance services provided to students.
  - Regarding the funding, Article 11 of Resolution No. 847 mandates the Ministry of Education, Science and Sport to plan the funding and ensure the continuity and effectiveness of career guidance. Article 12 entrusts the Ministry of Social Security and Labour to coordinate the provision of career guidance within the Employment Service and ensure the financing of career guidance provided by the Employment Service. Article 4.17 provides the career specialist-pupil ratio in educational institutions and in accordance with Annex V. Under Article 4.23 of the Law No XIII-198, they get remunerated based on the ratio of pupils they work with. As regards the funding model for the services for adults, in addition to the provisions that specify the Ministries being in charge of the funding, further steps are being envisaged to specify the organisation of financing (being elaborated under milestones 107 and 108);
  - The involvement of institutions and social partners are laid down in Resolution No. 847. According to Article 7, the Ministry of Education, Science and Sport in cooperation with the Ministry of Social Security and Labour and the Ministry of Economy and Innovation are in charge of planning and coordinating the implementation of the career guidance system. In

order to coordinate the provision of career guidance, Articles 8-10 envisage the establishment of a group consisting of the representatives of the above-mentioned ministries, employers and other stakeholders relevant in developing career guidance. The group assesses the status of career guidance in the light of available career guidance monitoring data, considering the main directions for the development and activities of career guidance and also evaluates the career guidance measures carried out by educational institutions and other institutions in order to submit proposals to the Ministry of Education, Science and Sport and the Ministry of Social Security and Labour (as per Articles 8-10). In addition, Articles 13 and 14 establish that schools and municipalities become responsible for educational careers and career planning. Moreover, Article 27 lays down that social partners are involved in organising the provision of career guidance services.

- **Basic standards for the use of national human resources monitoring system information and setting out principles of Vocational Guidance (career guidance) system monitoring:**
  - Articles 5.4., 11.2, 13.5, 14.5, 15.6, 16.5 of Resolution No. 847 lay down the monitoring of the principles of the career guidance system. Article 5.4. specifically states that career guidance is provided based on relevant and reliable information about the labour market situation, including by using the data of the national human resources monitoring.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 112</b>	<b>Related Measure:</b> D.1.4. Competences for the green and digital transformation acquired in vocational education and training - D.1.4.1 National Platform for the Progress in Vocational Education and Training	
<b>Name of the Milestone:</b> Entry into force of legislation on the establishment of the National Platform on Progress in Vocational Education and Training		
<b>Qualitative Indicator:</b> Legislation entered into force		<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The objective of measure D.1.4 is to improve the acquisition of competences for green and digital transformation through vocational education and training. The measure consists of six sub-measures which are: establishment of the National Platform for the Progress in Vocational Education and Training (sub-measure D.1.4.1); assessment of competences (sub-measure D.1.4.2); improvement of skills of teachers who train apprentices (sub-measure D.1.4.3); supporting apprenticeship and work-based learning (sub-measure D.1.4.4); development of the mobility programme (sub-measure D.1.4.5); and increased opportunities to acquire a profession for school pupils (sub-measure D.1.4.6).</p> <p>Milestone 112 is the first step of the implementation of sub-measure D.1.4.1, which aims at establishing a National Platform for the Progress in Vocational Education and Training (hereinafter “the Platform”) with the participation of social partners representing the interests of business, industry, the educational community and public authorities. To this end, milestone 112 consists in the entry into force of the legislation establishing the Platform which shall ensure a long-term and sustainable vocational training model in each region and set out the role and responsibilities of the Platform and the role of those participating in its work including social partners. The Platform shall include social partners representing the interests of business, industry, the educational community and public authorities. The legislation should also specify that decisions shall be taken by the Platform on the objective principles for the governance of vocational training, on the practical implementation of the consolidation of the existing vocational training network, on the updating of new professional</p>		

standards, vocational training and non-formal adult education programmes, as well as on the training of trainers and professional development.

Milestone 112 is followed by target 113, which provides for the approval of new or updated vocational education and training programmes by Q2 2026. The final target 114 provides for improving the competences of trainers involved in the teaching of apprentices. The measure has a final expected date for implementation in Q2 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Order of the Minister for Education, Science and Sport of 24/03/2022 No. V-442 on the establishment of the Working Group of the National Platform for the Progress of Vocational Education and Training (hereinafter referred to as "Order No. V-442") and a proof of registration in the electronic document management system of the Ministry of Education, Science and Sport (<https://www.sekasoft.com/dokumentu-valdymo-sistema-dvs/>);
- iii) Copy of the Order of the Minister for Education, Science and Sport of 22/07/2022 No. V-1177 amending Order of the Minister for Education, Science and Sport of 24/03/2022 No. V-442 on the establishment of the Working Group of the National Platform on Progress in Vocational Education and Training (hereinafter referred to as "Order No. V-1177") and a proof registration in the electronic document management system of the Ministry of Education, Science and Sport and link (<https://www.sekasoft.com/dokumentu-valdymo-sistema-dvs/https://www.sekasoft.com/dokumentu-valdymo-sistema-dvs/>);
- iv) Copy of the Rules of Procedure of the National Platform for Progress in Vocational Education and Training approved by the Working Group of the National Platform for Progress in Vocational Education and Training at the meeting of 05/04/2022 No. 1 (hereinafter referred to as "Rules of Procedure") and link to the publication (<https://smsm.lrv.lt/lt/veiklos-sritys-1/smm-svietimas/profesinis-mokymas/nacionaline-profesinio-mokymo-pazangos-platforma?lang=lt>).
- v) Copy of the minutes of the Working Group of the National Platform for Progress in Vocational Education and Training of its meeting on 05/04/2022 No. 1 (hereinafter referred to as "Minutes") and link to the publication (<https://smsm.lrv.lt/lt/veiklos-sritys-1/smm-svietimas/profesinis-mokymas/nacionaline-profesinio-mokymo-pazangos-platforma?lang=lt>).

The authorities also provided:

- vi) Copy of the Order No. V-952 of 9 June 2022 of the Minister of Education, Science and Sport of the Republic of Lithuania "On 'To create a professional education system that meets market needs', Education Development Programme Progress Measure No. 12-003-03-04-03 of the 2021-2030 Development Programme Manager, the Ministry of Education, Science and Sport of the Republic of Lithuania" (hereinafter referred to as "Order No. V-952") and link to the publication in the Register of Legal Acts ([TAR 2022-06-09, No. 12548](#));

**Analysis:**



The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Entry into force of the legislation establishing National Platform for the Progress in Vocational Education and Training which shall ensure a long-term and sustainable vocational training model in each region, the Platform's roles and responsibilities, the role of actors and the involvement of social partners concerned on the competences required by the labour market:**
  - Order No. V-442 established the Working Group of the National Platform for the Progress in Vocational Education and Training which started operating the day following its adoption on 25/03/2022. The Working Group is the Platform itself (hereinafter referred to as "Working Group"). Order No. V-1177 amended Order No. V-442 and entered into force the day following its adoption on 23/07/2022. The amendment ensures the development of the long-term and sustainable vocational training model in each region of the country (Article 2.1.2) while the composition, role and responsibilities of the Platform are laid down in Articles 1 and 2 of Order No. V-442 (see also last bullet). As required by Article 2.1.10, the Rules of Procedure determining the organisation of the Working Group were adopted by the Working Group at its meeting on 05/04/2022. Chapter II of the Rules of Procedure specifies the role of actors participating in the work of the Platform. For instance, the role of the Head of Working group in preparing the meeting as well as of the members in coordinating the position ahead of the meeting are specified;
  - Social partners are members of the Working Group, implying that they are involved in the elaboration and submission of proposals made by the Platform to improve vocational education and training to improve competences needed in the labour market.
- **The Platform shall include social partners representing the interests of business, industry, the educational community and public authorities:**
  - As regards the composition of the Working Group, as per Article 1, the Working Group includes the most important vocational training social partners and major business, employers and industry associations, vocational training institutions, state institutions and public authorities responsible for vocational training and human resource development, municipal institutions.
- **As regards the role and responsibilities, including the decisions that the Working Group shall take with a view to improve vocational education and training in Lithuania, Order No. V-442 provides the following in line with the requirements of the milestone:**
  - The role:
    - Article 2.1.1 specifies that the Working Group proposes strategic directions for the development, management, efficiency, quality and popularity of vocational education and training. This corresponds to deciding on the objective principles for the governance of vocational training.
  - The responsibilities:
    - Under Article 2.1.8, the Working Group is entrusted to initiate and coordinate joint activities in the field of vocational training between business, industry, education community and public authorities;
    - Article 2.1.9 sets out that the Working Group shall submit proposals to Ministries, other interested public and municipal institutions and bodies and associations for the implementation of activities in the field of vocational training;

<ul style="list-style-type: none"> <li>▪ Articles 2.1.1, 2.1.8 and 2.1.9 also cover the principles for governance of vocational training.</li> <li>○ <u>The decisions shall be taken on:</u> <ul style="list-style-type: none"> <li>▪ <b>The practical implementation of the consolidation of the existing vocational training network:</b> as per Article 2.1.2 point, the Working Group shall make proposals to strengthen the vocational education network. This shall ensure that the consolidation of the vocational training network is implemented. The consolidation of the network was discussed in the first meeting of the Working Group ( <a href="#">link to the minutes of the meeting</a>);</li> <li>▪ <b>The updating of new professional standards, vocational training and non-formal adult education programmes as well as on the training of trainers and professional development:</b> articles 2.1.3, 2.1.4, 2.1.5 and 2.1.6 set out that the Working Group shall propose new professional standards, vocational training and non-formal adult education programmes, make proposals for competence assessment centers, and promote training, motivation and upskilling of trainers;</li> <li>▪ <b>Objective principles for the governance of vocational training:</b> articles 2.1.1, 2.1.2 and 2.1.3.-2.1.6, as presented above, correspond to deciding on the objective principles for the governance of vocational training. These for instance include making proposals regarding the strategic directions for developing vocational education, including increasing its quality and popularity.</li> </ul> </li> </ul>
<b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled

<b>Number: 116</b>	<b>Related Measure: D.1.4.</b> Competences for the green and digital transformation on acquired in vocational education and training – D.1.4.3. Apprenticeship and work-based learning	
<b>Name of the Milestone:</b> Entry into force of the legislation establishing an apprenticeship and work-based learning support scheme		
<b>Qualitative Indicator:</b> Legislation entered into force		<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The objective of measure D.1.4. is to improve the competences for green and digital transformation acquired in vocational education and training. The measure consists of six sub-measures which are: establishment of the National Platform for the progress of vocational education and training (sub-measure D.1.4.1); assessment of competences (sub-measure D.1.4.2); improving the skills of teachers who train apprentices (sub-measure D.1.4.3); supporting apprenticeship and work-based learning (sub-measure D.1.4.4); expanding the national mobility programme (sub-measure D.1.4.5); and providing more opportunities to acquire a profession for school pupils (sub-measure 6).</p> <p>Sub-measure D.1.4.3 represents the third step of the implementation of the reform and envisages the development and implementation of a scheme complementing state support for apprenticeship and work-based learning, facilitating the acquisition of practical skills in companies by students.</p> <p>The first step of sub-measure D.1.4.3, milestone 116, envisages the preparation, coordination and approval of the legislation laying down the procedure for implementing the apprenticeship support scheme. The legislation shall, in particular, define the criteria, target groups, focus areas, forms of support provided and eligible costs for the apprenticeships and work-based learning. The second step of this sub-measure consists of target 117 concerning the development of digital competences</p>		

and the promotion of vocational training in the form of apprenticeships in enterprises, especially in small and medium-sized enterprises. The sub-measure has final expected date for implementation in Q2 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document to justify how the milestone (including all the constitutive elements) was satisfactory fulfilled;
- ii) Copy of the Order of the Minister of Education, Science and Sport of 09/06/2022 No. V-952 on “Creating a professional education system that meets market needs”, Education Development Programme Progress Measure No. 12-003-03-04-03 of the 2021-2030 Development Programme” (hereinafter referred to as “Order No. V-952”) and a link to the publication in the Register of Legal Acts ([TAR, 2022/06/09, No. 12548](#));
- iii) Copy of the Order of the Minister of Education, Science and Sport of 14/09/2022 No. V-1433 amending Order of the Minister of Education, Science and Sport of 09/06/2022 No. V-952 on “Creating a professional education system that meets market needs”, Education Development Programme Progress Measure No. 12-003-03-04-03 of the 2021-2030 Development Programme” (hereinafter referred to as “Order No. V-1433”) and a link to the publication in the Register of Legal Acts ([TAR, 2022-09-14, No. 18847](#));
- iv) Copy of a document on the determination of fixed unit rates of costs of vocational training according to the form of apprenticeship and a link to its publication ([https://www.esf.lt/data/public/uploads/2022/09/moksleiviu-pameistryste\\_tyrimas-skelbimui.pdf](https://www.esf.lt/data/public/uploads/2022/09/moksleiviu-pameistryste_tyrimas-skelbimui.pdf));
- v) Copy of the Law of 14/09/1997 No. VIII-450 on “Vocational Education and Training of the Republic of Lithuania” (hereinafter “Law VIII-450”) and a link to the publication in the Register of Legal Acts ([TAR, 1997-10-30, No. 98-2478](#));
- vi) Copy of the Resolution of the Government of 23/10/2019 No. 1065 “On the approval of the description of the procedure for the organization of vocational education and training in the form of apprenticeships” (hereinafter Resolution No. 1065”) and a link to the publication in the Register of Legal Acts ([TAR, 2019-10-28, No. 17049](#));
- vii) Copy of the Resolution of the Government of the Republic of Lithuania of 11/09/2019 No. 934 on “Approving the methodology for calculating vocational training funds for one student who is studying according to the formal vocational training program” (hereinafter “Resolution 934” and a link to the publication in the Register of Legal Acts ([TAR, 2019-09-16, No. 14624](#)).

The authorities also provided:

- viii) Copy of the Order of the Minister of Finance of the Republic of Lithuania of 22/06/2022 No. 1K-237 on “The 2021-2027 investment programme from the European Union Funds and the Recovery and Resilience Fund – Next Generation Lithuania’s Implementation” (hereinafter “Order No. 1K-237”) and a link to the publication in the Register of Legal Acts ([TAR, 2022-06-22, Nr. 13361](#) ).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Preparation, coordination and approval of the draft decree of the Minister of Education, Science and Sport laying down the procedure implementing the apprenticeship support scheme. The scheme shall complement state support for apprenticeship and work-based learning:**
  - The draft legislation on the apprenticeship support scheme was presented and discussed in the National Platform on Progress in Vocational Education and Training (hereinafter “Platform”). Following the discussions in the Platform, Order No. V-952 was adopted and published in the Register of Legal Acts on 09/06/2022 and entered into force the day following its publication. Order No. V-1433 (adopted and published in the Register of Legal Acts on 14/09/2022 and entered into force the following day of its publication) amended the preamble of Order No. V-952 with a view to list those EU funds which will support the implementation of the apprenticeship support scheme;
  - The milestone requires the entry into force of the legislation establishing an apprenticeship and work-based learning support scheme. However, Order No. V-1433 refers to apprenticeships schemes and does not mention work-based learning. This is due to the fact that both apprenticeships and work-based learning are used synonymously in Lithuania (hereinafter referred to as “apprenticeships”). In particular, Law No. VIII-450 and Resolution No. 1065 specifies the form of apprenticeship training without separately defining and distinguishing the form of on-the-job training. Moreover, Lithuania’s Recovery and Resilience Plan uses both terms together but primarily mentions apprenticeships, as can be seen in other targets. The follow-up target 116 is named “apprenticeships completed” and target 114 in measure D.1.4 refers to apprentices. Therefore for the purpose of the interpretation of this milestone, both terms have been considered equivalent. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled;
  - The new scheme on apprenticeships established by Order No. V-1433 complements the state support system introduced in 2019 by Resolution 934. While the system introduced in 2019 provided that vocational education and training institutions receive 25 percent more funding if they organise apprenticeships. Order No. V-1433 provides that the private sector and students are supported by covering their costs related to the apprenticeship.
- **The legislation shall lay down the, in particular the criteria, target group, focus areas, forms of support provided, eligible costs for apprenticeships and work-based learning. The scheme shall facilitate the acquisition of practical skills in companies by students:** Annex 6 within Order No. V-1433 establishes the procedure to implement the apprenticeship support scheme as follows:
  - **The criteria:** Article 2 lays down the requirements for the projects and Article 6 includes project selection criteria. Articles 2.2 and 2.4 specify that the apprenticeship support scheme is based on project selection and the selection criteria for the projects are specified in the table in Article 6.2. They provide that:
    - A vocational training institution, organising vocational training in the form of an apprenticeship, shall cooperate with a company or companies within the project;
    - At least 40% percent of the projects programs in the form of apprenticeships shall focus on the development of digital competences;
    - The project applicant will have a Cooperation Agreement with a large company;
    - The project applicant will have a Cooperation Agreement with a medium, small or very small company.
  - The successful applicant must meet criteria 1 and 4 and criteria 2 or 3.
  - Furthermore, Article 2.7 requires that when selecting and implementing projects, the project promoter ensures that at least 70% of students who have opted for vocational training in the

form of apprenticeships are trained in medium, small and micro enterprises. This specific requirement and criteria 2 constitute the basis to implement target 117.

- **The target groups:** point 2.1.3 specifies that the target groups of the projects are students who study in vocational training institutions. Those students are eligible to participate who have been enrolled in a formal initial vocational training programme (point 2.1.4). The maximum duration of funded vocational training in the form of apprenticeships is maximum 9 months (point 2.1.7).
- **The form of support:**
  - Point 2.1.10 provides that the form of funding used for financing the projects is a grant;
  - Point 2.1.11 further specifies that 100 % of the total eligible project costs can be financed; This point allows that applicants may contribute to the implementation of the project on their own initiative and from their own resources and/or from other sources.
- **Eligible costs for apprenticeships:**
  - Article 9 defines the requirements for the eligible expenditure. In particular, Article 9.4 lists the type of costs which are eligible for funding, such as costs of apprenticeships or mandatory measures for project visibility and information on projects.
  - In addition, Lithuania presented a document on costs of apprenticeship that the project promoter needs to fill in to justify the costs that occurred during the implementation of the project.
- **Focus areas:** there are two focus areas:
  - First focus area is identified in Article 2.7 - promoting apprenticeship in small and medium-sized enterprises. When implementing projects, at least 70 percent students who have chosen vocational training in the form of an apprenticeship will study in medium, small and very small enterprises;
  - Second focus area is identified in the table of Article 6.2 - promoting the development of digital competences. At least 40% of the programs implemented in the form of apprenticeships will be focused on the development of digital competences.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 126	<b>Related Measure:</b> E.1.1. Quality higher education and strong higher education institutions - E.1.1.4. Systematic R&D promotion in higher education institutions and research analysis	
<b>Name of the Milestone:</b> Entry into force of the legal act establishing the science policy implementing agency		
<b>Qualitative Indicator:</b> Legislation entered into force		<b>Time:</b> Q2 2022
<b>Context:</b>		
<p>The objective of measure E.1.1. is to increase the quality, efficiency and the international competitiveness of the Lithuanian higher education and science system. The measure consists of four sub-measures: improving higher education funding and student admission systems (sub-measure E.1.1.1); improving the efficiency of the higher education network by refining the missions of universities and colleges (sub-measure E.1.1.2); strengthening the international competitiveness of higher education institutions (sub-measure E.1.1.3); and systematic R&amp;D promotion in higher education institutions and research analysis (sub-measure E.1.1.4).</p>		

Milestone 126 is the only milestone of sub-measure E.1.1.4 and envisages entry into force of the legal act on responsibilities, functions and activities of the science policy implementing agency (under the Ministry of Education, Science and Sport or the Government of the Republic of Lithuania), which contains provisions of Agency and starting date. All the infrastructure necessary for the operation of the science policy implementing agency shall be created. The science policy implementing agency is expected to promote more active participation of Lithuanian applicants in European and international R&D&I programs, to develop scientific competencies in the public sector, to develop long term analytics of research and study processes.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Amendment of 11/01/2022 No. XIV-894 to the law on science and studies No. XI-242 (hereinafter referred to as "Amendment No. XIV-894") and a link to the publication in the Register of Legal Acts ([TAR 19/01/2022, No. 751](#));
- iii) Copy of the Resolution of 20/04/2022 No. 375 of the Government of the Republic of Lithuania of 20/04/2022 No. 375 on approval of the regulations of the Research Council of Lithuania (hereinafter referred to as "Resolution No. 375") and a link to the publication in the Register of Legal Acts ([TAR 21/04/2022, No. 8121](#));
- iv) Copy of the Amendment of 21/04/2022 No. XIV-1040 to the law on science and studies No. XI-242 (hereinafter referred to as "Amendment No. XIV-1040") and a link to the publication in the Register of Legal Acts ([TAR 28/04/2022, No. 8794](#));
- v) Copy of the Resolution of the Government of the Republic of Lithuania of 18/05/2022 No. 513 on the approval of reorganisation of the Agency for Science, Innovation and Technology (hereinafter referred to as "Resolution No. 513") and a link to the publication in the Register of Legal Acts ([TAR 19/05/2022, No. 10551](#));
- vi) Copy of the Order of the Chairman of the Research Council of Lithuania and the Director of the Agency for Science, Innovation and Technology of 24/05/2022 No. V-303/2V-124 "Regarding the terms of reorganisation of the Agency for Science, Innovation and Technology" (hereinafter referred to as "Order No. V-303/2V-124") and link to the publication in the Register of Legal Acts ([TAR 24/05/2022, No. 10840](#));
- vii) Copy of the Order of the Chairman of the Research Council of Lithuania of 30/06/2022 No. V-401 "Regarding approval of the structure of the Research Council of Lithuania";
- viii) Copy of the agreement between the Research Council of Lithuania and the Lithuanian Academy of Science of 20/11/2019 No. VS-14 to use state property and copy of the act of transfer-acceptance of property;
- ix) Copy of the rent agreement between the Agency of Science, Innovation and Technology and the Property Bank of 23/12/2020 No. 10V-106;
- x) Copy of the amendment to the rent agreement between the Agency of Science, Innovation and Technology and the Property Bank of 27/06/2022 No. 10V-28;
- xi) Letter by the Chair of the Research Council of Lithuania on the sufficiency of infrastructure of 25/08/2022 No. 4S-879;

- xii) Letter by the Head of the Agency of Science, Innovation and Technology on the sufficiency of infrastructure of 25/08/2022 No. 5V-335.

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Entry into force of the legal act on the responsibilities, functions and activities of the Science Policy Implementing Agency, infrastructure necessary for the operation of the science policy implementing agency:**
  - To establish the Science Policy Implementing Agency (hereinafter referred to as “the Agency”) by reorganising the Research Council of Lithuania, the Amendment No. XIV-894 was adopted on 11/01/2022, and entered into force on 01/03/2022 (as set in article 4.1). The Amendment No. XIV-894 changes the subordination, status, functions and structure of the Research Council of Lithuania;
  - Resolution No. 513 foresees that the Agency for Science, Innovation and Technology (MITA) will be merged into the Research Council of Lithuania and MITA will cease to exist as a separate body. The Resolution was adopted on 18/05/2022 and it entered into force on 20/05/2022. In addition, the details of the reorganisation are defined in Order No. V-303/2V-124 which was adopted on 24/05/2022 and entered into force the following day;
  - Furthermore, the Amendment No. XIV-1040 repeals the authorisation for MITA to perform any science policy functions. Amendment No. XIV-1040 was adopted on 24/04/2022 and Article 5.1 sets the entry into force date to 01/12/2022;
  - Therefore, on 01/12/2022, the reorganisation of the Research Council of Lithuania and of MITA was finished and the Research Council of Lithuania will act as the Agency. Whilst establishing the Agency by reorganising two existing agencies instead of establishing a new agency constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, it does not have a negative impact from the policy perspective. On the contrary, the establishment of a new body while keeping the Research Council of Lithuania and MITA running in parallel would have created a risk of overlaps and duplication of functions. The Agency will keep the infrastructure of the Research Council of Lithuania and will take over the real estate and the infrastructure of MITA. The Lithuanian authorities have provided sufficient evidence that the Agency has acquired the necessary infrastructure for its operations (a copy of the agreement between the Research Council of Lithuania and the Lithuanian Academy of Science of 20/11/2019 No. VS-14 to use state property and copy of the act of transfer-acceptance of property; a copy of the rent agreement between the Agency of Science, Innovation and Technology and the Property Bank of 23/12/2020 No. 10V-106; a copy of the amendment to the rent agreement between the Agency of Science, Innovation and Technology and the Property Bank of 27/06/2022 No. 10V-28; a letter by the Chair of the Research Council of Lithuania on the sufficiency of infrastructure of 25/08/2022 No. 4S-879; a letter by the Head of the Agency of Science, Innovation and Technology on the sufficiency of infrastructure of 25/08/2022 No. 5V-335). Therefore, this minimal deviation does not change the nature of the measure and has a positive impact on the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.
- **Promote more active participation of Lithuanian applicants in European and international R&D&I programs, to develop scientific competencies in the public sector, to develop long term analytics of research and study processes:**

- Resolution No. 375 which was adopted on 20/04/2022 and entered into force on 22/04/2022, approved the revised Regulations of the Research Council of Lithuania which set the objectives for the Research Council of Lithuania in Article 9. The objectives include, among others, providing analytical support to the public sector on R&D&I and on higher education policies, promotion of more active participation of Lithuanian applicants in European and international R&D&I programs, improving the R&D environment and fostering business and science cooperation.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 127	<b>Related Measure:</b> E.1.2. Effective implementation of innovation policy, increased demand for innovation, developed start-up ecosystem and green innovation development - E.1.2.1. Effective implementation of innovation policy through the creation of a single innovation promotion agency and the optimisation of the network of existing agencies	
<b>Name of the Milestone:</b> The entry into force of the resolution of the Government creating the Innovation Agency and transferring innovation promotion functions from other agencies		
<b>Qualitative Indicator:</b> Legislation entered into force		<b>Time:</b> Q1 2022
<b>Context:</b>		
<p>The objective of measure E.1.2. is to increase the efficiency of the innovation policies in Lithuania by revising the institutional set-up, creating a legal framework for R&amp;I support and increasing the demand for innovation. The measure consists of four sub-measures: effective implementation of innovation policy through the creation of a single innovation promotion agency and the optimisation of the network of existing agencies (sub-measure E.1.2.1); increasing demand for innovation in Lithuania by exploiting the potential of public procurement (sub-measure E.1.2.2); fostering the development of the start-up ecosystem (sub-measure E.1.2.3); and promoting the development of green innovation (sub-measure E.1.2.4).</p> <p>The objective of sub-measure E.1.2.1 is to establish a single innovation agency by consolidating innovation promotion functions currently spread across several institutions and to establish a coherent science-business cooperation framework. Milestone 127 concerns the setting up of the Innovation Agency. Enterprise Lithuania (Versli Lietuva) shall act as a basis for the Innovation agency and the innovation-related functions and activities of the Agency for Science, Innovation and Technology (MITA) as well as of the Lithuanian Business Support Agency (LVPA) shall be transferred to the Innovation Agency. INVEGA shall coordinate its activities in relation to innovation funding with the Innovation Agency. The Lithuanian Innovation Centre (LIC) shall be integrated in the Innovation Agency or be reorganised by retracting ownership rights of public bodies in order to contribute to a coherent innovation support framework. All agency infrastructure shall be set up.</p> <p>Besides Milestone 127, sub-measure E.1.2.1 also contains milestone 128, related to entry into force of the revised legislation on innovative activities, also part of this payment request. The third milestone of this sub-measure is milestone 129 and concerns the entry into force of the renewed framework of incentives for business to invest in R&amp;D. The sub-measure has a final expected date for implementation in Q4 2022.</p>		
<b>Evidence provided:</b>		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:		



- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Amendment of 09/12/2022 No. XIV-737 to the law on technology and innovation No. XIII-1414 (hereinafter referred to as "Amendment No. XIV-737") and a link to the publication in the Register of Legal Acts ([TAR 15/12/2021, No. 25850](#));
- iii) Copy of the Amendment of 09/12/2022 No. XIV-739 to the law on the development of small and medium-sized enterprises No. VIII-935 (hereinafter referred to as "Amendment No. XIV-739") and a link to the publication in the Register of Legal Acts ([TAR 15/12/2021, No. 25852](#));
- iv) Copy of the Amendment of 09/12/2022 No. XIV-740 to the law on the innovation promotion fund No. XIII-3167 (hereinafter referred to as "Amendment No. XIV-740") and a link to the publication in the Register of Legal Acts ([TAR 15/12/2021, No. 25853](#));
- v) Copy of the Resolution of 30/03/2022 No. 308 of the Government of the Republic of Lithuania, amending the Resolution No. 982 "On granting of powers for the implementation of the Republic of Lithuania Law on technology and innovation" (hereinafter referred to as "Resolution No. 308") and a link to the publication in the Register of Legal Acts ([TAR 01/04/2022, No. 6735](#));
- vi) Copy of the Resolution of 15/12/2021 No. 1092 of the Government of the Republic of Lithuania "On the consent to reorganise the public institution Versli Lietuva" (hereinafter referred to as "Resolution No. 1092") and a link to the publication in the Register of Legal Acts ([TAR, 20/12/2021, No. 26254](#));
- vii) Copy of the Order of 23/12/2021 No. 4-1414 of the Minister of the Economy and Innovation "On the initiation of the reorganisation of the public institution Versli Lietuva by merger with the public institution Lithuanian Business Support Agency" (hereinafter referred to as "Order No. 4-1414");
- viii) Copy of the Order of 31/03/2022 No. 4-522 of the Minister of the Economy and Innovation "On the reorganisation of the public institution Versli Lietuva by merging it into the public institution Lithuanian Business Support Agency and changing the name of the public institution Lithuanian Business Support Agency" with annexes (hereinafter referred to as "Order No. 4-522");
- ix) Copy of the Order of 28/04/2022 No. 4-665 of the Minister of the Economy and Innovation "On approval of the public institution Innovation Agency and the list of positions" with annexes (hereinafter referred to as "Order No. 4-665");
- x) Copy of the Joint Order of 30/03/2022 No. V-469-4-510 of the Minister of the Economy and Innovation and the Minister of Education, Science and Sport "On the transfer of the activities of the budgetary institution Agency for Science, Innovation and Technology to the public institution Innovation Agency (hereinafter referred to as "Order No. V-469-4-510");
- xi) Copy of the updated Cooperation agreement between INVEGA and the Innovation Agency of 21/10/2022 No. SUT1-229;
- xii) Copy of the Resolution of 20/07/2022 No. 776 of the Government of the Republic of Lithuania "On the transfer of the state-owned shareholder rights of the public institution Lithuanian Innovation Centre" (hereinafter referred to as "Resolution No. 776") and a link to the publication in the Register of Legal Acts ([TAR, 25/07/2022, No. 16093](#));
- xiii) Copy of the Lease agreement between the public institution Versli Lietuva and Technopolis Ozas UAB of 30/09/2021 and a copy of the Lease agreement between the public institution Lithuanian Business Support Agency and Technopolis Ozas UAB of 02/03/2022;

- xiv) Copy of the Order of 22/07/2022 No. 4-885 of the Minister of Economy and Innovation on the approval of the description of the progress measure No. 05-001-01-05-07 of the development programme "To establish a coherent framework for the promotion of innovation activities" (hereinafter referred to as "Order No. 4-885") and a link to the publication in the Register of Legal Acts (TAR 22/07/2022, No. 16019);
- xv) Copy of letter of 30/12/2022 No. 3-5491 of the Ministry of Economy and Innovation on the ending of Lithuanian Innovation Center functions in the projects to facilitate R&D adoption and digitalisation in industrial companies and support business integration in the international R&D value chains (hereinafter referred to as "Letter No. 3-5491");
- xvi) Copy of the amendments of 10/01/2023 No. PVT-005 and No. PVT-006 to the partnership agreements with the Lithuanian Innovation Center on the implementation of projects to facilitate R&D adoption and digitalisation in industrial companies and support business integration in the international R&D value chains (hereinafter referred to as "Amendments No. PVT-005 and No. PVT-006").

The authorities also provided:

- xvii) Copy of the protocol decision of the 05/05/2021 No. 23 meeting of the Government of the Republic of Lithuania and the copy of the concept of the single innovation agency;
- xviii) Copy of the Resolution of 13/10/2021 No. 837 of the Government of the Republic of Lithuania "On the amendment of Resolution No. 1322 of the Government of the Republic of Lithuania of 25/11/2020 "On the preparation for the administration of the European Union funds"" and a link to the publication in the Register of Legal Acts ([TAR 15/10/2021, No. 21587](#));
- xix) Copy of the Amendment of 09/12/2022 No. XIV-738 to the law on science and studies No. XI-242 and a link to the publication in the Register of Legal Acts (TAR 15/12/2021, No. 25851);
- xx) Copy of the Lithuanian Innovation Centre shares auction register, and participants list of 12/09/2022. Copy of the bank transfer by the auction winner for the Lithuanian Innovation Centre shares.

#### **Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Setting up the Innovation agency on the basis of Versli Lietuva:**
  - Article 14 of the Amendment No. XIV-737 defines the functions of the Innovation Agency, as the implementing body of the Innovation policy in Lithuania. Amendment No. XIV-737 was adopted on 09/12/2021 and Article 12.1 sets the entry into force date of the Amendment to 31/03/2022;
  - Amendment No. XIV-739 defines that functions related to administrative support to small and medium enterprises will be performed by the Innovation agency. Amendment No. XIV-739 was adopted on 09/12/2021. Article 2.1 sets the entry into force date of the Amendment to 31/03/2022;
  - Amendment No. XIV-740 includes the newly created Innovation Agency into the management system of the Innovation promotion fund. Amendment No. XIV-740 was adopted on 09/12/2021. Article 2.1 sets the entry into force date of the Amendment to 31/03/2022;

- Moreover, the Resolution of the Government of the Republic of Lithuania No. 1092 “On the Consent to Reorganise the Public Institution Versli Lietuva” of 15/12/2021 entered into force on 21/12/2021. The Resolution defined the way of the reorganisation of two institutions Versli Lietuva and LVPA. The Council Implementing Decision required that Versli Lietuva shall act as a basis for the Innovation Agency. However, it was the LVPA which acted as a basis for the Innovation Agency. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, it had a positive impact on the outcome of the merger. After the merger, both institutions – Versli Lietuva and LVPA were fully integrated and became one institution, namely, the Innovation Agency. However, from a legal perspective, using LVPA as a basis for the Innovation agency, enabled the Innovation Agency to retain the status of the intermediary body for the management of the EU structural funds which was previously granted to LVPA. If Versli Lietuva acted as basis for the merger, the outcome would be the same, except that the legal status of the intermediary body would have been lost. Such status will facilitate the administration of EU funds and ensure the operation of the single window for potential beneficiaries wishing to receive advisory and financial support for their R&D&I activities. As of this, this minimal deviation does not change the nature of the measure and has a positive impact on the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled;
- Order No. 4-1414, which was adopted and entered into force on 23/12/2021, initiated the reorganisation of Versli Lietuva and LVPA. Order No. 4-522, which was adopted and entered into force on 31/03/2021, approved the conditions for the reorganisation of Versli Lietuva and the Statute of the Innovation Agency. Order No. 4-665, which was adopted on 28/04/2022 and entered into force on 01/05/2022, approved the organisational structure of the Innovation Agency.
- **The innovation functions and activities of MITA and LVPA shall be transferred to the Innovation Agency:**
  - Resolution No. 308 removes references to the Agency for Science, Innovation and Technology (MITA) as a responsible body for the implementation of innovation support policies in Lithuania. The Resolution No. 308 was adopted on 30/03/2022 and entered into force on 02/04/2022;
  - The Joint Order of the Minister of the Economy and Innovation and the Minister of Education, Science and Sport No. V-469-4-510 of 30/03/2022 entered into force on 31/03/2022 and it sets a gradual transfer of all innovation promotion activities performed by MITA to the Innovation Agency. The remaining functions of MITA were transferred to the Science policy implementing agency and MITA ceased to exist on 30/11/2022;
  - Resolution No. 1092 defined the way of the reorganisation of two institutions Versli Lietuva and LVPA. As a consequence, LVPA ceased to exist as a separate body after the creation of the Innovation agency. The Resolution was adopted on 15/12/2021 and entered into force on 21/12/2021.
- **Coordination with INVEGA:**
  - On 21/10/2022 the Innovation Agency entered into an updated cooperation agreement No. SUT1-229 with INVEGA, the national promotional agency, in order to coordinate the activities in relation to innovation funding.
- **Reorganisation of the Lithuanian Innovation Center:**
  - The milestone description requires that the Lithuanian Innovation Center (LIC) shall be fully integrated in the Innovation Agency or be reorganised by retracting ownership rights of

public bodies. The Lithuanian authorities decided to reorganise the Lithuanian Innovation Centre by retracting ownership rights of public bodies. On 20/07/2022, the Government adopted Resolution No. 776 to reorganise the Lithuanian Innovation Centre by retracting ownership rights of public bodies through an auction of Lithuanian Innovation Centre shares which took place on 12/09/2022. Several participants of the auction contested the procedure of the auction in the court. As the legal process is ongoing, the Government is prevented from signing the agreement on the transfer of the Lithuanian Innovation Center ownership rights to the auction winner. Nevertheless, the Government took alternative steps to ensure that the Lithuanian Innovation Center does not duplicate the functions of the Innovation agency in order to achieve the goal of the sub-measure, i.e. to contribute to the set up of a coherent innovation support framework. Specifically, the Order No. 4-885, which was adopted on 22/07/2022 and entered into force the following day, approved the description of the progress measure "On creation of the coherent innovation promotion system". The description covers public innovation promotion measures and institutions responsible for their implementation, from which the Lithuanian Innovation Center is excluded. This means that no public innovation support functions will be delegated to the Center and no public funds will be paid to the Center to perform such functions. Furthermore, by providing a Letter No.3-5491 and Amendments No. PVT-005 and No. PVT-006 Lithuanian authorities demonstrated that they took actions to terminate partnerships with the Lithuanian Innovation Center in the joint projects to facilitate R&D adoption and digitalisation in industrial companies and support business integration in the international R&D value chains. This will prevent the Lithuanian Innovation Center from presenting itself as a partner of public authorities which is authorised to perform functions similar to the functions of the Innovation Agency. The Lithuanian Innovation Center will operate in the market on a competitive basis which will correspond to the situation as if the Center was fully private. This provides sufficient assurance that the activities of the Innovation Agency will not be undermined by the activities of the Lithuanian Innovation Center. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the coherence of the support framework is ensured by the alternative steps taken by the Lithuanian authorities and therefore there is no impact on the operations of the Agency. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

- **Setting up the infrastructure of the Innovation agency:**

- The Innovation agency took over the property lease contracts of Versli Lietuva and LVPA. Lithuanian authorities have provided sufficient evidence (copy of the Lease agreement between the public institution Versli Lietuva and Technopolis Ozas UAB of 30/09/2021 and a copy of the Lease agreement between the public institution Lithuanian Business Support Agency and Technopolis Ozas UAB of 02/03/2022) in order to prove that the Innovation Agency has sufficient infrastructure for its operations.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 128	<b>Related Measure:</b> E.1.2 Effective implementation of innovation policy, increased demand for innovation, developed start-up ecosystem and green innovation development - E.1.2.1. Effective implementation of innovation policy through the creation of a single innovation promotion agency and the optimisation of the network of existing agencies
<b>Name of the Milestone:</b> Entry into force of the revised legislation on innovative activities	

**Qualitative Indicator:** Entry into force of legislation

**Time:** Q4 2021

**Context:**

The objective of measure E.1.2 is to increase efficiency of the innovation policies in Lithuania by revising the institutional set-up, setting up the legal framework for R&I support and by increasing the demand for innovation. The measure consists of four sub-measures: effective implementation of innovation policy through the creation of a single innovation promotion agency and the optimisation of the network of existing agencies (sub-measure E.1.2.1); increasing demand for innovation in Lithuania by exploiting the potential of public procurement (sub-measure E.1.2.2); fostering the development of the start-up ecosystem (sub-measure E.1.2.3) and promoting the development of green innovation (sub-measure E.1.2.4).

The objective of sub-measure E.1.2.1 is to establish a single innovation agency by consolidating innovation promotion functions currently spread across several institutions and to establish a coherent science-business cooperation framework. Milestone 128 requires entry into force of the revised and amended legislation on innovative activities, including the Law on Technology and Innovation and Amendment to Resolution No 982 of 3 October 2018 on the granting of powers for the implementation of the Law on Technology and Innovation of the Republic of Lithuania. The revised legal acts shall reduce the gaps and overlaps in the research and innovation policy framework, harmonize the support measures mix, and specify institutional responsibilities. The revised Law on Technology and Innovation shall identify institutions responsible for innovation policy formation and implementation, principles of promotion of innovation-related activities.

Besides milestone 128, sub-measure E.1.2.1 also contains milestone 127 that is also part of the first payment request. It relates to the creation of the innovation agency and transferring innovation promotion functions from other agencies, also part of this payment request. The third milestone of this sub-measure is milestone 129, due in Q4 2022, concerns the entry into force of the renewed framework of incentives for business to invest in R&D. The sub-measure has a final expected date for implementation in Q4 2022.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Amendment of 09/12/2022 No. XIV-737 to the law on technology and innovation No. XIII-1414 (hereinafter referred to as "Amendment No. XIV-737") and a link to the publication in the Register of Legal Acts ([TAR 15/12/2021, No. 25850](#));
- iii) Copy of the Amendment of 09/12/2022 No. XIV-738 to the law on science and studies No. XI-242 (hereinafter referred to as "Amendment No. XIV-738") and a link to the publication in the Register of Legal Acts ([TAR 15/12/2021, No. 25851](#));
- iv) Copy of the Amendment of 09/12/2022 No. XIV-739 to the law on the development of small and medium-sized enterprises No. VIII-935 (hereinafter referred to as "Amendment No. XIV-739") and a link to the publication in the Register of Legal Acts ([TAR 15/12/2021, No. 25852](#));
- v) Copy of the Amendment of 09/12/2022 No. XIV-740 to the law on the innovation promotion fund No. XIII-3167 (hereinafter referred to as "Amendment No. XIV-740") and a link to the publication in the Register of Legal Acts ([TAR 15/12/2021, No. 25853](#));
- vi) Copy of the Resolution of 30/03/2022 No. 308, of the Government of the Republic of Lithuania amending the Resolution No. 982 on granting of powers for the implementation of

law on technology and innovation (hereinafter referred to as “Resolution No. 308”) and a link to the publication in the Register of Legal Acts ([TAR 01/04/2022, No. 6735](#));

vii) Copy of the Resolution of 16/03/2022 No. 247 of the Government of the Republic of Lithuania on the approval of the programme for economic transformation and competitiveness development of the Ministry of Economy and Innovation (hereinafter referred to as “Resolution No. 247”) and a link to the publication in the Register of Legal Acts ([TAR 22/03/2022, No. 5106](#));

viii) Copy of the Order of 22/07/2022 No. 4-885 of the Minister of Economy and Innovation on the approval of the description of the progress measure No. 05-001-01-05-07 of the development programme “To establish a coherent framework for the promotion of innovation activities” (hereinafter referred to as “Order No. 4-885”) and a link to the publication in the Register of Legal Acts ([TAR 22/07/2022, No. 16019](#)).

#### **Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Specifying institutional responsibilities, identifying institutions responsible for innovation policy formation and implementation, and principles of promotion of innovation-related activities:**

- Amendments No. XIV-737, XIV-738, XIV-739, XIV-740 specify the institutional responsibilities and set out horizontal principle of promotion of innovation-related activities:
  - Sections 2 and 3 of the Law on technology and innovation as amended by the Amendment No. XIV-737 identify the institutions responsible for the formulation of innovation policy and its implementation;
  - Amended Article 10 of the Law on technology and innovation defines the functions of the Science, Technologies and Innovation Council as the advisory body;
  - Amended Article 14 of the Law on technology and innovation defines the functions of the Innovation Agency, as the implementing body of the innovation policy in Lithuania;
  - Amended Article 6 of the Law on technology and innovation defines the horizontal principle of promotion of innovation-related activities.
- Amendment No. XIV-737 was adopted on 09/12/2021 and Article 12.1 sets the entry into force date of the Amendment to 31/03/2022;
- Amendment No. XIV-738 defines that functions related to science, research and development shall be performed by the Science Policy Implementing Agency (Research Council of Lithuania). Amendment No. XIV-738 was adopted on 09/12/2021. Article 4.1 sets the entry into force date of the Amendment to 31/03/2022;
- Amendment No. XIV-739 defines that functions related to administrative support to small and medium enterprises will be performed by the Innovation Agency. Amendment No. XIV-739 was adopted on 09/12/2021. Article 2.1 sets the entry into force date of the Amendment to 31/03/2022;
- Amendment No. XIV-740 includes the newly created Innovation Agency into the management system of the Innovation promotion fund. Amendment No. XIV-740 was adopted on 09/12/2021. Article 2.1 sets the entry into force date of the Amendment to 31/03/2022;

<ul style="list-style-type: none"> <li>○ In addition, Resolution No. 308 removes references to the Agency for Science, Innovation and Technology as a responsible body for the implementation of innovation support policies in Lithuania, further helping to clarify the institutional responsibilities. The Resolution No. 308 was adopted on 30/03/2022 and entered into force on 02/04/2022.</li> <li>● <b>Reducing the gaps and overlaps in the research and innovation policy framework, harmonizing the support measures mix:</b> <ul style="list-style-type: none"> <li>○ To reduce the gaps in the research and innovation policy framework and to harmonise the support measures mix, Resolution No. 247 approves the programme for economic transformation and competitiveness development for the period 2022-2030. The programme identifies the challenges, measures and targets to promote transformation and competitiveness of the Lithuanian economy. To this end, the programme includes a specific progress measure No. 05-001-01-05-07 to create a coherent innovation promotion system; The Resolution No. 247 was adopted on 16/03/2022 and entered into force on 23/03/2022;</li> <li>○ The description of the progress measure No. 05-001-01-05-07 on the creation of a coherent innovation promotion system was adopted by the Order No. 4-885. The description includes specific actions to fill the gaps that existed in the innovation promotion system, including actions to expand the financial instruments of the Innovation promotion fund, to implement specialised start-up acceleration programmes and to attract international accelerators, promote innovative public procurement, promote the participation of SMEs in international R&amp;D&amp;I initiatives and others. The Order No. 4-885 was adopted on 22/07/2022 and entered into force on 23/07/2022.</li> </ul> </li> <li>● <b>The legal acts shall be approved by the Seimas, the Lithuanian Government, the Minister of Economy and Innovation, depending on the type of the legal act. This shall enter into force upon publication of the Legal Act Register (E-TAR):</b> <ul style="list-style-type: none"> <li>○ The legal acts were approved by the Seimas, the Lithuanian Government, the Minister of Economy and Innovation, depending on the type of the legal act as described in the list of evidence under “Evidence provided.</li> <li>○ As specified under the section “Evidence provided”, the legislation has been published on the Legal Act Register (E-TAR).</li> </ul> </li> </ul>
<b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled

<b>Number:</b> 132	<b>Related Measure:</b> E.1.3. Joint missions for science and innovation in smart specialisation - E.1.3.1. Defining smart specialisation priorities	
<b>Name of the Milestone:</b> Entry into force of the revised smart specialisation concept		
<b>Qualitative Indicator:</b> Legislation entered into force		<b>Time:</b> Q4 2021
<p><b>Context:</b></p> <p>The objective of measure E.1.3 is to concentrate science and business cooperation in the revised smart specialisation areas, supporting the implementation of joint science and innovation missions. This measure is accompanied by 3 sub-measures: defining smart specialisation priorities (sub-measure E.1.3.1); supporting the implementation of mission-based science and innovation programmes in smart specialisation (sub-measure E.1.3.2); and encouraging science and business to participate in the EU research and innovation programme Horizon Europe and other international funding programmes (sub-measure E.1.3.3).</p> <p>Milestone 132 is the only milestone under sub-measure E.1.3.1 which aims to revise the smart specialisation priorities and reduce their number. Milestone 132 requires the approval of a new</p>		

concept of smart specialisation by a resolution of the Lithuanian Government for the period until 31 December 2027. The concept shall identify three priorities for smart specialisation, and the thematic areas within these priorities, as well as a model for coordination and monitoring of implementation.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Resolution of 17/08/2022 No. 835 of the Government of the Republic of Lithuania on the approval of research and experimental development and innovation (smart specialisation) concept (hereinafter referred to as "Resolution No. 835") and a link to the publication in the Register of Legal Acts ([TAR 22/08/2022, No 17390](#)).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Approval of a new concept of smart specialisation for the period until 31 December 2027:**
  - Resolution No. 835, which was approved by the Lithuanian Government on 17/08/2022, defines the concept of smart specialisation (hereinafter referred to as "the Concept"). Article 5 of the Concept sets the implementation period for the approved Concept from 2022 to 2030. Article 44 of the Concept sets the smart specialisation priorities for the period until 2027. Resolution No. 835 was published on 22/08/2022 and entered into force the day following its publication on 23/08/2022;
  - The new concept builds on the existing Lithuanian concept of smart specialisation and extends it to the period 2022 to 2027. Furthermore, it defines the model for coordination and monitoring of the implementation of Smart Specialisation (see next paragraph).
- **Three smart specialisation priorities, thematic areas within these priorities, a model for coordination and monitoring of implementation:**
  - Chapter IV of the Concept narrows down to three the priorities for the smart specialisation and divides each priority into thematic areas. The first priority focuses on health technologies and biotechnology and includes areas like molecular technologies for medicine and biopharmaceutics, advanced applied technologies for personal and public health, advanced medical engineering for early diagnosis and treatment and safe food and sustainable agro-biological resources. The second priority focusses on new production processes, materials and technologies. It includes photonics and laser technologies, advanced materials and structures, product development, energy efficiency and renewable energy resources. The third priority entails information and communication technologies and includes activities in the field of artificial intelligence, internet of things, cyber security, blockchains, media technologies and intelligent transport systems;
  - Finally, Chapter V of the Concept defines the model for coordination and monitoring of implementation of the Concept. The model covers three levels: i) strategic; ii) coordination and implementation and iii) expert level. For each level, responsible institutions and their roles are described in the Concept. One of the new elements in the coordination model is the introduction of Facilitators for each of the three priority fields who will ensure relevant



stakeholder involvement, improve the strategic directions and priorities of the Concept and supervise its implementation.

- **As required by the description of the measure the objective of this reform is to revise the smart specialisation priorities and reduce their number:**
  - The new concept reduces the number of smart specialisation priorities from seven to three, thereby focusing on the most effective topics of the 2014-2020 Smart Specialization Program. Smart Specialization priorities will be supported by various public innovation support measures. The reduction of priorities will allow Lithuania to concentrate financial and human resources in the areas of largest potential and is expected to make a higher impact in transition to higher value-added economy.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 146	<b>Related Measure:</b> F.1.2. A fairer and more growth-friendly tax system - F.1.2.3. An assessment of the effectiveness of the tax and social insurance contributions in preventing poverty and reducing income inequality	
<b>Name of the Milestone:</b> Delivery of the study on the effectiveness of personal income taxation and social insurance contributions in reducing poverty and income inequality.		
<b>Qualitative Indicator:</b> The study published on the website of the Ministry of Finance		<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The aim of measure F.1.2 is to create the conditions for rebalancing the tax system by ensuring a socially fairer, growth-friendly tax structure, encouraging consumers to change behaviour through taxation to adapt to the changing needs of society. This reform consists of three sub-measures: the abolition of tax exemptions and special tax regimes that are inefficient, no longer reflect state priorities or do not comply with the Green Deal (sub-measure F.1.2.1); further broadening of the tax base to sources that do not hamper economic growth (sub-measure F.1.2.2); and an assessment of the effectiveness of the tax and social insurance contributions in preventing poverty and reducing income inequality (sub-measure F.1.2.3).</p> <p>Milestone 146 is part of sub-measure F.1.2.3 and aims at delivering a study on the effectiveness of the personal income taxation and social insurance contributions in preventing poverty and reducing income inequality in Lithuania.</p> <p>Milestone 146 is the first step of the implementation of the reform and will be followed by milestone 147 related to entry into force of amendments to legislation on personal income taxation and social insurance contributions with a view to coming into effect not earlier than 2024. The reform’s final expected date for completion is Q4 2022.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone was satisfactorily fulfilled;</li> <li>ii) A link to the study published on the website of the Ministry of Finance: <a href="https://finmin.lrv.lt/uploads/finmin/documents/files/2022-08-01_RRF_146_milestone_Lithuania_Study_OECD.pdf">https://finmin.lrv.lt/uploads/finmin/documents/files/2022-08-01_RRF_146_milestone_Lithuania_Study_OECD.pdf</a> (Strengthening the design of the tax,</li> </ul>		

social security contributions and social benefits system in Lithuania to reduce inequality and poverty and stimulate economic growth).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Publication of a study analysing the effectiveness of personal income taxation and social insurance contributions in reducing poverty and income inequality:**
  - The Organization for Economic Co-operation and Development (OECD) delivered the study entitled “Strengthening the design of the tax, social security contributions and social benefits system in Lithuania to reduce inequality and poverty and stimulate economic growth” to the Ministry of Finance on 16/07/2022. The Ministry of Finance published the study on 01/08/2022. The study fulfils the requirements of the milestone as it encompasses an analysis of the effectiveness of personal income taxation and of social insurance contributions (as well as social benefits) in reducing poverty (often referred to as income adequacy in the study) and income inequality, namely:
    - The design of the personal income tax system and its impact on to reducing poverty and inequality is analysed in section “3.2. The design of the tax system” and, in particular, the subsections “The personal income tax system could be more progressive at the top” as well as “The design of the basic allowance”;
    - The design of the social security contributions and how these relate to reducing poverty and inequality is analysed in the subsection “The design of social security contributions” of the section “3.2. The design of the tax system”;
    - The effectiveness of personal income taxation and social insurance contributions in reducing poverty and income inequality is further analysed in section “4. The incentives to work in Lithuania”. The section focuses on examining whether the paid tax and social insurance contributions are too high and discourage people from entering work or progressing in work and, as a result remaining in poverty;
    - Lastly, the preliminary observations and reform policy options are summarised in box 1.1 of the study.
  - As required by the measure description, the analysis aims to adjust the personal income tax and social insurance contributions in order to better prevent poverty and reduce income inequality. The reform policy options ensure such an adjustment by proposing adequate policy measures to increase the effectiveness of personal income taxation and social insurance contributions in reducing poverty and income inequality, such as: i) to further increase progressivity of the personal income tax (applied to the labour-related income) by introducing additional tax rate brackets and reducing the income threshold when the maximum tax rate has to be applied; ii) to link the increases in the non-taxable income amount (applied to the low-wage earners) to inflation or wage growth, as this would help to preserve the purchasing power of low-wage earners and to depoliticize the overall decision-making process; iii) as the size of the working age population shrinks, to ensure the sustainability of the social insurance pension system, to shift funding of social insurance pensions from social security contributions to general taxation; among other measures.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 152	<b>Related Measure:</b> F.1.3. Long-term sustainability and transparency of the national budget - F.1.3.4. Promoting public-private partnerships
<b>Name of the Milestone:</b> Entry into force of the amendments to the Rules on the Preparation and Implementation of Public-Private Partnerships	
<b>Qualitative Indicator:</b> Implementation of Public-Private Partnerships indicating the entry into force of the amendments	<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The aim of reform F.1.3 is to increase the long-term sustainability of the state and municipal budgets, transparency of medium-term budgeting and funding of state services, as well as focus on spending reviews and ways to increase financial independence of municipalities. It encompasses five sub-measures: improvements to the budgetary framework (sub-measure F.1.3.1); spending reviews (sub-measure F.1.3.2); enhancing the structure of municipal revenues (sub-measure F.1.3.3); Promoting public-private partnerships (sub-measure F.1.3.4); and consolidation of the national promotional institutions (sub-measure F.1.3.5).</p> <p>Milestone 152 is part of sub-measure F.1.3.4. It aims to draw up and adopt a legislative package that contributes to i) allowing to group of municipal investment projects, which would make them more attractive to investors; and ii) enabling municipalities to participate in public-private partnership programmes organised by the state, which is expected to reduce administrative costs.</p> <p>Besides this milestone 152, sub-measure F.1.3.4 includes milestone 153 that further contributes towards i) enabling the implementation of public-private partnerships in the strategically most important areas, such as energy efficiency, renewable energy sources, sustainable transport, and areas with the greatest investment needs, such as justice and public order and public safety; and ii) helping to attract private investors to public projects by providing the long term sustainable investment plans and developing balanced mutually beneficial risk allocation mechanisms. The sub-measure has a final expected date for implementation in Q4 2022.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii) Copy of the Rules for the preparation and implementation of public-private partnerships (hereinafter referred to as the “PPP rules”), and a link to the publication in the Register of Legal Acts (<a href="#">TAR/22/06/22, No. 633</a>);</li> <li>iii) Copy of the Strategic management methodology (hereinafter referred to as “SMM”), and a link to the publication in the Register of Legal Acts (<a href="#">TAR/19/12/22, No. 25849</a>).</li> </ul>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.</p> <p>In particular:</p>	

- **Entry into force of the rules for the preparation and implementation of Public-Private Partnerships that shall allow grouping of municipal investment projects, which make them more attractive to investors (hereafter, the PPP rules):**
  - The PPP rules (“[TAR/22/06/22, No. 633](#)”) were amended on 22/06/2022, published on 27/06/2022 and entered into force the day following its publication. The amended rules regulate the preparation, submission, evaluation, decision-making and implementation of PPP projects, as well as the rights and obligations of the bodies involved in the PPP process. Specifically, the amendment regulates according to which criteria municipal projects can be consolidated, who and on what basis takes over the implementation of the project, and which decision-making rights remain independent for each municipality:
    - Paragraph 27 sets out the possibility to group municipal investment projects. It specifies that the investment projects could be consolidated by sector or geographic area, for example two municipalities could jointly modernise their school or the adjacent municipalities may pursue a project that is relevant for both municipalities. Effectively, the amendment allows two or more municipalities to enter into cooperation agreements to jointly organise municipal investment projects, where one municipality takes the lead in the implementation process of the PPP;
    - Paragraphs 31, 32 and 33 sets out procedural steps for grouping municipal investment projects and foresees steps to take when the conditions of the project change, including price increases or delays. To conclude the partnership agreement, all municipalities need to sign the final agreement that was prepared by the municipality that was selected to lead the process;
    - The PPP rules make the grouping of municipal investment projects more attractive to investors by increasing the value of the project. As preparing and participating in PPP projects requires significant financial and human resources, the associated costs can render small projects unattractive for investors.
- **Entry into force of rules to enable municipalities to participate in public-private partnership programmes organised by the state:**
  - The SMM was amended on 14/12/2022 by a government resolution published on 19/12/2022 and entered into force the day following its publication. The amendments introduce the option of PPP financing for state investment planning and allow ministries to impose PPP on project implementers (such as municipalities) if the ministry sees it as the best financing option to achieve its goals. Preparing PPP at the government level would allow to save on PPP administration costs via economies of scale;
  - Paragraph 86 sets a possibility for the ministries to recommend or design an incentive scheme to use PPP financing for investment projects that reflect strategic priorities of the government. When planning their development measures, ministries have to assess the most effective financing method; from now on the ministries must evaluate the appropriateness of the application of the PPP method as a financing option;
  - The evaluation of the PPP financing option for development measures by the ministries is applicable to all sectors as the SMM does not limit it to municipalities. However, this financing method is particularly important for municipal investment projects. Until now, the PPP method was used to finance municipal investment projects on an ad-hoc basis and its appropriateness was decided by the municipality itself and financed with its own resources. This resulted in high administrative costs and political risks to discontinue the projects, making it less attractive to potential investors. In turn, this created a commitment problem, making the PPP option less attractive at a consideration stage. To solve this, paragraph 86 specifies that ministries may introduce conditionality to use PPP or else the implementer is

obliged to contribute to the project cost. In this way, municipalities are strongly incentivised to use the PPP method;

- To facilitate the process, paragraph 8 of the SMM sets out the CPMA as a consultancy body to help ministries to conduct cost-benefit analysis for the financing options and also help the implementers with the preparation of PPP documents. This will save project and administration costs by standardising the procedure and preparing standard procurement documents for municipalities;
- An example of PPP financing is being developed for social housing projects. The Ministry of Social Security and Labour is preparing a development measure to address social inequality. With the CPMA's consulting assistance, the ministry assessed the feasibility of implementing financing of the development measure using the PPP method and decided to allocate funding to municipalities only for projects implemented using PPP method. Therefore, if municipalities would like to receive funding for social housing, they have to proceed using the PPP method.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 155	<b>Related Measure:</b> F.1.4. Improving tax compliance - F.1.4.1. More transparency in the trade in used vehicles	
<b>Name of the Milestone:</b> State Tax Inspectorate and Customs obtain data on vehicle owners from the vehicle owners' accounting system		
<b>Qualitative Indicator:</b> State Tax Inspectorate and Customs have access to data on vehicle owners from the vehicle owners' accounting system		<b>Time:</b> Q2 2021
<p><b>Context:</b></p> <p>The objective of measure F.1.4. is to improve tax compliance in high-risk sectors and to increase the transparency of transactions. It consists of five sub-measures: more transparency in the trade in used vehicles (sub-measure F.1.4.1); fair taxation of online economic activities (sub-measure F.1.4.2); limiting the use of cash (sub-measure F.1.4.3); financially literate future taxpayers (sub-measure 4); and more transparency in the construction sector (sub-measure F.1.4.5).</p> <p>Milestone 155 is part of the sub-measure F.1.4.1 aiming at improving the control of sales of used vehicles by collecting data on their actual owners and sellers. It requires i) the entry into force of the amendments to the Law on Road Safety concerning the introduction of a system of vehicle owners' accounts to identify the actual sellers and owners of vehicles in order to ensure that their tax obligations are met; and ii) the State Tax Inspectorate and Customs obtaining access to data of the vehicle owners' accounting system.</p> <p>Milestone 155 is the only milestone of this sub-measure.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> </ul>		

- ii) Copy of the Law No. XIII-3218 amending Articles 1, 2, 20 and 27 of law No. VIII-2043 on road traffic safety and supplementing it with Article 273 (hereinafter referred to as "Law No. XIII-3218") and a link to the publication in the Register of Legal Acts ([TAR 15/07/2020, No. 15754](#));
- iii) Copy of the Order of 29/04/2021 No. 1V-379 of the Minister of Interior on the approval of the description of the procedure for declaring the right of ownership of a motor vehicle and its trailer (hereinafter referred to as "Order No. 1V-379") and a link to the publication in the Register of Legal Acts ([TAR 29/04/2021, No. 9132](#));
- iv) Copy of the Order of 28/04/2021 No. 1V-373 of the Minister of Interior on the approval of the regulations of the vehicle owners' accounting information system hereinafter referred to as "Order No. 1V-373") and a link to the publication in the Register of Legal Acts ([TAR 28/04/2021, No. 8860](#));
- v) Agreement No. ST-119/ (1.43-04-2 E) 270-23 concluded between the state enterprise Regitra and the State Tax Inspectorate under the Ministry of Finance of 06/05/2021 (hereinafter referred to as "Agreement No. ST-119/ (1.43-04-2 E) 270-23");
- vi) Agreement No. ST-372/18B-6 concluded between the state enterprise Regitra and the Customs Department under the Ministry of Finance of 08/11/2021 (hereinafter referred to as "Agreement No. ST-372/18B-6");
- vii) A link to the publicly available vehicle owners' information system on the website of the manager of the data state enterprise Regitra:  
<https://www.regitra.lt/lt/paslaugos/transporto-priemones/sdk-paieska>

#### **Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **The entry into force of the amendments to the Law on Road Safety concerning the introduction of a system of vehicle owners' accounts to identify the actual sellers and owners of vehicles in order to ensure that their tax obligations are met:**
  - The Law No. XIII-3218 was adopted on 30/06/2020 and entered into force on 01/05/2021 (as set out in Article 6.1). Article 20 paragraphs 1, 2 and 3 of the Law stipulate that a vehicle owner or operator must declare the data after acquisition or transfer of the right of ownership to Regitra, the manager of the Register of road vehicles of the Republic of Lithuania. Article 273 of the Law states that the manager of the Register of road vehicles of the Republic of Lithuania shall make this data public. The Law was supplemented by two orders of the Minister of the Interior:
    - Order No. 1V-379 on the approval of the description of the procedure for declaring the right of ownership of a motor vehicle and its trailer (entered into force on 01/05/2021 as set out in paragraph 2 of the Order). This is a secondary legislation that specifies what data must be declared by vehicle owner or the operator;
    - Order No. 1V-373 on the approval of the regulations of the vehicle owners' accounting information system (entered into force on 01/05/2021 as set out in paragraph 4 of this Order). This secondary legislation that establishes the regulations to manage vehicle owners' accounting information system and delegates this responsibility to state owned company Regitra.
- **The State Tax Inspectorate and Customs obtaining access to data of the vehicle owners' accounting system:**

- Two agreements were concluded: Agreement No. ST-119/ (1.43-04-2 E) 270-23 concluded between the state enterprise Regitra, manager the register of the road vehicles that manages the data of the vehicle owners' accounting system, and the State Tax Inspectorate under the Ministry of Finance and Agreement No. ST-372/18B-6 concluded between the state enterprise Regitra and the Customs Department under the Ministry of Finance. The first article of the agreement states that Regitra provides access to the vehicle owners' accounting system, while the rest of the agreements define the scope of the access.
- Furthermore, as required by the measure description the reform improves the control of sales of the used vehicles. The entry into force of the amendments to the Law No. XIII-3218 and its implementing legislation ensures that the vehicle may no longer be sold or registered without the unique declaration code of the vehicle generated by the vehicle owners' accounting system. Vehicles must have this code before entering Lithuania. The State Tax Inspectorate receives information about the actual owner of the vehicle in the vehicle owners' accounting information system. Therefore, resellers of vehicles who previously purchased cars abroad and sold them in Lithuania no longer have the opportunity to hide car sales transactions and, accordingly, the income obtained from such sales. In addition, the system also collects data about transaction values. In this way, the State Tax Inspectorate has all the necessary data about vehicle sellers: the fact of the acquisition and sale of vehicles and the value of the transactions. This allows the Inspectorate to determine the income of the sellers and, accordingly, the taxes payable on this income.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 168	<b>Related Measure:</b> F.1.6. Smart tax administration to reduce the VAT gap faster - F.1.6.3. Robotisation of business processes at the State Tax Inspectorate	
<b>Name of the Milestone:</b> Completion of automation of two business processes carried out by the State Tax Inspectorate		
<b>Qualitative Indicator:</b> Entry into operation of the robotic process automation software		<b>Time:</b> Q1 2022
<p><b>Context:</b></p> <p>The objective of the measure F.1.6. "Smart tax administration to reduce the VAT gap faster" is to modernise the data analysis and decision-making processes of the State Tax Inspectorate (hereinafter "STI") and the Lithuanian Customs by using advanced analytical methods and methods based on the use of artificial intelligence, and to enhance the competences of their staff. It encompasses six sub-measures: introduction of new data analytics tools in the STI (sub-measure F.1.6.1); improving data quality of the STI and of other institutions (sub-measure F.1.6.2); robotisation of business processes at the State Tax Inspectorate (sub-measure F.1.6.3); digitalisation of the tax stamps (sub-measure F.1.6.4); new data analysis tools and upgrading Customs' IT systems (sub-measure F.1.6.5); and improvement of staff competences of the STI and the Lithuanian Customs (sub-measure F.1.6.6).</p> <p>Milestone 168 is part of sub-measure F.1.6.3. aiming at acquiring licences of the robotic process automation software and using them to automate two business processes of the STI: i) issuing decisions and protocols for violations of administrative law; and ii) revision of old tax arrears and fines. The sub-measure has a final expected date for implementation in Q1 2022.</p> <p>Milestone 168 is the only milestone of this sub-measure.</p>		
<b>Evidence provided:</b>		

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Act of transfer and acceptance for the automated revision of old tax arrears and fines (hereinafter referred to as “Act of transfer and acceptance 1”);
- iii) Act of transfer and acceptance for the automated issuance of decisions and protocols for violations of administrative law” (hereinafter referred to as “Act of transfer and acceptance 2”);
- iv) License agreement for 2022/2023 for the software used for the automation of compilation of administrative offense rulings and protocols (hereinafter referred to as “License agreement 2022/2023”);
- v) License agreement for 2023/2024 for the software used for the automation of compilation of administrative offense rulings and protocols (hereinafter referred to as “License agreement 2023/2024”);
- vi) Public procurement contract for the automation of the two business processes (hereinafter referred to as “Public procurement contract”);
- vii) Master Software and Services Agreement - terms and conditions for the license agreement for 2022/2023 for the software used for the automation of compilation of administrative offense rulings and protocols are provided in the Master software and services agreement (hereinafter referred to as “Master software and services agreement”);
- viii) Testing report for the automated issuance of decisions and protocols for violations of administrative law;
- ix) Testing report for the automation of revision of old tax arrears and fines.

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities cover all constitutive elements of the milestone.

In particular:

- **Acquiring licences of the robotic process automation software and using them to automate two business processes of the STI:**
  - Public procurement for robotic process automation software was signed on 07/06/2021, as specified in the public procurement contract, and used for the automation of two business processes of the STI: i) issuing of decisions and protocols for violations of administrative law; and ii) the revision of old tax arrears and fines;
  - Act of transfer and acceptance 1 was signed on 14/12/2021 and it serves as certificate of completion for the automated revision of old tax arrears and fines. The testing report for the automation of revision of old tax arrears and fines was issued on 29/11/2021 and it provides documentation that shows that the relevant business process is operational and is in line with the requirement of the milestone;
  - Act of transfer and acceptance 2 was signed on 31/03/2022 and it serves as certificate of completion for the automated issuance of decisions and protocols for violations of administrative law. The testing report for the automated issuance of decisions and protocols for violations of administrative law provides documentation that was issued on 31/03/2022 and it



shows that the relevant business process is operational and is line with the requirement of the milestone;

- Based on the two points above the automation of two business processes carried out by the State Tax Inspectorate was altogether completed and entered into operation on 31/03/2022;
- In addition to the above, License agreement 2022/2023 valid for the period 30/03/2022 to 29/03/2023 and License agreement 2023/2024 valid for the period 30/03/2023 to 29/03/2024 provide licenses for the software that is required to run the automated processes. The terms and conditions for the licenses are provided in the Master software and services agreement. The licences for the subsequent years would be purchased using the budget of the STI.

As requested by the measure description the analysis and the decision-making processes of the STI have been modernised. By introducing robotic process automation into two business processes as described above, the STI expects to speed up the issuance of decisions and protocols for violations of administrative law and the revision of old tax arrears and fines, eliminating the risk of human error, increasing the collection of income to the budget and redistributing human resources to other business processes of STI. This should reduce the number of taxpayers who were not issued rulings and protocols, as well as increase the recovery rate for old tax arrears and fines. The automation of processes is expected to significantly speed up the work with data and to increase the quality of the results of the process and the effectiveness of the STI activities. Also, process automation software enables STI employees to create and manage automated processes themselves, as a steppingstone to further automate business processes in the future.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 179	<b>Related Measure:</b> F.1.9 Repository system for audit and controls
<b>Name of the Milestone:</b> Repository system for Audit and Controls: information for monitoring implementation of RRF	
<b>Qualitative Indicator:</b> Audit report confirming repository system functionalities	<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The objective of the investment F.1.9 is to develop a repository system for audit and controls containing the information required by the RRF Regulation for monitoring the implementation of RRF. Milestone 179 requires that a repository system for monitoring the implementation of the RRF shall be in place and operational. Furthermore, the system shall include, as a minimum, the following functionalities:</p> <ul style="list-style-type: none"> <li>i) collection of data and monitoring of the achievement of milestones and targets;</li> <li>ii) collect, store and ensure access to the data required by Article 22.2.d.i to 22.2.d.iii of the RRF Regulation.</li> </ul> <p>Respective functionalities of the repository system shall be confirmed by an audit report. The scope of the audit report shall cover the temporary arrangements and, to the extent already in place, the new single information system for the management of EU funds and the RRP for 2021-2027 funding period. Milestone 179 is the only milestone of this investment.</p>	
<b>Evidence provided:</b>	

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the audit report of 20/09/2022 on the data collection and monitoring system by the Centralised internal audit unit of Ministry of Finance (hereinafter referred to as “audit report”);
- iii) Copy of the description of the RRF temporary tool provided to the centralised internal audit unit of Ministry of Finance for formal conclusions by letter ref. 39K-S220181 of 17/08/2022;
- iv) Copy of the Order of Minister of Finance of 28/07/2022 No. 1K-247 establishing EU investment administration information system (hereinafter referred to as “Order No. 1K-247”) and link to the publication in the Register of Legal Acts ([TAR 12/08/2022, No. 17063](#)).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities covers all constitutive elements on the milestone.

In particular:

- **The repository system shall be in place and operational:**
  - The audit on the repository system was performed by the centralized internal audit division of the Ministry of Finance (which together with the Department for conformity assessment and declaration of expenditure assumes the functions of the RRF audit authority) and the final audit report was issued on 20/09/2022 (signed by the head of centralized internal audit division). It concluded that the data collection and monitoring system is able to collect data for monitoring of the achievement of milestones and targets as well as to collect, store and ensure access to the data required by Article 22.2.d.i to 22.2.d.iii of the RRF Regulation, but some improvements are needed as reflected in the recommendations included in the report. Chapter 4.1.1 of the audit report confirms that a temporary RRF monitoring and reporting system is established and that operational procedures are put in place. Until the EU investment administration information system (INVESTIS) established by Order No. 1K-247 is operational, performance indicators are maintained in commercially available spreadsheet software (Chapter 4.1.3, point 7) and monthly reporting is provided by the ministries and stored in a commercially available collaboration platform. Concerning the latter, the audit report recommends adoption of consistent procedures (safety management) in respect of the data stored.
- **The repository systems shall include, as a minimum, the functionalities to: i) collect data and monitor the achievements of milestones and targets; ii) collect, store and ensure access to the data required by Article 22.2.d.i to 22.2.d.iii of the RRF Regulation:**
  - According to the audit report, the data is collected in temporary information systems and/or platforms until the INVESTIS functionality is implemented. Chapter 4.2 of the audit report states that the definition of final recipient is considered to include both the applicant / project promoter and the partner. Where the final recipient is a contracting authority under EU or national law, beneficiary data shall be obtained by the CPMA (Central Project Management Agency, RRP administering authority) and use shall be made of the JADIS (Information system for participants in legal persons). In respect of the above, the audit body formulated a limited number of “observations with minor importance” in Chapter 5 of the audit report;

- Concerning the data to be stored in INVESTIS, the data fields, including the ones required by Article 22.2.d.i to 22.2.d.iii of the RRF Regulation, are defined in Order No. 1K-247;
- In addition, although the data stored in the temporary tools with regard to the measures already completed should include recipients of funds, contractors and/or subcontractors and beneficial owners, the availability of such data was not confirmed by the audit report provided. Lithuania clarified that data under Article 22.2.d.i to 22.2.d.iii of the RRF Regulation is collected following signature of a financing agreement between the RRP administering authority CPMA (Central Project Management Agency) and the implementing body, except for measures where no estimated costs were included in the recovery and resilience plan. Therefore, the functioning of temporary systems was verified by the Commission by requesting data under Article 22.2.d.i to 22.2.d.iii of the RRF Regulation for three randomly selected measures, as well as through an online demonstration (on 10/01/2023) of the repository system. After a specific request, Lithuania provided the relevant data on the randomly selected measures.

In order to ensure continuous compliance with the milestone and its obligations under the Financing Agreement, Lithuania has committed to continuing to develop its system for data collection and monitoring so that:

- The data collection and monitoring system includes the collection and storing of data under Article 22.2.d.i to 22.2.d.iii of the RRF Regulation for measures where no estimated costs were included in the recovery and resilience plan;
- The collection and storing of data under Article 22.2.d.i to 22.2.d.iii of the RRF Regulation takes place before a payment request submission;
- Data on foreign beneficial owners is collected in accordance with Article 22.2.d.i to 22.2.d.iii of the RRF Regulation.

Lithuania has committed to complete these improvements before submission of the next payment request.

**Commission Preliminary Assessment:** Satisfactory fulfilled

<b>Number:</b> 182	<b>Related Measure:</b> G.1.1. Guaranteed minimum income protection - G.1.1.2. Additional measures to increase adequacy and sustainability of social benefits	
<b>Name of the Milestone:</b> Entry into force of the legislation introducing an additional benefit for disabled and elderly single persons		
<b>Qualitative Indicator:</b> Legislation entered into force		<b>Time:</b> Q3 2021
<b>Context:</b>		
<p>The objective of measure G.1.1. on guaranteed minimum income protection is to improve the social welfare of the most vulnerable groups and alleviating poverty. It consists of three sub-measures: study on the minimum income scheme and related changes to the legislation (sub-measure G.1.1.1), additional measures to increase adequacy and sustainability of social benefits (sub-measure G.1.1.2); and accreditation of social care (sub-measure G.1.1.3).</p> <p>Milestone 182 is part of sub-measure G.1.1.2 whose objective is to implement certain targeted changes to increase the adequacy and sustainability of social benefits independently of the study under sub-measure G.1.1.1. It requires entry into force of legislation ensuring that single (non-spouse) disabled and elderly persons shall be granted and paid an additional monthly benefit (single person benefit).</p>		

Besides this milestone 182, sub-measure G.1.1.2 includes two further milestones: milestone 183 on increasing coverage of the unemployment insurance scheme and milestone 184 on improving the pension indexation mechanism. The sub-measure has a final expected date for implementation in Q2 2024.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Law of the Republic of Lithuania of 27/05/2021 No. XIV-352 on single person benefit together with the final consolidated version of 23/11/2021 (hereinafter referred to as "Law No. XIV-352") and link to the publication in the Register of Legal Acts ([TAR 09/06/2021, No. 13152](#));
- iii) Copy of the Order of the Director of the State Social Insurance Fund Board under the Ministry of Social Security and Labour of 30/06/2021 No. V-400 "On the approval of the provisions for the granting and payment of a single person benefit" (hereinafter referred to as "Order No. V-400) and link to the publication in the Register of Legal Acts ([TAR 30/06/2021, No. 14838](#));
- iv) Copy of the Order of the Director of the State Social Insurance Fund Board under the Ministry of Social Security and Labour of 14/06/2021 No. V-354 "On the approval of the application form for the granting of a single person benefit" (hereinafter referred to as "Order No. V-354") and link to the publication in the Register of Legal Acts ([TAR 14/06/2021, No. 13460](#)).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities covers all constitutive elements on the milestone.

In particular:

- **Entry into force of the legislation introducing an additional benefit for disabled and elderly single persons:**

An additional monthly benefit for single (non-spouse) disabled and single elderly persons was established by Law of the Republic of Lithuania on single person benefit (Law No. XIV-352). The Law was adopted on 27/05/2021 and as per Article 8 entered into force on 01/07/2021. The Law defines the purpose, amount, financing sources and eligibility criteria for receiving the single person benefit. In line with the milestone description, single disabled and single elderly persons are the recipients of the additional benefit (Articles 1 and 2 of the Law). In addition, two Orders of the Director of the State Social Insurance Fund Board under the Ministry of Social Security and Labour (Order No. V-400, published on 30/06/2021 and having entered into force the day following its publication, and Order No. V-354, published on 14/06/2021 and having entered into force the day following its publication) establish the procedure for the granting and payment of the benefit as well as the application form (for applications up to 01/01/2022). As of 01/01/2022 applications were no longer required, and the benefits are automatically provided on the basis of the data in the population register (Article 5 point 4 of the Law No. XIV-352).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 185	<b>Related Measure:</b> G.1.1. Guaranteed minimum income protection - G.1.1.3. Accreditation of social care
<b>Name of the Milestone:</b> Entry into force of the legislation on requirements for the provision of accredited social care	
<b>Qualitative Indicator:</b> Legislation entered into force	<b>Time:</b> Q1 2022
<p><b>Context:</b></p> <p>The objective of measure G.1.1. on guaranteed minimum income protection is to improve the social welfare of the most vulnerable groups and alleviating poverty. It consists of three sub-measures: study on the minimum income scheme and related changes to the legislation (sub-measure G.1.1.1), additional measures to increase adequacy and sustainability of social benefits (sub-measure G.1.1.2); and accreditation of social care (sub-measure G.1.1.3).</p> <p>Milestone 185 is part of sub-measure G.1.1.3 which aims to increase the quality of social care services. It requires the entry into force of the legislation introducing an accreditation scheme for the provision of social care services, concerning requirements for premises (if such premises are required for the provision of the services) and qualification of the staff (ten services). Only accredited social care may be provided from 01/01/2022. Milestone 185 is the only milestone of this sub-measure.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii) Copy of the amendment of 21/05/2020 No. XIII-2945 to the Law No. X-493 on social services (hereinafter referred to as “amendment No. XIII-2945 to the Law on social services”) and a link to the publication in the Register of Legal Acts (<a href="#">TAR 29/05/2020, No. 11671</a>);</li> <li>iii) Copy of the Order of the Minister of Social Security and Labour of 05/07/2021 No. A1-492 “On approval of the requirements for the provision of accredited social care” (hereinafter referred to as “Order No. A1-492”) and its amendment of 15/11/2021 No. A1-809 (hereinafter referred to as “Order No. A1-809”) and links to the publication in the Register of Legal Acts (<a href="#">TAR 05/07/2021, No. 15340</a> and <a href="#">TAR 15/11/2021, No. 23605</a>);</li> <li>iv) Copy of Order of the Minister of Social Security and Labour of 10/07/2020 No. A1-658 "On the approval of the requirements and recommendations for accredited children's social day care" (hereinafter referred to as “Order No. A1-658”) and link to the publication in the Register of Legal Acts (<a href="#">TAR 10/07/2020, No. 15549</a>);</li> <li>v) Copy of the Order of the Minister of Social Security and Labour of 30/06/2020 No. A1-622 “On the description of the accreditation procedure for social care” (hereinafter referred to as “Order No A1-622) and its amendment of 11/11/2021 No. A1-802 (hereinafter referred to as “Order No. No. A1-802”) and links to the publication in the Register of Legal Acts (<a href="#">TAR 30/06/2020, No. 14603</a> and <a href="#">TAR 11/11/2021, No. 23384</a>).</li> </ul> <p>The authorities also provided:</p> <ul style="list-style-type: none"> <li>vi) Copy of the Order of the Minister of Social Security and Labour of 15/11/2021 No. A1-810 “On the amendment of the Order of Minister of Social Security and Labour of 05/04/2006 No. A1-93 on the approval of the catalogue of social services” (hereinafter referred to as “Order No. A1-810”) and link to the publication in the Register of Legal Acts (<a href="#">TAR 15/11/2021, No. 23606</a>);</li> </ul>	

- vii) Copy of the Order of Minister of Social Security and Labour of 23/08/2021 No. A1-621 “On the amendment of the Order of Minister of Social Security and Labour of 05/04/2006 No. A1-93 on the approval of the catalogue of social services” (hereinafter referred to as “Order No. A1-621”) and link to the publication in the Register of Legal Acts ([TAR 23/08/2021, No. 17809](#)).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities covers all constitutive elements on the milestone.

In particular:

- **Entry into force of the legislation on requirements for the provision of accredited social care:**
  - The amendment to the Law on social services setting up the accreditation scheme for the provision of social care services was adopted on 21/05/2020 and entered into force on 01/07/2020 (Article 16 of the amendment No. XIII-2945 to the Law on Social Services). An accreditation procedure regulating the provision of the accredited social care was established by the Order of the Minister of Social Security and Labour (Order No. A1-622 together with its amendment by the Order No. A1-802). It legislates the submission of applications and documents required for the provision of accredited social care, their assessment, social care accreditation procedures, the powers and functions of the municipal administration as well as the monitoring of institutions providing accredited social care. Herewith the accreditation scheme for social services has been set-up.
- **Regulating that only accredited social care may be provided from 01/01/2022:**
  - As per Article 16 of the amendment No. XIII-2945 to the Law on Social Services, only accredited social care services can be provided as of 01/01/2022 and only accredited children’s day care services can be provided as of 01/01/2021.
- **Establish uniform requirements (for premises (if premises are required for the provision of the service) and qualification of the staff) for the provision of accredited social care (ten services):**
  - Uniform requirements for the provision of accredited social care for premises (if premises are required) and qualification of the staff were established by the Order of Minister of Social Security and Labour (Order No. A1-492) and its amendment adding the requirements for the two new social care services (Order No. A1-809). In addition, requirements for premises and staff qualification for accredited children’s day care services were established by a separate order of the Minister of Social Security and Labour (Order No. A1-658).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 186	<b>Related Measure:</b> G.1.2. Customer-oriented employment support - G.1.2.1. Optimization and improvement of employment service operational processes, ensuring systematic customer orientation	
<b>Name of the Milestone:</b> Entry into force of the legislation regulating operational processes of the Employment Service		
<b>Qualitative Indicator:</b> Legislation entered into force		<b>Time:</b> Q2 2022
<b>Context:</b>		
The objective of measure G.1.2. “Customer-oriented employment support” is to improve the operational processes and support provided by the public employment service as well as incentivise		

entrepreneurship and re-/upskilling towards high value-added areas through targeted subsidies. It encompasses two sub-measures: optimisation and improvement of Employment Service operational processes, ensuring systematic customer orientation (sub-measure G.1.2.1); and increasing the scope and diversity of employment support measures, contributing to the goals of digital and green transformation and promoting the circular economy (sub-measure G.1.2.2).

Milestone 186 is part of sub-measure G.1.2.1 aiming at improving the operational processes of the Employment Service through digitalisation and increasing customer orientation. It requires the entry into force of the legislation concerning changes to the operational processes of the Employment Service to enable its digital transformation.

Milestone 186 is the starting point for this sub-measure and will be followed by target 187 on completion of the digital transformation through creation of the Employment Service Platform, which shall be the main customer service system of the Employment Service. The sub-measure has a final expected date for implementation in Q3 2024.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the amendment of 19/05/2022 No. XIV-1106 to the Law on employment of 21/06/2016 No. XII-2470 (hereinafter referred to as “amendment No. XIV-1106 to the Law on employment”) and link to the publication in the Register of Legal Acts ([TAR 01/06/2022, No. 11864](#));
- iii) Copy of the Order of the Minister of Social Security and Labour of 29/06/2022 No. A1-444 “Regarding the amendment of the Order of the Minister of Social Security and Labour of 30/06/2017 No. A1-348 on the approval of the description of the conditions and procedure for the implementation of employment support measures” (hereinafter referred to as “Order No. A1-444”) and link to the publication in the Register of Legal Acts ([TAR 29/06/2022, No. 13998](#));
- iv) Copy of the Order of the Minister of Social Security and Labour of 01/07/2022 No. A1-453 “Regarding the amendment of the Order of the Minister of Social Security and Labour of 21/07/2017 No. A1-394 on the approval of the description of the conditions and procedure for the provision of labour market services” (hereinafter referred to as “Order No. A1-453”) and link to the publication in the Register of Legal Acts ([TAR 01/07/2022, No. 14418](#));
- v) Copy of the Order of the Director of Employment Service of 04/07/2022 No. V-196 “On the approval of the description of the procedures for the provision of labour market services to jobseekers and employers” (hereinafter referred to as “Order No. V-196”) and link to the publication in the Register of Legal Acts ([TAR 04/07/2022, No. 14573](#));
- vi) Copy of the Order of the Director of Employment Service of 04/07/2022 No. V-197 “On the approval of the description of the procedures for the application of active labour market policy measures” (hereinafter referred to as “Order No. V-197”) and link to the publication in the Register of Legal Acts ([TAR 04/07/2022, No. 14604](#)).

**Analysis:**

The justification and substantiating evidence provided by the Lithuanian authorities covers all constitutive elements of the milestone.

In particular:

- **Entry into force of legislation which shall include changes to the operational processes of the Employment Service to enable its digital transformation:**

- The changes to the Law on employment (“amendment No. XIV-1106 to the Law on employment”) entered into force on 01/07/2022 as set out in Article 25. The Law establishes the employment policy for the upcoming years, which sets a stable framework for the creation of a new Employment Service information system (target groups, labour market services and active labour market policy measures), as a basis for the implementation of employment policy;
- The changes to the conditions and procedures for the implementation of employment support measures (Order No. A1-444, entry into force on 01/07/2022 as set out in Article 2) and for the provision of labour market services (Order No. A1-453, entry into force on 01/07/2022 as set out in Article 2) as well as for the application of active labour market policy measures (Orders No. V-196 and No. V-197, published on 04/07/2022 and having entered into force the day following its publication) accommodate changes to the Law on employment and include revisions of the working methods of the Employment Service by adding digital/e-services channels in all processes concerned. Following these revisions clients will be able to create an individual action plan, apply for and participate in services, receive suitable job offers and provide feedback using digital channels. The revisions also remove obstacles preventing digitalisation (such as, removing provisions that certain processes must be done manually or in physical forms or require physical signature). The changes to the operational processes of the Employment Service which have entered into force will enable its digital transformation and will serve as a basis on which the technical specifications for the creation of a new Employment Service information system will be prepared.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 188	<b>Related Measure:</b> G.1.2. Customer oriented employment support – G.1.2.2. Increasing the scope and diversity of employment support measures, contributing to the goals of digital and green transformation and promoting the circular economy	
<b>Name of the Milestone:</b> Entry into force of the legislation governing the employment support scheme for the implementation of pilot measures (Promoting entrepreneurship and support for learning that provides high value-added qualifications and competences, with a focus on digital and green transition)		
<b>Qualitative Indicator:</b> Legislation entered into force		<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The objective of measure G.1.2. “Customer-oriented employment support” is to improve the operational processes and support provided by the public employment service as well as to incentivise entrepreneurship and re-/upskilling towards high value-added areas through targeted subsidies. It encompasses two sub-measures: optimisation and improvement of Employment Service operational processes, ensuring systematic customer orientation (sub-measure G.1.2.1); and increasing the scope and diversity of employment support measures, contributing to the goals of digital and green transformation and promoting the circular economy (sub-measure G.1.2.2).</p> <p>Milestone 188 is part of sub-measure G.1.2.2 and concerns setting up two pilot schemes for training and employment support: i) pilot scheme dedicated to entrepreneurship to support job creation in the areas of twin transition and circular economy; ii) pilot scheme to support the acquisition of</p>		



qualifications and/or competences for high value-added jobs (a part of these education and training programmes shall be specifically focused on digital skills).

Milestone 188 is the starting point for this sub-measure and will be followed by targets 189, 190 and 191 concerning the number of participants supported for each of the pilot schemes. The investment has a final expected date for implementation in Q2 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Resolution of the Government of the Republic of Lithuania of 22/06/2022 No. 649 amending the Resolution of the Government of the Republic of Lithuania of 05/10/2016 No. 979 on granting of authority for the implementation of the Employment Law (hereinafter referred to as "Resolution No. 649") and link to the publication in the Register of Legal Acts ([TAR 23/06/2022, No 13431](#));
- iii) Copy of the amendment of 19/05/2022 No. XIV-1106 to the Law on employment of 21/06/2016 No. XII-2470 (hereinafter referred to as "amendment No. XIV-1106 to the Law on employment") and link to the publication in the Register of Legal Acts ([TAR 01/06/2022, No. 11864](#));
- iv) Copy of the Order of the Minister of Social Security and Labour, the Minister of Economics and Innovations and the Minister of Environment of 01/07/2022 No. A1-455/4-854/D1-212 on establishing the priorities for the provision of support for business development (creation of jobs) in 2022, which contribute to the implementation of the digital and green transformation goals, the promotion of the circular economy, and/or the mitigation of the impact of COVID-19 disease (Coronavirus infection) (hereinafter referred to as "Order No. A1-455/4-854/D1-212") and link to the publication in the Register of Legal Acts ([TAR 01/07/2022 No. 14438](#));
- v) Copy of the Order of the Minister of Social Security and Labour of 29/06/2022 No. A1-444 "Regarding the amendment of the Order of the Minister of Social Security and Labour of 30/06/2017 No. A1-348 on the approval of the description of the conditions and procedure for the implementation of employment support measures" (hereinafter referred to as "Order No. A1-444") and link to the publication in the Register of Legal Acts ([TAR 29/06/2022, No. 13998](#));
- vi) Copy of the Order of the Minister of Social Security and Labour of 17/05/2022 No. A1-350 "Regarding the approval of the Ministries of Social Security and Labour, the manager of 2021-2030 inclusive labour market development programme, progress measure No. 09-001-02-03-02 on increasing the employment of vulnerable groups" (hereinafter referred to as "Order No. A1-350") and link to the publication in the Register of Legal Acts ([TAR 17/05/2022, No. 10387](#));
- vii) Copy of the Order of the Director of Employment Service of 04/07/2022 No. V-197 "On the approval of the description of the procedures for the application of active labour market policy measures" (hereinafter referred to as "Order No. V-197") and link to the publication in the Register of Legal Acts ([TAR 04/07/2022, No. 14604](#));
- viii) Copy of the Order of the Director of the Employment Service of 21/09/2022 No. V-294 "Regarding the amendment of the Order of the Director of the Employment Service of

04/11/2020 No. V-438 on the approval of the list of qualifications and competences creating high added value” (hereinafter referred to as “Order No. V-294”) and link to the publication in the Register of Legal Acts ([TAR 21/09/2022, No. 19210](#)).

The authorities also provided:

- ix) Copy of the Order of the Director of Employment Service of 04/07/2022 No. V-196 “On the approval of the description of the procedures for the provision of labour market services to jobseekers and employers” (hereinafter referred to as “Order No. V-196”) and a link to the publication in the Register of Legal Acts ([TAR 04/07/2022, No. 14573](#));
- x) Copy of the Order of the Minister of Social Security and Labour of 01/07/2022 No. A1-453 “Regarding the amendment of the Order of the Minister of Social Security and Labour of 21/07/2017 No. A1-394 on the approval of the description of the conditions and procedure for the provision of labour market services” (hereinafter referred to as “Order No. A1-453”) and link to the publication in the Register of Legal Acts ([TAR 01/07/2022, No. 14418](#)).

#### Analysis:

The justification and substantiating evidence provided by the Lithuanian authorities covers all constitutive elements on the milestone.

In particular:

- **Setting-up the two pilot schemes for training and employment support:**
  - The amendments to the Law on employment entered into force on 01/07/2022 as set out in Article 25 of the amendment No. XIV-1106 to the Law on employment. With these changes, two pilot schemes to support digital and green transformation and the acquisition of high value-added qualifications and competences have been established: i) pilot scheme dedicated to the entrepreneurship to support job creation in the areas of twin transition and circular economy (Article 18); and ii) pilot scheme to support the acquisition of qualifications and/or competences for high value-added jobs (Article 16). In addition, Government Resolution No. 649, published on 23/06/2022 and having entered into force the day following its publication, granted the authority for the implementation of these schemes to the Ministry of Social Security and Labour.
- **The time limit for the application of both schemes:**
  - The time limit is set between 01/07/2022 and 30/06/2026 (Article 25 of the amendment No. XIV-1106 to the Law on employment and Chapter III of the Annex to the Order No. A1-350, published on 17/05/2022 and having entered into force on 01/07/2022 as set out in Article 1).
- **The target groups:**
  - **Pilot scheme dedicated to entrepreneurship to support job creation in the areas of twin transition and circular economy:** the target groups for this scheme are persons who ceased their activities (if self-employed) or were dismissed (if employed) due to the COVID-19 pandemic (point 1.3 of the Order No. A1-455/4-854/D1-212, published on 01/07/2022 and having entered into force the day following its publication);
  - **Pilot scheme to support the acquisition of qualifications and/or competences for high value-added jobs:** in line with the objectives of the sub-measure which requires to provide more opportunities to employed people, the target group consists of employed and unemployed persons who seek to acquire high value-added qualifications and competencies

that are included in the list approved by the Director of the Employment Service (Article 16 of the amendment No. XIV-1106 to the Law on employment).

- **The selection criteria and requirements to comply with the objectives of the digital and green transition and the circular economy:**
  - **Pilot scheme dedicated to entrepreneurship to support job creation in the areas of twin transition and circular economy:** the requirements that newly established jobs comply with the objectives of the digital and green transition and the circular economy are embedded in Article 20 of the amendment No. XIV-1106 to the Law on employment. Namely, these jobs need to correspond to the detailed priorities set for the calendar year as per point 1.1 (jobs contributing to digital transition) and point 1.2 (jobs contributing to green transition and/or circular economy) of Order No. A1-455/4-854/D1-212. In addition, participants are required to complete consultations on business creation (point 48 of Order No. A1-444, published on 29/06/2022 and having entered into force on 01/07/2022 as set out in Article 1). A detailed description of the organisation of the scheme (including form of application, contract template etc.) is set out in Order No. V-197, published on 04/07/2022 and having entered into force the day following its publication;
  - **Pilot scheme to support the acquisition of qualifications and/or competences for high value-added jobs:** to be eligible for the support, the qualifications and competences need to correspond to the list of qualifications and competences creating high value-added, which were approved by the Director of the Employment Service (Order No. V-294, published on 21/09/2022 and having entered into force the day following its publication). In line with the requirement to focus part of these education and training programmes on digital skills the Order also lists high value-added qualifications and competences contributing to digitalisation. The scheme encompasses adult learning delivered in the form of vocational training, non-formal adult education in the form of apprenticeship, higher education study modules as well as validation of competencies acquired through non-formal and informal education (Articles 12 and 13 of the amendment No. XIV-1106 to the Law on employment, Chapter II point 9 of the Order No. A1-444, Chapter IV point 30 of the Order No. V-197).
- **The requirements with regard to sustainability of newly created jobs:**
  - These requirements are applicable only to the pilot scheme dedicated to entrepreneurship to support job creation in the areas of twin transition and circular economy, as the other pilot scheme (on the acquisition of qualifications and/or competences for high value-added jobs) does not involve job creation. These requirements are set in Article 18 of the amendment No. XIV-1106 to the Law on employment. They specify when it is considered that the newly created job has been abolished and define the share of the subsidy to be returned depending on the time when the job was abolished (that is the full subsidy if the job is abolished during the first 12 months; 80% if the job is abolished within 13-24 months and 50% of the subsidy if the job is abolished within 25-36 months after its creation). This is further detailed in Chapter V, points 77-79 of the Order No. A1-444 and Chapter VII point 215 of the Order No. V-197.

**Commission Preliminary Assessment:** Satisfactorily fulfilled