

12 November 2024

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the third payment request submitted by Lithuania on 16 September 2024, 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 16 September 2024, Lithuania submitted a request for payment for the second instalment of the non-repayable support and the second instalment of the loan 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 24 milestones and targets of the second instalment of the non-repayable support and the four milestones and targets of the second instalment of the loan support, as set out in Section 2 and Section 2.1 of the Council Implementing Decision of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Lithuania¹.

In its payment request, Lithuania has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary². Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Lithuania, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 28 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Lithuania's Recovery and Resilience Plan. They notably highlight the continuation of the reform momentum in key policy areas³. This includes, among others, reforms to improve quality and access to medical services, improve the quality of education programmes, harmonise innovation support, enhance the investment environment for renewable energy developers and ameliorate tax collection by requiring online platform operators to collect and report on-line transactions data to the tax authorities. The milestones and targets also confirm progress towards the completion of investment projects related to new electricity storage facilities and digitisation and accessibility of cultural resources.

By the transmission of this positive preliminary assessment 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 and targets.

¹ ST 10477 2021 INIT; ST 10477 2021 ADD 1; ST 14637 2023 INIT; ST 14637 2023 ADD 1; not yet published.

² This paragraph shall be removed for the first payment request.

³ This sentence shall be removed for the first payment request.

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Non-repayable support

Number and name of the Milestone: 1 Entry into force of the amended Law on Health Care Institutions and the Law on the Health System of the Republic of Lithuania and the related legislation

Related Measure: C1.A-1-1- A-1-1- Improving the quality and accessibility of health services and promoting innovation

Qualitative Indicator: Legislation entered into force

Time: Q4 2022

1. Context:

The objective of reform A.1.1 is to increase the quality and accessibility of health care, with a focus on strengthening primary care, specialised outpatient care, digitalisation of the health sector and innovation.

Milestone 1 is part of sub-measure A.1.1.1, which aims to adopt amendments to the Law on Health Care Institutions and the Law on the Health System of the Republic of Lithuania and the related legislation establishing a centralised model for the organisation of emergency care by integrating ambulance dispatch centres into a single system of the Emergency Response Centre.

Milestone 1 concerns the entry into force of the amended Law on Health Care Institutions and the Law on the Health System of the Republic of Lithuania and the related legislation.

This milestone is the only milestone within sub-measure A.1.1.1.

2. Evidence provided:

| | Name of the evidence. | Short description |
|---|---|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Copy of the consolidated law No. I-1367 on Healthcare Institutions of the Republic of Lithuania | Consolidated law on Healthcare Institutions of the Republic of Lithuania (hereinafter referred to as “the law No. I-1367 on Health Care Institutions”). The link to the publication in the Register of Legal Acts (I-552 Law on the Health System of the Republic of Lithuania (e-tar.lt)) |
| 3 | Copy of the consolidated law No. I-552 on Health System of the Republic of Lithuania | Consolidated law on Health System of the Republic of Lithuania (hereinafter referred to as “the law No. I-552 on Health System”). The link to the publication in the Register of Legal Acts (I-552 Law on the Health System of the Republic of Lithuania (e-tar.lt)) |
| 4 | Copy of the law No. XIV-1112 of 19 May 2022 on “Amending Article 39 of the law No. I-1367 on Health Care Institutions of the Republic of Lithuania” | Law on Amending Article 39 of the law No. I-1367 on Health Care Institutions of the Republic of Lithuania (Hereinafter referred to as “the amending law No. XIV-1112 on Healthcare Institutions”). The link to the publication in the Register of Legal Acts https://www.e-tar.lt/portal/lt/legalAct/11eef420e1ac11ec8d9390588bf2de65 . |
| 5 | Copy of the law No. XIV-1113 on “Amending Article 2 and | Law on Amending Article 2 and supplementing with Article 19-1 of the law No. I-552 (Hereinafter referred to |

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| | supplementing with Article 19-1 of the law No. I-552 on the Health System of the Republic of Lithuania of 19 May 2022 | as “the amending law No. XIV-1113 on the Health System”). The link to the publication in the Register of Legal Acts https://www.e-tar.lt/portal/lt/legalAct/46172830e1ac11ec8d9390588bf2de65 . |
| 6 | Copy of the Order of the Minister of Health of 14 March 2023 No. V-334 | Order of the Minister of Health on the Decision to Reorganise the Public Institution Panevėžys City Ambulance Station, the Public Institution Marijampolė Ambulance Station, the Public Institution Mažeikiai Ambulance Centre, and the Public Institution Plungė District Ambulance Service, Kaišiadorys Ambulance Station, Raseiniai District Ambulance Station, Akmenė District Ambulance Centre, Kaunas District Ambulance Station, Šiauliai Ambulance Station, the public institution Radviliškis District Ambulance Centre, the public institution Molėtai District Ambulance Centre, the public institution Klaipėda Ambulance Station, the public institution Jonava Ambulance Station, Approving the description of the conditions of admission and reorganisation of the public institution Alytus district municipality ambulance station, public institution ambulance station by merger - by merging with the public institution Kaunas city ambulance station, which is taking part in the reorganisation (hereinafter referred to as “the Order No. V-334 on the Decision to Reorganise the Public Institution”). |
| 7 | Copy of the Order of the Minister of Health of 14 March 2023 No. V-335 | Order of the Minister of Health on the approval of the List of Positions of the Ambulance Service (hereinafter referred to as “the Order No. V-335 on the approval of the List of Positions of the Ambulance Service”). |
| 8 | Copy of the Order of the Minister of Health of 14 March 2023 No. V-336 | Order of the Minister of Health on changing the Name of the Public Institution Kaunas City Ambulance Station to the Ambulance Service, Establishment of Branches, Approval of the Statutes of the Ambulance Service, the Structure of the Management of the Ambulance Service and the Provisions of Branches” (hereinafter referred to as “the Order No. V-336”) |
| 9 | Copy of the Order of the Minister of Health of 13 June 2023 No. V-687 | Order of the Minister of Health on amending the Order of the Minister of Health of the Republic of Lithuania of 6 November 2007 No V-895 "On the Approval of the Description of Requirements for the Provision of Emergency Medical Services" (hereinafter referred to as “the Order No. V-687”). The link to the publication in the Register of Legal Acts https://www.e-tar.lt/portal/lt/legalAct/TAR.7E55A3172D3A/asr . |
| 10 | Copy of the Order of the Minister of Health of 3 January 2023 No. V-5 | Order of the Minister of Health on amending the Order of the Minister of Health of the Republic of Lithuania of 20 December 2013 No V-1234 (hereinafter referred to as “the Order No. V-5”).The link to the publication in the Register of Legal Acts https://www.e-tar.lt/portal/lt/legalAct/ee6e9f708c2111ed8df094f359a6 |

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| | | 0216. |
| 11 | Copy of the Order of the Minister of Health of 13 June 2023 No. V-689 | Order of the Minister of Health on the amendment of the Order of the Minister of Health of the Republic of Lithuania of 27 December 2010 No V-1131 "On the Approval of the Description of the Procedure for the Payment of the Costs of the Provision of Ambulance Services (hereinafter referred to as "the Order No. V-689").The link to the publication in the Register of Legal Acts https://www.e-tar.lt/portal/lt/legalAct/TAR.A0FD8AFE14D9/asr . |
| 12 | Copy of the Order of the Minister of Health of 25 July 2023 No. V-849 | Order of the Minister of Health on the amendment to the Order of the Minister of Health of the Republic of Lithuania of 27 August 2015 No. V-1004 "On the Approval of the Description of the Procedure for the Assessment of Ambulance Calls and the Dispatch of the Ambulance Brigade to the Scene of the Emergency Medical Service (hereinafter referred to as "the Order No. V-849"). The link to the publication in the Register of Legal Acts https://www.e-tar.lt/portal/lt/legalAct/55b307304fb111e5b0f2b883009b2d06/asr . |
| 13 | Copy of the Order of the Minister of Health of 17 May 2023 No. V-559 | Order of the Minister of Health on the amendment of the Order of the Minister of Health of the Republic of Lithuania of 7 November 2012 No V-996 "On the Approval of the Description of the Activities of Ambulance Dispatching Services" (hereinafter referred to as "the Order No. V-559"). The link to the publication in the Register of Legal Acts https://www.e-tar.lt/portal/lt/legalAct/TAR.3E2EAD30BDE6/asr |
| 14 | Copy of the Order of the Minister of Health of 19 June 2023 No. V-705 | Order of the Minister of Health on the "approval of the description of the procedure for the provision of remote medical consultations at ambulance dispatching centres" (hereinafter referred to as "the Order No. V-705"). The link to the publication in the Register of Legal Acts https://www.e-tar.lt/portal/lt/legalAct/35ad9fa00e8e11ee9f7ec2ffce8b47bc . |
| 15 | Copy of the Government Resolution of 26 April 2023 No. 296 | Order of the Minister of Health on the takeover of municipal property into state ownership and its transfer". The link to the publication in the Register of Legal Acts https://www.e-tar.lt/portal/lt/legalAct/43d9e360e46b11ed9978886e85107ab2 . |
| 16 | Copy of the Government Resolution of 21 December 2022 No. 1271 | Government Resolution on the transfer of property and non-property rights and obligations of municipalities to state ownership and consent to the reorganisation of the public institution Panevėžys City Ambulance Station, the public institution Marijampolė Ambulance Station, and the public institution Mažeikiai Ambulance Centre, Plungė District Ambulance Centre, Kaišiadorys Ambulance Station, Raseiniai District Ambulance Station, Akmenė |

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| | | District Ambulance Centre, Kaunas District Ambulance Station, Šiauliai District Ambulance Station, Radviliškis District Ambulance Centre, Molėtai District Ambulance Centre, the public institution Klaipėda Ambulance Station, the public institution Jonava Ambulance Station, the public institution Alytus District Municipality Ambulance Station, the public institution Ambulance Service”. The link to the publication in the Register of Legal Acts https://www.e-tar.lt/portal/lt/legalAct/260ad8f081cc11ed8df094f359a60216 . |
| 17 | Copy of the Government Resolution of 28 June 2023 No. 497 | Government Resolution on the transfer of municipal property to the State and its ownership, as well as property belonging to the State, under the State property entrustment agreement. The link to the publication in the Register of Legal Acts https://www.e-tar.lt/portal/lt/legalAct/5843929015c811ee9f7ec2ffce8b47bc . |

3. Analysis:

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

Entry into force of the amended Law on Health Care Institutions and the Law on the Health System of the Republic of Lithuania and the related legislation

The following amendments have entered into force:

- The amending law No. XIV-1112 on Healthcare Institutions was adopted on 19 May 2022. According to paragraph 2 of the law No. XIV-1112, the law entered into force on 1 July 2023.
- The amending law No. XIV-1113 on the Health System was adopted on 19 May 2022. According to paragraph 3 of the law No. XIV-1113, the law entered into force on 1 July 2023.
- The Order No. V-334 on the Decision to Reorganise the Public Institution was adopted on 14 March 2023 and entered into force on the date of its signature, on 14 March 2023.
- The Order No. V-335 on the approval of the List of Positions of the Ambulance Service was adopted on 14 March 2023 and entered into force on the date of its signature, on 14 March 2023.
- The Order No. V-336 on Public Institution, Establishment of Branches, Approval of the Statutes of the Ambulance Service, the Structure of the Management of the Ambulance Service and the Provisions was adopted on 14 March 2023 and entered into force on the date of its signature, on 14 March 2023.
- The Order No. V-687 on the Approval of the Description of Requirements for the Provision of Emergency Medical Services was adopted on 13 June 2023 and entered into force on the date of its signature, on 13 June 2023.
- The Order No. V-5 on Call card for emergency care was adopted on 3 January 2023 and entered into force on the date of its signature, on 3 January 2023.
- The Order No. V-689 on the Procedure for the Payment of the Costs of the Provision of Ambulance Services was adopted on 13 June 2023 and entered into force on the date of its signature, on 13 June 2023.

- The Order No. V-849 on the Ambulance Calls and the Dispatch of the Ambulance Brigade was adopted on 25 July 2023 and entered into force on the date of its signature, on 25 July 2023.
- The Order No. V-559 on the Activities of Ambulance Dispatching Services was adopted on 17 May 2023 and entered into force on the date of its signature, on 17 May 2023.
- The Order No. V-705 on the procedure for the provision of remote medical consultations at ambulance dispatching centres was adopted on 19 June 2023 and entered into force on the date of its signature, on 19 June 2023.

The organisation, management and provision of ambulance services shall be regulated by the Law on Health Care Institutions and the Law on the Health System of the Republic of Lithuania.

The amendments to the Law on Health Care Institutions I-1367 and the Law on the Health System No. I-552 set the general organisation, management and provision of ambulance services in the aforementioned acts. In particular:

- Article 1 of the amending law No. XIV-1112 introduces a new body in Article 39 of the law No. I-1367 regulating healthcare institutions: the Ambulance Services. This body is entrusted with the provision of ambulance services in the country.
- Article 1 of the amending law No. XIV-1113 defines ambulance services.
- Article 2 of the amending law No. XIV-1113 on the Health System sets out the requirements for the organisation of the provision of ambulance medical services by adding Article 19 to the law No. I-552 on Health System setting out that (i) ambulance services are provided in Lithuania by the Ambulance Service which is a public body owned by the State; (ii) The Ambulance Service provides ambulance services through territorial units. The number of territorial units, the areas served by the Ambulance Service territorial units in Lithuania and the number of teams providing emergency medical services in the assisted areas are to be determined by the Minister for Health and; (iii) the requirements and procedures for the provision of ambulance services are to be laid down by the Minister for Health.

The requirements for the provision of ambulance services and payment procedures regulating the organisation, management and provision of ambulance services shall be included in orders of the Minister of Health.

The Orders of the Minister for Health include the requirements for the provision of ambulance services and payment procedures regulating the organisation, management and provision of ambulance services. In particular:

- Order No. V-334 on the Decision to Reorganise the Public Institution sets out the conditions for the reorganisation of the 15 ambulance services establishments, specifying the tasks to be carried out in the reorganisation process, the deadlines for the completion of the tasks, and the entities responsible for their execution.
- Order No. V-335 on the approval of the List of Positions for the Ambulance Service sets out the list of posts for the Ambulance Service such as Director-General, Director for General affairs, Director of Health services and other.
- Order No. V-336 on Public Institution, Establishment of Branches, Approval of the Statutes of the Ambulance Service, the Structure of the Management of the Ambulance Service and the Provisions refers to the statute of ambulance service and the management structure of ambulance service.

- Order No. V-687 on the Approval of the Description of Requirements for the Provision of Emergency Medical Services updates the requirements for the provision of ambulance services taking into account the changes in the organisation of the provision of ambulance services. In particular, the order sets out in Chapter II the requirements for ambulance facilities, professionals and their competences, the composition and number of teams, ambulance vehicles and equipment, the organisation of the provision of ambulance services and the completion of the medical records. According to the order, the objective is to keep the time between the registration of a call and the start of life-threatening emergency care to 15 minutes in urban areas and 25 minutes in rural areas. Ambulance services are to be provided in the areas defined in point 6 of the order.
- Order No. V-5 on Call card for emergency care establishes a list of data for the card No. 110/a “Ambulance call card”, to be filled in by personal health care professionals of personal health care establishments providing ambulance services, as well as the rules for filling in, submitting and revising it.
- Order No. V-689 on the Procedure for the Payment of the Costs of the Provision of Ambulance Services sets out the provision and payment of ambulance services. In particular, the procedures for the organisation of ambulance services, their provision and the payment of their costs. Chapter II of the order describes the organisation and payment arrangements for ambulance services.
- Order No. V-849 on the Ambulance Calls and the Dispatch of the Ambulance Brigade, Chapter II sets out the requirements for the registration, assessment, triage and response of ambulance calls, the mandatory collection of information, the assignment of the response category, the dispatch of the ambulance team to the scene of the incident.
- Order No. V-559 on the Activities of Ambulance Dispatching Services sets out the requirements for the organisation of the work of ambulance dispatching services (Chapter II), the hardware and software to be used by dispatching service (Chapter III), and the requirements for a dispatcher (Chapter IV).
- Order No. V-705 on the procedure for the provision of remote medical consultations at ambulance dispatching centres establishes the procedure for the provision of medical advice by telephone to callers by an ambulance dispatcher.

Furthermore, in line with the description of the sub-measure, the objective of this sub-measure is to adopt amendments to the Law on Health Care Institutions and the Law on the Health System of the Republic of Lithuania and the related legislation **establishing a centralised model for the organisation of emergency care by integrating ambulance dispatch centres into a single system of the Emergency Response Centre.**

As noted above, the new Ambulance Service established by Article 1 and 2 of the Amending Law No. XIV-1112 on Healthcare Institutions and the Amending Law No. XIV-1113 on the Health System of the Republic of Lithuania centralises 15 separate ambulance services into one single entity with headquarters in Kaunas, tasked with the organisation of emergency care, thus proving the implementation of the requirements set out in the sub-measure description.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 2 Entry into force of the legislation governing the secondary use of health data

Related Measure: C1.A-1-1- A-1-1- Improving the quality and accessibility of health services and promoting innovation

Qualitative Indicator: Legislation entered into force

Time: Q3 2022

1. Context:

The objective of reform A.1.1 is to increase the quality and accessibility of health care, with a focus on strengthening primary care, specialised outpatient care, digitalisation of the health sector and innovation. Sub-measure A.1.1.2 aims to map health care system information resource and, on that basis, adopt legislation on secondary use of health data to optimise the IT health care system.

Milestone 2 requires adopting legislation on secondary use of health data which creates safe and efficient conditions for the use of health data for public interest, ensures a sustainable development of digital health and regulate organisational and technical measures for a harmonised, coordinated and high-quality use of the data.

Milestone 2 is the only milestone of sub-measure A.1.1.2.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Copy of the law of 16 December 2021 No. XIV-789 on "Secondary Use of Health Data" | Copy of the law of 16 December 2021 No. XIV-789 on "Secondary Use of Health Data (hereinafter referred to as "the Law No. XIV-789 on Secondary Use of Health Data") |
| 3 | Copy of the Government Resolution of 4 March 2022 No. 195 | Copy of the Government Resolution of 4 March 2022 No. 195 "On the granting of powers in the implementation of the Republic of Lithuania Law on Secondary Use of Health Data (hereinafter referred to as "Resolution No. 195 " |
| 4 | Copy of the government resolution of 22 June 2022 No. 654 | Copy of the government resolution of 22 June 2022 No. 654 amending "Resolution of the Government of the Republic of Lithuania of 4 March 2022 No. 195 on the granting of powers in the implementation of the Republic of Lithuania Law on the Secondary Use of Health Data" recast into "Resolution on the implementation of the Republic of Lithuania Law on Secondary Use of Health Data" (Hereinafter referred to as "Resolution No. 654") |
| 5 | Copy of the government resolution of 29 June 2022 No. 678 | Copy of the government Resolution No. 678 of 29 June 2022 "On the amendment of Resolution of the Government of the Republic of Lithuania of 15 December 2000 No. 1458 "On the approval of the list of specific state fee amounts and rules for payment |

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| | | and refund of the state fee” (hereinafter referred to as “Resolution No. 678”) |
| 6 | Copy of the order of the Minister of Health of 17 June 2022 No. V-1101 "On the implementation of the Republic of Lithuania Law on Secondary Use of Health Data | Copy of the order of the Minister of Health of 17 June 2022 No. V-1101 "On the implementation of the Republic of Lithuania Law on Secondary Use of Health Data (hereinafter referred to as “the Order No. V-1101”) |
| 7 | Copy of the Order of the Minister of Health of 12 July 2023 No. V-795 | Copy of the Order of the Minister of Health No. V-795 of 12 July 2023 “On the development of the digital health system for 2023-2027 approving the Action Plan” amending the Order No V-878 of the Minister for Health of the Republic of Lithuania of 17 July 2017 approving the 2017-2025 Development Programme of the Lithuanian eHealth System (hereinafter referred to as “the Order No. V-795 of 12 July 2022”) |
| 8 | Copy of the information systems and registers maturity analysis in the field of health management version 2.0 issued by the UAB IO projects to the Ministry of Health. | Link: Dokumentai - Lietuvos Respublikos sveikatos apsaugos ministerija (lrv.lt) |
| 9 | Graphics mapping statistics on registers and register of public information systems | Link: Microsoft Power BI |
| 10 | Order of the Minister of Health of the Republic of Lithuania No. V-414 | Order of the Minister of Health of the Republic of Lithuania No. V-414 "On the modernisation of the information system of the Lithuanian SNOMED CT dictionary and the approval of the regulations of the information system for the management of medical nomenclatures and classifiers and the data security provisions of the management information system of medical nomenclatures and classifiers" was adopted on 6 April 2023 (hereinafter Order No. V-414) |
| 11 | Order of the Minister of Health of the Republic of Lithuania No. V-380 | Order of the Minister of Health of the Republic of Lithuania No. V-380 “On the approval of radiation safety information system regulations and radiation safety information system data security regulations” was adopted on 28 March 2023 (hereinafter Order No. V-380) |

3. Analysis:

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

Entry into force of the legislation governing the secondary use of health data.

A number of acts entered into force to govern the secondary use of health data:

- The law No. XIV-789 on Secondary Use of Health Data was adopted on 16 December 2021. In accordance with Article 1 and Article 2, the Law regulates the process of re-using health data for public interest purposes and lays down the conditions for data re-use, collection and monitoring

while guaranteeing the right to privacy and the protection of personal data. According to Article 18, point 1 of the law No. XIV-789, the law entered into force on 1 July 2022.

- Resolution No. 195 of 4 March 2022 was adopted on 4 March 2022 and entered into force on 8 March 2022, in line with Article 20, point 1 of the Law on Legislative Framework of 18 September 2012, No. XI-2220. The resolution authorised the Lithuanian Department of Statistics to manage the institution that provides the data for secondary use (the State Health Data Secondary Use Platform).
- Resolution No. 654 of 22 June 2022 was adopted on 22 June 2022 and entered into force on 1 July 2022 according to Article 2 of the Resolution. The Resolution approves the procedures for authorising the secondary use of health data and the procedures for anonymisation and pseudonymisation of the health data.
- Resolution No. 678 of 29 June 2022 was adopted on 29 June 2022 and entered into force on 1 July 2022 according to Article 2 of the Resolution. The Resolution supplements the list of state fee amounts to include the fees for issuing permits for secondary use of health data.
- The Order No. V-1101 on the implementation of the Law on Secondary Use of Health Data was adopted on 17 June 2022 and entered into force on 1 July 2022, according to the Article 3 of the Order. The Order implements Article 7(7), Article 10(3), (4) and (5) and Article 17(1) of the Law of the Republic of Lithuania on the re-use of health data covering the use of experts and rules and procedures of the Monitoring Committee on Health Data Re-use Activities.

Legislation on secondary use of health data and the implementing provisions on procedures for issuing permits for secondary use of data

The legislation listed above implement provisions on procedures for issuing permits. This is confirmed in particular by:

- Article 3(1) of the Law No. XIV-789 on Secondary Use of Health Data enable the Lithuanian Department of Statistics to evaluate and issue permits for the use of secondary health data.
- Resolution No. 654 implementing secondary use of health data approves the description of the procedure for issuing permits for the secondary use of data and provide details on the process. Article 2.1 of the Resolution No. 654 approves the procedures for authorising the re-use of health data and for making health data available for re-use. Chapter II and Chapter VII of the Annex attached to the Resolution No. 654 provide details on the procedures for issuing a permit, including the issuance of the authorisation or refusal and the process to complete an application. Chapter III describes the suspension methodology and revocation process of a permits while Chapter IV covers the revision of the authorisations. Chapter V outlines the monitoring procedures for permit-holders.
- Resolution No. 678 of 29 June 2022, sub-Clause 4.626 establishes the state fee for issuing and revising permits for the secondary use of health data.

preparation of health data for the secondary use

The legislation listed above entered into force to implement provisions on procedures for preparing the health data for its re-use, mainly through data anonymisation and pseudonymisation. This is confirmed in particular by:

- Article 7(2) and Article 7(3) and Article 7(8) of the Law No. XIV-789 on Secondary Use of Health Data provide the governmental authorised body with the responsibility to control at least once per year the data processed by health data controllers, collect the health data processed by data controllers for which a permit for re-use has been issued, anonymise or pseudonymise

and maintain up to date records and summaries of the data and the techniques used to guarantee the privacy and personal protection of the data.

- Article 2.2 of the Resolution No. 654 approves the conditions for preparing the health data for secondary use. Chapter VII of the Annex to the Resolution outlines the obligation to anonymise or pseudonymise the data and submit it for proper verification. The Resolution also includes the “Description of the procedure for anonymising and pseudonymising” laying down the procedure for anonymising and pseudonymising health data submitted for re-use for which the institution authorised by the Government has issued a permit. The government authorised body is responsible for the anonymising the data using the methods it selects.

reimbursement of costs of providing health data by health data controllers to an institution authorised by the Government.

Article 6 (3) of the Law No. XIV-789 on Secondary Use of Health Data sets out provisions on reimbursing the costs of providing health data to controllers that submit the data to the State Health Data Re-use Platform. In addition, Chapter VI of the Resolution No. 654 provides additional information on health data collection for health controllers and details on the costing arrangements; including when a service provider is involved. The Resolution No. 654 also includes an Annex outlining the cost information of using the Platform that the health controllers must provide to the Governmental authorised body.

shall (i) create conditions for efficient and safe secondary use of health data for public interest purposes (research, experimental development and innovation, education and knowledge management in health, health policy-making, statistics),

Law No. XIV-789 on Secondary Use of Health Data introduces in Article 3(1) the role of the institution authorised by the Government of Lithuania to issue permits for the re-use of the secondary health data. This authorisation is granted to the Lithuanian Department of Statistics (hereinafter referred to as “the Department”) to perform the functions and actions of the institution by Resolution No. 195. The Department is responsible for data collection, compilation, depersonalisation of health data, provision in a secure environment, controlling user access and compliance with permission conditions. According to the procedure set out in Article 3(1) of the aforementioned Law, a one-stop basis principle is to be implemented to obtain data from different health data controllers for secondary use. The Department centralises most of the processes required to re-use secondary data, acting as an intermediary between health data controllers and individuals who wish to receive health data and creating the conditions for an efficient and clear process to manage secondary use of health data at the national scale.

Moreover, the Department guarantees the safety of the re-use of health data by operating the State Data Management Information System (hereinafter referred to as “SDM IS”). As defined by Article 2(11) of the Law No. XIV-789, the SDM IS includes new functionalities to specifically process re-used health data, including its collection, storage and preparation for a safe use (anonymisation and pseudonymisation). The process for the safe use of the health data is further detailed in Resolution No. 654, including the Department’s right, if necessary, to use independent experts in matters of depersonalisation and pseudonymisation of health data. Furthermore, Order No. V-1101 on the implementation of the Law on Secondary Use of Health Data sets out the procedure for monitoring compliance with the requirements for the secondary use of health data.

Furthermore, Article 3.7 of Law No. XIV-789 on Secondary Use of Health Data prerequisites for the authorisation of re-using health data that is used solely for one or more purposes in the following

areas: scientific research and experimental development, innovation, education, knowledge management in the field of health, health policy making, health care planning, organisation and management, statistical management. Thus, ensuring its use for public interest purposes.

(ii) ensure sustainable development of digital health

The sustainable development of the digital health is guaranteed by setting the SDM IS, a national digital space which ensures data management and consolidation in a common technical, organisational and physical data processing environment. The SDM IS is managed by the Department where the data collected is stored, prepared (anonymized or pseudonymised and/or compiled) in accordance with the procedure established by law No. XIV-789 and provided for re-use in the cases specified by law No. XIV-789 (Article 2(11) of the law No. XIV-789). Article 3(1) of Law No. XIV-789 on Secondary Use of Health Data sets a “one-stop shop” principle.

Therefore, the SDM IS enables the State to receive data quickly and efficiently and perform their analysis as needed. As a result, the SDM IS creates favourable conditions for the effective secondary use of health data and promotes the sustainable development of digital health services.

and (iii) regulate the organisational and technical measures necessary for a harmonised, coordinated and high-quality secondary use of data, while ensuring the protection of personal data.

Law No. XIV-789 on Secondary Use of Health Data is implemented as well by Resolution No. 654 and Resolution No. 195. Resolution No. 195 authorised the Department to control, monitor and coordinate the secondary use of health data using the SDM IS. The protection of the personal data is guaranteed by the obligation to use the Procedure for anonymisation and pseudonymisation (Resolution No. 654) introduced in Article 7(3) of the Law No. XIV-789.

In addition, experts can be involved in the process of using secondary health data to improve the treatment for a patient, ensuring a high quality use of secondary data. The procedure to compile a list of reputable and confident experts that are trusted with a person’s health information is regulated by Order No. V-1101 on the implementation of the Law on Secondary Use of Health Data, which sets out the procedure for compiling the list of experts and the conditions and processes to provide information to health experts, issue expert conclusions and reporting important information to a doctor treating the person among others.

Furthermore, in line with the description of the sub-measure, **a mapping of health care system information resources shall be prepared and information systems maturity analysis shall be performed, assessing its integrity with other information systems. On this basis decisions shall be taken to optimise resources contributing to the coordinated, high-quality and interoperable IT health care system.**

The mapping of the health care system information resources was performed, and the results are publicly available on the website of the Ministry of Health of the Republic of Lithuania.

A report assessing the maturity of the information systems and registers in the field of health management was published on 21 December 2022. The analysis carried out by UAB “IO projects” assessed 27 information systems, their current situation and identifies their needs and provides general conclusions and tailored recommendations for the future. The implemented or planned integrations between information systems were also assessed.

The report concluded that in some cases the systems were under-used, lacked automation or the data was inefficiently processed. The conclusions and recommendations provided by UAB “IO

projects” were used to prepare the “Action Plan for the Development of the Digital Health System 2023-2027”. This plan includes measures for the development of the digital health system as well as objectives and actions to foster the interoperability of the health information systems.

In view of the result of the maturity analysis, it was decided to delegate the rights to control the information systems (formerly assigned to the Ministry of Health) to subordinate bodies to improve the management and administration of these systems., This decision optimises processes and enhances the overall efficiency of information systems. For instance, the Ministry of Health transferred the functions of the controller of the Medical Nomenclatures and Classifications Information System to the Lithuanian Medical Library (Order No. V-414), and the functions of the controller of the Radiation Protection Information System to the Radiation Protection Centre (Order No. V-380).

In addition, the authorities identified investment projects with a higher value added to achieve a high-quality and more integrated health IT system. These projects include, for example, the Development of the Emergency Management Information System (ESVIS) or the modernisation of the State Information System on Communicable Diseases and their Pathogens (ULSVIS) through integration with other systems and registers.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 3 Adoption of the updated Action Plan on Family Medicine Development for 2016-2025

Related Measure: A-1-1 Improving the quality and accessibility of health services and promoting innovation

Qualitative Indicator: Adoption of the Action Plan on Family Medicine Development by the Ministry of Health

Time: Q4 2022

1. Context:

The objective of measure A.1.1 is to increase the quality and accessibility of health care, with a focus on strengthening primary care, specialised outpatient care, digitalisation of the health sector and innovation. The measure consists of eleven sub-measures.

Milestone 3 is part of sub-measure A.1.1.3., which aims to adopt an updated action plan on Family Medicine Development for 2016-2025. The action plan to be adopted by the Ministry of Health shall enable general practitioners to focus more effectively on patients and patients to access a wider range of services within primary care teams.

Milestone 3 concerns the adoption of the updated Action Plan on Family Medicine Development for 2016-2025.

This milestone is the only milestone within the sub-measure A.1.1.3.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Copy of the order No. V-1884 of the Minister of Health of the Republic of Lithuania of 19 December 2022 | Order on the “Amendments to the Order of the Minister of Health of the Republic of Lithuania of 26 September 2016 No. V-1104 ‘On the Approval of the Action Plan for the Development of Family Medicine for the Years 2016-2025” (hereinafter referred to as “Order No. V-1884”. Link to the publication in the Register of Legal Acts: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/074282a27fde11edbdcebd68a7a0df7e?jfwid=-117zm91fg |
| 3 | Copy of the updated Action Plan on Family Medicine Development for 2016-2025 adopted on 19 December 2022 | Updated Action Plan on Family Medicine Development for 2016-2025. The plan is annexed to the order No. V-1884 on the approval of the Action Plan for the Development of Family Medicine. Link to the publication in the Register of Legal Acts https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/074282a27fde11edbdcebd68a7a0df7e?jfwid=-117zm91fg |
| 4 | Order of the minister of health of the republic of Lithuania of 11 October | Order on “Amendments to the order of the minister of health of the republic of Lithuania of 26 September 2016 No V-1104 ‘On the approval of the action plan for the development of family medicine |

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| | 2023 No. V-1077 | for the years 2016-2025” |
| 5 | Copy of the report of the public consultation of social partners on Action Plan on Family Medicine Development for 2016-2025 organised on 13 September 2022 was published. | Report of the public consultation of social partners on Action Plan on Family Medicine Development for 2016-2025 organised on 13 September 2022. Link to the publication: https://epilietis.lrv.lt/lt/konsultacijos/viesoji-konsultacija-del-seimos-medicinos-pletros-2016-2025-metu-veiksmu-plano |
| 6 | Copy of the invitation to the public consultation of social partners dated 26 August 2022 on Action Plan on Family Medicine Development for 2016-2025 | Invitation to the public consultation of social partners dated 26 August 2022 on Action Plan on Family Medicine Development for 2016-2025. |
| 7 | Consolidated version of the Order No. V-293 of 3 March 2023] | Order on “Primary outpatient personal care arrangement for the organisation of the supply and payment of these services” of 3 March 2023 (hereinafter referred to as “Order V-293”) |

3. Analysis:

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

An Action plan on Family Medicine Development for 2016-2025 shall be developed and approved by the Ministry of Health

The Action Plan on Family Medicine Development for 2016-2025 (hereinafter referred to as the “Action Plan”) was developed by the Ministry of Health with the aim of improving family medicine services. The Ministry of Health approved an updated Action Plan in December 2022 with the objective of redefining the plan’s goals and methods, emphasizing the necessity to reorganize primary care teams and reallocate responsibilities more effectively among the professionals of the teams to improve the healthcare system. The Actions Plan was approved by Order of the Minister of Health of the Republic of Lithuania on 19 December 2022 No. V-1884 “On the approval of the Action Plan for the Development of Family Medicine for the years 2016-2025”. This Order entered into force on the day of its publication, 19 December 2022.

Additionally, The Ministry of Health launched an amendment approved by Order of the Minister of Health of the Republic of Lithuania on 11 October 2023 No. V-1077 "On amendments to the order of the Minister of Health of the Republic of Lithuania of 26 September 2016 No. V-1104 "On the approval of the action plan for the development of family medicine for the years 2016-2025". These changes to the Action Plan aim at reducing bureaucratic burdens and improving service quality. The Order entered into force on the day of its publication, on 11 October 2023.

The Action Plan shall define functions of a family doctor not directly interlinked with the provision of health care services.

- The Action Plan includes an objective of addressing the challenges facing family medicine such as inadequate quality and efficiency of services provided in primary care, unbalanced workload for family doctors, and excessive and unjustified administrative burden on family doctors. Point 12 of the Action Plan acknowledges that doctors should be relieved of their non-core function, and these duties should be delegated to other professionals within family doctor's team in line with their respective competencies.
- Chapter III point 6 of the Action plan outlines the modalities of the reattribution of non-specific functions and their delegation to other team members within the remit of their competence.
- Chapter III point 12 of the Action Plan specifies that administrative tasks, which are considered non-specific functions should be managed by the family doctor's team. This ensures that the doctor can focus on the provision of health care services. It also envisages that the recording and management of information, registration of patients and other activities that do not require medical professional qualifications should be carried out by a secretary within the family doctor's team.

The adoption of Order No. V-293 and the introduction of the role of the case manager within the family medicine team, aim to coordinate services needs for patients, manage patients flows, and administrative tasks. This follows the objective of creating a working environment that leverages professional competences and therefore improving primary care.

and redistribute responsibilities between general practitioners and other members of the medical team (nurses, midwives, nursing assistants, lifestyle professionals, social workers or physiotherapists).

The Action Plan envisages the redistribution of responsibilities between general practitioners and other members of the medical team, including the composition of the family doctor's team, services provided by the team, and redistribution of tasks. Point 12 of the Action Plan refers to the need of strengthening the family doctor's team by ensuring a proportionate redistribution of tasks according to each team member's competencies and functions. This enables family doctors to increase their time and focus on the provision of primary ambulatory personal healthcare services. It also outlines the composition of the family doctor's team, which includes a family doctor, nurse, midwife, physiotherapist, nurse assistant, lifestyle medical specialist and social worker.

Chapter IV, point 16, action 1.3 of the Action Plan describes the services provided by members of the family doctor's team, excluding doctors. As a result of the Action Plan, Order No. V-293 of the Ministry of Health adopted on 3 March 2023 entered into force, amending Order No. V-943 of the Ministry of Health of the Republic of Lithuania of 5 December 2005 "On the Approval of the Description of the Organization of Primary Ambulatory Personal Health Care Services Provision and the Payment Procedure for these Services". The amendments to Order No. V-943 elaborate on the responsibilities and roles of the family doctors and family medicine team members:

- Point 2 of Order No. V-293 defines the responsibilities of the family doctors, which include providing emergency and planned personal healthcare services, monitoring patient health and directing the Family Medicine team.
- Point 3 of Order No. V-293 defines the responsibilities of nurses which include organizing and delivering care independently or under direction, according to established medical norms.
- Point 4 of Order No. V-293 defines the responsibilities of midwives which include providing care in particular for maternal and child health.

- Point 5 of Order No. V-293 defines the responsibilities of social workers which include supporting social services, assessing social needs and collaborating with the team.
- Point 6 of Order No. V-293 defines the responsibilities of physiotherapists which include delivering physiotherapy services.
- Point 7 of Order No. V-293 defines the responsibilities of lifestyle medicine specialists which include offering individual and group lifestyle interventions and managing health risks related to lifestyle.
- The responsibilities of other team members, such as case managers (point 8 of the Order No. V-293) or community administrators (point 9 of the Order No. V-293) are also outlined.

Furthermore, and in line with the measure description, the **action plan to be adopted by the Ministry of Health shall enable general practitioners to focus more effectively on patients and patients to access a wider range of healthcare.**

Point 12 of the Action Plan underlines that the major bottlenecks for family doctors, particularly general practitioners, in providing high quality and efficient primary outpatient care include administrative burden, existence of many incomplete family teams (in 2021, only nurses were found to be working in all family medicine teams) and an over-reliance on the family doctor instead of shifting responsibilities to other qualified professionals in the team.

As a result, the Action Plan sets actions to reduce the administrative burden on family doctors by redistributing responsibilities (Action 16.1.3 of the Action Plan). It also allows other team members to provide services that were previously under the sole competency of the family doctor, such as the prolongation of the right for nurses and midwives to prescribe medical aid and products prescribed by the doctor. In addition, the Action Plan strengthens the role of the family doctor, by establishing that only family doctors provide family allowing specialist doctors to focus on specialised services in accordance with their competence as defined in the relevant medical standard.

Furthermore, as mentioned in the section above, Order No. V-293 introduced by point 16.1.3 of the Action Plan redistributes responsibilities among the family medicine team members by defining the responsibilities of each member of the team, therefore ensuring that the family doctors focus solely on their role, duties and responsibilities, such as evaluating patients, providing treatment or managing the family medicine team, therefore improving the efficiency and quality of the services delivered.

Moreover, the Order No. V-293 also introduces a new payment model for services provided by the family medicine team as of 1 March 2023 and unblocks additional resources allocated to the family doctor team. As a result, the number of non-doctor professionals in family medicine teams is expected to increase, reducing the burden on family doctors and improving patients access to primary healthcare. Finally, by expanding the family medicine team to account for professionals providing complementary services such as lifestyle interventions provided by the lifestyle medicine specialist or physiotherapy within the family medicine services (as defined by Order No. V-293 and point 16.1.3 of the Action Plan), the patients are granted access to a wider range of healthcare services, resulting in a more comprehensive and improved access to healthcare.

Social partners shall be consulted.

A public consultation with the social partners was organised on the draft action plan on 13 September 2022. The consultation presented the main aspects of the Action Plan, focusing on the planned changes in the field of family medicine. A total of 164 participants joined the consultation,

representing family medicine providers, personal health care institutions, municipal administrations and higher education institutions, training family physicians and their team members, non-governmental organisations (including patients, the organisations of family doctors and their team members - nurses, midwives, social workers, nurses assistants, physiotherapists, lifestyle medicine specialists) and representatives of public health offices. The report of the public consultation was subsequently published.

4. Commission Preliminary Assessment: satisfactorily fulfilled.

Number and name of the Target: 27 Installed capacity of new electricity storage facilities (MW)

Related Measure: C2.B-1-1- B-1-1-3 Installation of other electricity storage infrastructure

Quantitative Indicator: MW

Baseline: 0

Target: 200

Time: Q4 2022

1. Context:

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. This will be achieved through the preparatory work for the development of offshore wind park and related infrastructure (sub-measure 1); support for the construction of onshore RES plants (solar and wind power) and individual storage facilities (sub-measure 2); installation of other electricity storage infrastructure (sub-measure 3).

The objective of sub-measure B.1.1.3 is to ensure the security, stability and readiness of the Lithuanian electricity system for the operation of isolated work prior to its interconnection with the electricity grids of continental Europe.

Target 27 concerns the entry into operation of four energy storage installations, each of 50MW. Target 27 is the only milestone or target of sub-measure B.1.1.3.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Copy of Law No XIV-1170 of 23 June 2022 on the amendment of Articles 2, 6, 9, 16, 17, 20, 21-1, 22, 22-22-2, 23, 31, 39, 41, 41-1, 48-2, 48-3, 48-4, 49, 58, 59, 67, 71-1, 72, 74 of the Law on Electricity No VIII-1881 and supplementing the Law with Articles 20-1, 73-2 (hereinafter referred to as “Amended Law on Electricity”). Link to the publication in the Register of Legal Acts: TAR, 2022-07-07, No. 14907 | The amended Law on Electricity was adopted on 23 June 2022 and entered into force on 8 July 2022. It indicates that the generation of electricity from storage facilities is an activity regulated by the Law on Electricity, according to which a permit must be issued (Article 16.1(10)). |
| 2 | Copy of Certificate of inspection of the National Energy Regulatory Council of 31 August 2023 No. KPP-438 on the technical condition of energy installations (hereinafter referred to “Certificate of inspection of Alytus installation”); | The National Energy Regulatory Council inspected the technical conditions of the Alytus installation and issued certificates of inspection, assuring its compliance. |
| 3 | Copy of Certificate of inspection of the National Energy Regulatory Council of 28 September 2023 No. VPP-423 on the technical condition of energy | The National Energy Regulatory Council inspected the technical conditions of the Vilnius |

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| | installations (hereinafter referred to “Certificate of inspection of Vilnius installation”); | installation and issued certificates of inspection, assuring its compliance. |
| 4 | Copy of Certificate of inspection of the National Energy Regulatory Council of 6 September 2023 No. SPP-305 on the technical condition of energy installations (hereinafter referred to “Certificate of inspection of Šiauliai installation”); | The National Energy Regulatory Council inspected the technical conditions of the Šiauliai installation and issued certificates of inspection, assuring its compliance. |
| 5 | Copy of Certificate of inspection of the National Energy Regulatory Council of 22 June 2023 No. VPP-252 on the technical condition of energy installations (hereinafter referred to “Certificate of inspection of Utena installation”); | The National Energy Regulatory Council inspected the technical conditions of the Utena installation and issued certificates of inspection, assuring its compliance. |
| 6 | Copy of permit of National Energy Regulatory Council of 22 September 2023 No. L-6401 to generate electricity from energy storage facilities (hereinafter referred to “permit to generate electricity from Alytus installation”); | Permit to generate electricity from Alytus installation, confirming its entry into operation, as it marks the last step of the installation process. |
| 7 | Copy of permit of National Energy Regulatory Council of 5 October 2023 No. L-6415 to generate electricity from energy storage facilities (hereinafter referred to “permit to generate electricity from Vilnius installation”); | Permit to generate electricity from Vilnius installation, confirming its entry into operation, as it marks the last step of the installation process. |
| 8 | Copy of permit of National Energy Regulatory Council of 22 September 2023 No. L-6400 to generate electricity from energy storage facilities (hereinafter referred to “permit to generate electricity from Šiauliai installation”); | Permit to generate electricity from Šiauliai installation, confirming its entry into operation, as it marks the last step of the installation process. |
| 9 | Copy of permit of National Energy Regulatory Council of 30 June 2023 No. L-6321 to generate electricity from energy storage facilities (hereinafter referred to “permit to generate electricity from Utena installation”); | Permit to generate electricity from Utena installation, confirming its entry into operation, as it marks the last step of the installation process. |
| 10 | Copy of the assessment by Fluence of 18 July 2023 on “Supplemental Acceptance Tests – Gridstack/ Gridstack energy storage system/ Energy Cells - Alytus” (hereinafter referred to as “Alytus test report”); | Report from Fluence (a company, along with Siemens Energy, responsible for installing and servicing the electricity storage device) performing tests to assessment of the appropriateness of the electricity storage device installed in the Alytus, signed by Fluence representatives. |
| 11 | Copy of the assessment by Fluence of 25 September 2023 on “Supplemental Acceptance Tests – Gridstack/ Gridstack energy storage system/ Energy Cells - Vilnius” (hereinafter referred to as “Vilnius test report”); | Report from Fluence performing tests (a company, along with Siemens Energy, responsible for installing and servicing the electricity storage device) to assessment of the appropriateness |

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| | | of the electricity storage device installed in the Vilnius, signed by Fluence representatives. |
| 12 | Copy of the assessment by Fluence of 12 September 2023 on “Supplemental Acceptance Tests – Gridstack/ Gridstack energy storage system/ Energy Cells - Šiauliai” (hereinafter referred to as “Šiauliai test report”); | Report from Fluence (a company, along with Siemens Energy, responsible for installing and servicing the electricity storage device) performing tests to assessment of the appropriateness of the electricity storage device installed in the Šiauliai, signed by Fluence representatives. |
| 13 | Copy of the assessment by Fluence of 28 July 2023 on “Supplemental Acceptance Tests – Utena/Tests on Completion” (hereinafter referred to as “Utena test report”). | Report from Fluence (a company, along with Siemens Energy, responsible for installing and servicing the electricity storage device) performing tests to assessment of the appropriateness of the electricity storage device installed in the Utena, signed by Fluence representatives. |
| 14 | Copy of connection conditions for connection of 50 MW electricity storage facilities to the electricity transmission grid of 22 December 2020 No SD-20-198 (hereinafter referred to as “Alytus connection conditions”) | Connection conditions for the Alytus 50MW battery parks outlining the required features of the facility to ensure compliance. |
| 15 | Copy of connection conditions for connection of 50 MW electricity storage facilities to the electricity transmission grid of 22 December 2020 No SD-20-198 (hereinafter referred to as “Vilnius connection conditions”) | Connection conditions for the Vilnius 50MW battery parks outlining the required features of the facility to ensure compliance. |
| 16 | Copy of connection conditions for connection of 50 MW electricity storage facilities to the electricity transmission grid of 22 December 2020 No SD-20-198 (hereinafter referred to as “Šiauliai connection conditions”) | Connection conditions for the Šiauliai 50MW battery parks outlining the required features of the facility to ensure compliance. |
| 17 | Copy of connection conditions for connection of 50 MW electricity storage facilities to the electricity transmission network of 22 December 2020 No SD-20-198 (hereinafter referred to as “Utena connection conditions”) | Connection conditions for the Utena 50MW battery parks outlining the required features of the facility to ensure compliance. |

3. Analysis:

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

Entry in operation of four energy storage installations, each of 50 Megawatts (MW).

Upon completion of the installation of four energy storage installations of 50MW each, the National Energy Regulatory Council (an independent national regulatory authority regulating activities of entities in the field of energy and carrying out the supervision of state energy sector) inspected the technical conditions of each of the projects and issued certificates of inspection. These certify that the installed electrical energy storage equipment meets the regulatory requirements and can be used as intended. More specifically the certificate of inspection of Alytus installation, the certificate of inspection of Vilnius installation, the certificate of inspection of Šiauliai, and the certificate of inspection of Utena installation all conclude that the 50 MW battery energy storage system complies with the project requirements, the regulatory requirements and can be used as intended.

The generation of electricity from storage facilities is an activity regulated by the amended Law on Electricity, according to which a permit must be issued (Article 16.1(10)). This permit is to be “issued, suspended, lifted, revoked, modified, adjusted and supervised by” the National Energy Regulatory Council (Article 16.3), and marks the final step for the entry into operation of the installation.

After inspection, the National Energy Regulatory Council issued permits to generate electricity from energy storage equipment. More specifically, the permit to generate electricity from Alytus installation, the permit to generate electricity from Vilnius installation, the permit to generate electricity from Šiauliai installation, and the permit to generate electricity from Utena installation all state that the installed capacity, the permissible generation capacity, and authorised capacity of the activities regulated by the authorisation (i.e., electricity storage facilities) is of 50 MW.

Furthermore, in line with the description of the sub-measure, **the sub-measure shall consist of support to install four energy storage installations, each of 50 MW that shall provide synthetic inertia in response to frequency change, congestion management of the grids, which is necessary to integrate 100% of electricity generated from RES.**

Chapter 21 of the Alytus connection conditions, the Vilnius connection conditions, the Šiauliai connection conditions, and the Utena connection conditions documents (hereinafter referred to as the “connection conditions”) contains the connection requirements of the storage facilities.

Regarding the installations’ ability to provide synthetic inertia in response to frequency change, point 14 of Chapter 21 of the connection conditions lists the requirements for synthetic inertia. Requirement 14.6 states that “the synthetic inertia shall be fully activated within a time interval of not more than 200 milliseconds”. For this, the Alytus test report, the Vilnius test report, the Šiauliai test report and the Utena test report (performed by Fluence, a company, along with Siemens Energy, responsible for installing and servicing the electricity storage device) contain a “synthetic Inertia test” (Chapter 12):

- According to the first paragraph of Chapter 12 for each of the aforementioned test reports, “This test demonstrates the functional requirements and performance of the synthetic inertia control mode application”.
- Table 4 of Chapter 12 for each of the aforementioned test reports shows that the respective installation in Alytus, Vilnius, Šiauliai and Utena have modulated their active power output with a response time of less than 200 milliseconds, and thus passed all the acceptance criteria. Therefore, the installations provide synthetic inertia (batteries modulate their active power output) in response to frequency changes, as certified by the report in line with the connection conditions.

Regarding the installations' ability to provide congestion management of the grid, the Alytus test report, point 13 of Chapter 21 (of the connection conditions) lists the requirements for special automation. Point 13.1 states that the storage facility's "control system shall incorporate special automatic frequency stabilisation (Emergency Power Control (EPC) and/or Fast Frequency Response" and point 13.2 requires that "in the event of network disturbance, the special automation system shall be activated automatically, irrespective of the generation/loading mode". For this, the Vilnius test report, the Šiauliai test report and the Utena test report (performed by Fluence, a company, along with Siemens Energy, responsible for installing and servicing the electricity storage device) contain an "Emergency power test" (Chapter 7):

- According the first paragraph of Chapter 7 for each of the aforementioned reports, the "tests will be performed by triggering the corresponding input to Fluence control, and simulating frequency and voltage deviation in the Fluence control system. This test will be performed by the Contractor Input Signals will be triggered from the Remote Terminal Unit to simulate receiving of the LitGrid command".
- According to the last paragraph of Chapter 7 for each of the aforementioned reports, the results of the tests were marked as "PASS". Therefore, in a grid congestion scenario, the grid congestion would be mitigated through the Emergency power control (EPC) function of the installations, where batteries would modulate their active power output, time delay and ramp rate in respect to external signals to the control systems of the four energy storage installations.

4. Commission Preliminary Assessment: satisfactorily fulfilled.

Number and name of the Milestone: 50 Competence Center for Building Renovation is established and operational

Related Measure: B-1-3- B-1-3-2 Tools to facilitate building renovation coordination and technical assistance

Qualitative Indicator: Legislation entered into force

Time: Q4 2022

1. Context:

The objective of reform B.1.3. “Accelerating renovation of buildings and a sustainable urban environment” is to increase the pace of the building renovation process by exploiting the benefits of the digitalised serial renovation of buildings, by broadening the integrated approach to the living environment, including adaptation of buildings to the needs of persons with disabilities, and by promoting a climate- and environment-friendly transformation of the construction sector and products. The reform is accompanied by four sub-measures: (1) update and testing in practice of building renovation packages and standards and creation of a methodology for the development of sustainable cities (Sub-measure 1); (2) creation of tools to facilitate building renovation coordination and technical assistance (Sub-measure 2); (3) promoting the supply of construction products and services that speed up the renovation of buildings (Sub-measure 3); and (4) support for faster renovation of buildings in line with up-to-date building renovation standards (Sub-measure 4).

The objective of sub-measure B.1.3.2. is to create tools to facilitate building renovation coordination and technical assistance. The sub-measure shall consist of a creation of the competence centre for building renovation and three digital tools.

Milestone 50 is the first step of the implementation of sub-measure B.1.3.2., and it will be followed by target 51 on the operationalisation and provision of service of three information systems for design of building renovation, for administration of renovation projects and Lithuanian Buildings Data Bank. The sub-measure has a final expected date for implementation of 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
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| 1 | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. | |
| 2 | Amendment of 22 June 2021 No. XIV-441 amending Article 3 of the Law No. I-2455 on State Support for the Renovation (Modernization) of Apartment Buildings (hereinafter referred to as “Amendment No. XIV-441”). Link to the publication in the Register of Legal Acts: TAR 2021-07-07, No. 15441 . | Order requiring that implementation of the programme for the renovation (modernisation) of multi-apartment buildings is administered by an institution authorised by the Ministry of the Environment. |
| 3 | Order of the Minister of the Environment of 09 July 2021 No. D1-409 “On the granting of powers to the Environmental Project Management Agency of the Ministry of Environment of the Republic of Lithuania” (hereinafter referred to as | Order of Minister of Environment mandating the Environmental Project Management Agency to administer the programme for the renovation (modernisation) of multi-apartment |

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| | "Order No. D1-409"). Link to the publication in the Register of Legal Acts (TAR, 2021-07-09, No. 15680). | buildings. |
| 4 | Government Resolution of 15 September 2021 No. 757 on the liquidation of the Housing Energy Saving Agency of a public institution (hereinafter referred to as "Resolution No. 757"). Link to the publication in the Register of Legal Acts (TAR 2021-09-23, No. 19945). | Resolution containing the decision to liquidate the Housing Energy Saving Agency and to transfer the non-financial assets borne by the State, as the owner of the Housing Energy Saving Agency, to the Environmental Project Management Agency. |
| 5 | Order of the Minister of the Environment of 29 October 2021 No. D1-631, on the liquidation of the Housing Energy Saving Agency of a public institution (hereinafter referred to as "Order No. D1-631"). Link to the publication in the register of Legal Acts (TAR 2021-10-29, No. 22660). | Order stating that the Environmental Project Management Agency is to take over all the rights and obligations arising from contracts from the Housing Energy Saving Agency. |
| 6 | Order of the Director of the Environmental Project Management Agency (APVA) of 11 August 2021 No. T1-150 on the regulations of the Department of Energy Efficiency of Buildings and one of its constituent divisions - the Competency (hereinafter referred to as "Order No. T1-150"). | Order No. T1-150 sets out the structural changes to the implementation of the Environmental Project Management Agency (EPMA), the list of posts, the regulations of structural units, and the list of job descriptions. |
| 7 | Order of the Minister of the Environment of 23 August 2021 No. D1-476 on the approval of the regulations of the Environmental Project Management Agency of the Ministry of Environment and the amendment of Order of the Minister of Environment of the Republic of Lithuania of 26 January 2018 No. D1-66 on the reorganisation of the Budgetary Institution Lithuanian Environmental Protection Investment Fund (hereinafter referred to as "Order No. D1-476"). Link to the publication in the register of Legal Acts (TAR, 2021-08-26, No. 17990). | Order No. D1-476 amends the Regulation of the Environmental Project Management Agency. |
| 8 | Employment contract of 18 May 2022 No. P5-315 for the post of Chief Specialist (Function code P-K-3-1) (hereinafter referred to as "Contract for position P-K-3-1"). | Work contract for vacancy under the Competency unit of the EPMA. |
| 9 | Annex No P5-61(2023) of 4 April 2023 to employment contract No. P5-315 for the post of Chief Specialist (Function code P-K-3-1) (hereinafter referred to as "Extension of position P-K-3-1"). | Extension of work contract for vacancy under the Competency unit of the EPMA. |
| 10 | Annex No P5-315(2023) of 30 December 2023 to employment contract No. P5-315 of 18 May 2022 (hereinafter referred to as "Transfer of Contract for position P-K-3-1 to KNK-3-3"). | Work contract for vacancy under the Climate Neutrality Competency Unit (transferred contract from the Competency unit). |
| 11 | Employment contract of 4 June 2022 No. P5-320 for the post of Chief Specialist (Function code P- | Work contract for vacancy under the Competency unit of the EPMA. |

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| | K-3-4) (hereinafter referred to as “Contract for position P-K-3-4”). | |
| 12 | Annex of 17 May 2023 No P5-73(2023) to employment contract No. P5-320 for the post of Chief Specialist (Function code P-K-3-4) (hereinafter referred to as “Extension of position P-K-3-4”). | Extension of work contract for vacancy under the Competence unit of the EPMA. |
| 13 | Annex of 20 May 2022 to employment contract of 5 November No. P5-291 for the post of Chief Specialist (Function code P-K-3-6) (hereinafter referred to as “Contract for position P-K-3-6”). | Work contract for vacancy under the Competency unit of the EPMA. |
| 14 | Annex No P5-92(2023) of 3 July 2023 to employment contract No. P5-291 for the post of Chief Specialist (Function code P-K-3-6) (hereinafter referred to as “Extension of position P-K-3-6”). | Extension of work contract for vacancy under the Competency unit of the EPMA. |
| 15 | Annex No P5-324(2024) of 4 January 2024 to the addendum of 3 July 2023 to employment contract No. P5-291 for the post of Chief Specialist (hereinafter referred to as “Transfer of Contract for position P-K-3-6 to KNK-1-2”). | Work contract for vacancy under the Climate Neutrality Competency Unit (transferred contract from the Competency unit). |
| 16 | Annex No P5-35(2023) of 24 February 2023 to employment contract of 28 May 2018 No. P5-181 for the post of head of unit (Function code P-K-1.2) (hereinafter referred to as “Contract for position P-K-1.2”). | Work contract for vacancy under the Competency unit of the EPMA. |
| 17 | Annex P5-302(2023) of 29 December 2023 to addendum of 24 February 2023 to employment contract of 28 May 2018 No. P5-181 for the post of head of unit hereinafter referred to as “Transfer of Contract for position P-K-1.2 to KNK-1”). | Work contract for vacancy under the Climate Neutrality Competency Unit (transferred contract from the Competency unit). |
| 18 | Annex No P5-349(2022) of 25 August 2022 to employment contract of 5 November 2021 No. P5-290 for the post of Adviser (Function code P-K-2) (hereinafter referred to as “Contract for position P-K-1.2”). | Work contract for vacancy under the Competency unit of the EPMA. |
| 19 | Annex No P5-290(2023) of 29 December 2023 to the addendum of 25 August 2022 to employment contract of 5 November 2021 No. P5-290 for the post of Adviser (hereinafter referred to as “Transfer of Contract for position P-K-2 to KNK-2-1”). | Work contract for vacancy under the Climate Neutrality Competency Unit (transferred contract from the Competency unit). |
| 20 | Annex P5-322(2024) of 4 January 2024 to employment contract No P5-338/440 of 14 December 2022 for the post of Competence Development Officer (Function code KNK-3-2) (hereinafter referred to as “Contract for position KNK-3-2”). | Work contract for vacancy under the Climate Neutrality Competency Unit. |
| 21 | Annex No. P5-PAK-17(2024) of 8 January 2024 to | Work contract for vacancy under the |

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| | employment contract of 28 August 2023 No. P5-362/134 for the post of Chief Specialist (Function code KNK-1-1) (hereinafter referred to as "Contract for position KNK-1-1"). | Climate Neutrality Competency Unit. |
| 22 | Employment contract of 22 January 2024 No. P5-350(2024) for the post of programme developer (Function code KNK-3-1) (hereinafter referred to as "Contract for position KNK-3-1"). | Work contract for vacancy under the Climate Neutrality Competency Unit. |
| 23 | Order of the Director of the EPMA of 18 December 2023 No. T1-464 on the implementation of structural changes of the Environmental Project Management Agency of the Ministry of the Environment of the Republic of Lithuania, the approval of the list of posts, the provisions of the structural units and the list of job descriptions (hereinafter referred to as "Order No. T1-464"). | Order No. T1-464 sets out the structural changes to the implementation of the Environmental Project Management Agency (EPMA), the list of posts, the regulations of structural units, whereby the Competency unit became the Climate Neutrality Competency Unit. |

3. Analysis:

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

Statute of the Environmental Project Management Agency establishing functions for administration of the Multi-apartment Building Renovation (Modernisation) programme as well as administration of financing from various sources as currently performed by Housing Energy Efficiency Agency, amended by the Order of the Minister of Environment adopted and entered into force:

Order No. D1-409 of the Minister of Environment was adopted on 9 July 2021 and entered into force on 1 November 2021 (see paragraph 2 of the Order). Paragraph 1 of the Order No. D1-409 approves the Environmental Project Management Agency to administer the programme for the renovation (modernisation) of multi-apartment buildings approved by the Government of the Republic of Lithuania. As a result of the Order (No. D1-409), the statute of the Environmental Project Management Agency was amended to include the administration of the programme.

For this to be achieved, the following steps needed to be taken:

- The Law on State Support for the Renovation (Modernisation) of Apartment Buildings needed to be amended to grant the Ministry of Environment the right to appoint an institution to implement the programme. As such, Article 1 of Amendment No. XIV-441 amending Article 3(4) of Law No. 1-2455 states that "the implementation of the programme for the renovation (modernisation) of multi-apartment buildings approved by the Government shall be administered by an institution authorised by the Ministry of the Environment [...]".
- Once the programme was appointed to the Environmental Project Management Agency for its administration, with Resolution No. 757 the decision was made to liquidate the Housing Energy Saving Agency and to transfer the non-financial assets to the Environmental Project Management Agency. As such, Paragraph 2 of the Resolution states that "the non-financial assets borne by the State, as the owner of the Housing Energy Saving Agency, a public

institution in liquidation, shall be transferred by trust to the Environmental Project Management Agency [...]”.

- In addition, with Order No. D1-631, “the Environmental Project Management Agency, without changing the contracts concluded between the Housing Energy Saving Agency and the project administrators of the renovation (modernization) of apartment buildings, shall take over all the rights, obligations and obligations arising from these contracts” (Paragraph 3.1).

Furthermore, in order to ensure that the Environmental Project Agency is responsible for the administration of financing from various sources, Article 1 of Order No. D1-476 amends paragraph 12.9 of the Regulations of the Environmental Project Management Agency and states that the agency is “to implement projects financed by the European Union, international organisations, foreign states, state budget and other state monetary funds, ensuring the separation of the functions of supervision and control of implementation within the institution”.

As a result, Order No. T1-150 of the Director of the Environmental Project Management Agency (within the Ministry of Environment) sets out the structural changes to the implementation of the Environmental Project Management Agency (EPMA), the list of posts, the regulations of structural units, and the list of job descriptions.

Furthermore, in line with the description of the measure, **the sub-measure shall consist of a creation of the competence center for building renovation (by 31 December 2022).**

Order No. T1-150 sets out the structural changes to the implementation of the Environmental Project Management Agency (EPMA), the list of posts, the regulations of structural units and the list of job descriptions. Paragraph 1.3 (page 1) refers to the “Competency unit of the Department for Energy Efficiency Buildings” which is the competence center for building renovation. The regulation of the competency unit is found under page 55 of the Order.

With the adoption of the Order No. T1-150 on 11 August 2021, the competence center for building renovation is created, prior to 31 December 2022.

One-Stop-Shop Building Renovation Competence Centre (EPMA unit) (50% of the vacancies at Competence Centre are filled) is operational.

The regulation of the Competency unit is found on page 55 of Order T1-150. Point 2 of Section I (“General”) states that the Competency unit of the Department for Energy Efficiency Buildings is a structural unit of the EPMA under the direct authority of the Director of the Energy Efficiency Department of buildings. Point 5 of Section II (“Tasks and Functions of the unit”) states that “the task of the unit is to ensure the implementation of the activities of the Long-term Renovation Strategy related to the renovation of buildings [...] by carrying out the functions assigned to it”.

According to Order No. T1-150, the Competency unit has six job positions to be filled:

- Adviser (description of function: No. P-K-2 - page 64, or point 1.20 of page 2)
- Chief specialist (description of function: No. P-K-3-1 - page 66, or point 1.21 of page 2)
- Chief specialist (description of function: No. P-K-3-2 - page 68, or point 1.22 of page 2)
- Chief specialist (description of function: No. P-K-3-3 - page 70, or point 1.23 of page 2)
- Chief specialist (description of function: No. P-K-3-4 - page 72, or point 1.24 of page 2)
- Head of the Competency unit (description of function: No. P-K-1 - page 109, or point 1.19 of page 2)

Five contracts were signed for the six vacancies set out in Order No. T1-150, as follows:

- Contract for position P-K-3-1 entered into force on 24 May 2022 and states that the person is to start working on that day, with a working time of 40 hours a week (full-time). However, the Extension of position P-K-3-1 was granted on 3 April 2023 for an indefinite duration.
- Contract for position P-K-3-4 entered into force on 8 June 2022 and states that the person is to start working on that day until 7 June 2023, with a working time of 40 hours a week (full-time). However, the Extension of position P-K-3-4 was granted on 18 May 2023 for an indefinite duration.
- Contract for position P-K-3-6 entered into force on 20 May 2022 and states that the person is to start working on that day until 19 May 2024, with a working time of 20 hours a week (part-time). However, the Extension of position P-K-3-6 was granted on 5 July 2023 for an indefinite duration, and a work time of 40 hours a week (full time).
- Contract for position P-K-1.2 entered into force on 24 February 2023 and states that the person is to start working on that day.
- Contract for position P-K-2 entered into force on 1 September 2022 and states that the person is to start working on that day, with a working time of 40 hours a week (full-time), for an indefinite duration.

Therefore, with a sufficient share of the vacancies filled (five out of six or 83%), the One-Stop-Shop Building Renovation Competence Center (EPMA unit) can be considered as operational.

The structure of the EPMA was changed on 18 December 2023, with Order No. T1-464, whereby the Competency unit became the Climate Neutrality Competency Unit (Paragraph 1.19 of page 4). Despite this structural change, the unit continues to ensure the implementation of activities related to the renovation and modernization of buildings, fulfilling the same tasks as before.

Point 2 of Section I (“General”) of the unit’s regulation (page 48 of Order No. T1-464) states that the Climate Neutrality Competency Unit is a structural unit of the EPMA under the direct authority of the Deputy-Director of the EPMA, while Point 5.1 of Section II (“Tasks and Functions of the unit”) states that the task of the unit is to “ensure the implementation of the activities foreseen in the Long-term Renovation Strategy related to the renovation (modernisation) of buildings”.

Moreover, according to Order No. T1-464, the Climate Neutrality Competency Unit has seven job positions to be filled:

- Manager (description of function: No. KNK-1 - point 1.19.1 of page 4)
- Expert (description of function: No. KNK-2-1 - point 1.19.2 of page 4)
- Expert Team leader (description of function: No. KNK-1-1 - point 1.19.3 of page 5)
- Project Team Leader (description of function: No. KNK-1-2 - point 1.19.4 of page 5)
- Programme Developer (description of function: No. KNK-3-1 - point 1.19.5 of page 5)
- Competence Developer (description of function: No. KNK-3-2 - point 1.19.6 of page 5)
- Data Analyst (description of function: No. KNK-3-3 - point 1.19.7 of page 5)

Six contracts were signed for the seven vacancies set out in Order No. T1-464, as follows:

- The transfer of Contract for position P-K-3-1 to KNK-3-3 entered into force on 1 January 2024 under the new position. However, the Lithuanian authorities declared that the employment contract was terminated on 29 March 2024 and a new employee is being sought.
- The transfer of Contract for position P-K-2 to KNK-2-1 entered into force on 1 January 2024 under the new position.

- The Contract for position KNK-3-2 entered into force on 1 January 2024. It concerns the transfer of a contract from another unit, where the working time was 40 hours a week (full-time).
- The Transfer of Contract for position P-K-3-6 to KNK-1-2 entered into force on 1 January 2024 under the new position.
- Transfer of Contract for position P-K-1.2 to KNK-1 entered into force on 1 January 2024.
- The Contract for position KNK-1-1 entered into force on 1 January 2024. It concerns the transfer of a contract from another unit, where the working time was 40 hours a week (full-time).
- The Contract for position KNK-3-1 entered into force on 25 January 2022 and states that the person is to start working on that day with a working time of 40 hours a week (full-time).

To conclude, four of the five employees employed at the Competency unit were retained at the Climate Neutrality Competency Unit, and six of seven vacancies are filled to date (86%).

4. Commission Preliminary Assessment: satisfactorily fulfilled

Number and name of the Milestone: 57 Legislation, regulating restoration of wetlands (peatlands) and their further protection and sustainable use, entered into force

Related Measure: C2.B-1-4- B-1-4- Increasing GHG absorption capacity

Qualitative Indicator: Legislation entered into force

Time: Q3 2022

1. Context:

The objective of this investment is to reduce GHG emissions from former drained and degraded peatlands by re-wetting the areas concerned, and as such creating favourable conditions for biodiversity in these habitats and increasing GHG removals while also carrying out certain limited economic activities.

Milestone 57 concerns the entry into force of legislation regulating restoration of wetlands (peatlands) and their further protection and sustainable use.

Milestone 57 is the first step of the implementation of the investment and will be followed by targets 55 and 56, related to rewetting of at least 2000ha and 6000ha of peatlands, respectively. The investment has a final expected date for implementation on 30 June 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
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| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled |
| 2 | Copy of the Order of the Minister of Agriculture of the Republic of Lithuania of 28 June 2023 No. 3D-427 amending order of the Minister of Agriculture of the Republic of Lithuania of 22 April 2022 Nr. 3D-269 "On the approval of the description of the progress measure no. 15-001-06-02-02 of the Ministry of Agriculture of the Republic of Lithuania 'Increasing ghg absorption capacity (by restoring the hydrological regime of wetlands (peatlands)' of the Governor of the Development Programme of the Ministry of Agriculture of the Republic of Lithuania for the period 2022-2030". Link to the publication in the Register of Legal Acts: TAR 2023-06-28, No. 12925 . | Order approving the description of the progress measure "Increasing GHG absorption capacity". |
| 3 | Copy of the Order of the Minister of Agriculture of 9 February 2023 No. 3D-72 On the approval of the description of the procedure for the establishment of the list of independent agricultural advisers (hereinafter referred to as "Order No. 3D-72"). Link to the publication: TAR 2023-02-09, No. 2496 . | Order on the approval of the description of the procedure for the establishment of the list of independent agricultural advisers. |

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| 3bis | Order of Minister of Agriculture No 3D-552 of 18 August 2023 on the amendment of order Nr. 3D-243 of the Minister of Agriculture of 1 April 2015 "On the approval of the rules for financing the costs of consulting farmers and other persons engaged in agricultural activities" (hereinafter referred to as "Order 3D-552"). Link to the publication in the register of legal acts: TAR, 2023-08-18, No. 16379 | Order on the adoption of rules for the financing of the costs of consulting operators engaged in the primary production of agricultural products. |
| 4 | Copy of Annex 18.6.4 of the Order of the Director of the National Paying Agency of 30 April 2024 No. BRA-13 on the approval of the description of the control procedure of investment, compensatory and intervention measures. | Annex 18.6.4 provides the template for the on-the-spot check report of the project implementation plan in accordance with Measure No 15-001-06-02-02 'Increase GHG absorption capacity (rehabilitation of the hydrological regime of wetlands)' of the project implementation plan manager of the 2022-2030 Development Programme of the Ministry of Agriculture and the Ministry of Agriculture of the Republic of Lithuania. |
| 5 | Copy of the Order of Minister of Agriculture of 28 December 2023 No. 3D-910 on the amendment of the Order of the Minister of Agriculture of 29 November 2018 No. 3D-850 "On the areas in which agricultural entities can seek support under the activity area "Conservation of habitats of Aquatic warbler" of the measure "Investments in tangible assets" of the Lithuanian Rural Development Programme for the period 2014-2020 and the measures "Agri-environment-climate" and "Payments related to Natura 2000 and the Water Framework Directive", and approval of the description of the procedure for the establishment and submission to the authorities responsible for the implementation of the measures of the Lithuanian Rural Development Programme 2014-2020" (hereinafter referred to as "Order No. 3D-910") and link to the publication in the Register of Legal Acts (TAR 2023-12-28, No. 25711). | Order No. 3D-910 identifies the types of land on which the restoration of the hydrological regime can be performed and that will increase GHG absorption capacity. |
| 6 | Copy of Study of 27 July 2022 on the determination of the fixed unit cost of wetland restoration activities. | Study on the determination of the fixed unit cost of wetland restoration activities. |
| 7 | Copy of Order of Minister of Agriculture of 20 February 2023 No. 3D-92 On the application for | Order determining the commitments for carrying out economic activities, |

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| <p>support for agricultural land and other areas and farm animals and on the adoption of rules for the administration and control of direct payments (hereinafter referred to as “Order No. 3D-92”). Link to the publication in the Register of Legal Acts (TAR, 2023-02-20, No. 2964)</p> | <p>for applicants who applied for the ‘Extensive Wetland Management’ eco-scheme of the Lithuanian Strategic Plan for Agriculture and Rural Development 2023-2027.</p> |
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3. Analysis:

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

Legislation regulating restoration of wetlands (peatlands) and their further protection and sustainable use, entered into force.

Order No. 3D-427 regulating restoration of wetlands (peatlands), their future protection and sustainable use was published in the Registry of Legal Acts on 28 June 2023 and entered into force on the day after its publication, on 29 June 2023. Article 1 of the Order No. 3D-427 describes the objective of the investments which is to increase the greenhouse absorption capacity of Lithuanian soils by rehabilitating peatlands and wetlands. The measure is implemented by the Ministry of Agriculture. The Annex to Order No. 3D-427 specifies the requirements and conditions for a project restoring drained wetlands to receive funding, including their sustainable use and further protection. The Annex to Order No. 3D-427 provides:

- Section 3.1.1 ‘Activities supported by the project: restoration of the hydrological regime’ defines the scope of the activities that can be carried out by the projects and states the objective of reducing greenhouse gas emissions from former drained degraded peatlands by restoring their good ecological status and natural processes.
- Section 3.1.4 ‘Requirements for the project’ stipulates the conditions that the applicant must meet in terms of restoring the wetlands, including the minimum area restored (section 3.1.4.3), technical documentation (including an impact assessment) and conditions for conversion (sections 3.1.4.4 and 3.1.4.5).

To ensure the wetland’s further protection and sustainable use an ex-post control period of five years from the end of the financing of the project is established (section 1.2.1). The National Paying Agency will conduct on-site checks to verify that recipients continue and maintain the investments (no changes in ownership, nature and objectives of the investments) as mandated under section 3.1.5.6. Section 3.1.5.6 also prohibits the drainage of regenerated wetlands or other activities detrimental to their hydrological regime. In addition, section 3.1.5.7 stipulates that if a regenerated wetland is damaged, recipients of support must bear the cost of peatland restoration.

Section 11.2 of the Annex to the Order No. 3D-427 permits project operators that have successfully completed restoration projects to apply for support under the "Extensive Wetland Management" eco-scheme outlined in the Lithuanian Strategic Plan for Agriculture and Rural Development 2023-2027. When applying for the eco-scheme, project promoters are subject to the standards of good agricultural and environmental conditions of land (GAEC) and specifically to the obligations under GAEC 2 “Protection of wetland and peatland”, ensuring that the projects under the eco-scheme are also protected and economic activities are only conducted when sustainable.

Furthermore, in line with the description of the measure, **under this investment, measures to restore water levels, restore good agricultural and environmental condition [...] where necessary shall be designed and implemented.**

The investment covers the restoration of peatland areas by restoring their hydrological regime. The objective of the investment is outlined in section 3.1.1 of the Annex to the Order No. 3D-427 stating that the objective of this investment is to reduce greenhouse gas emissions from drained and degraded peatlands by “rewetting the peatlands [...] while creating favourable conditions for biodiversity habitants” therefore restoring the water levels and good agricultural and environmental conditions.

Section 3.1.1 also provides examples of the type of financed activities that may take place to restore the wetlands, including carrying out works in the engineering infrastructure to restore the hydrological regime when appropriate (such as engineering systems of drainage, demolition works, maintenance works for the construction of engineering structures or the integration of woody vegetation among others). The interventions and type of infrastructure are determined on a case-by-case basis considering the conditions and needs of the land.

[...] and put in place a monitoring system where necessary shall be designed and implemented.

Paragraph 1.2.1 of the Annex to the Order No. 3D-427 establishes a monitoring period of five years from the end of project financing. Monitoring of investments ensures the continuity and maintenance of the restored land. The National Paying Agency conducts on-the-spot inspection checks as part of this process.

In April 2024 the National Paying Agency adopted the procedure for conducting on-the-spot inspection checks throughout the control period. This procedure outlines how the projects are selected for inspection, the timeline and the frequency of checks.

Furthermore, the Annex to the Order No. 3D-427 requires project operators to provide the required data (paragraph 3.1.5.2) for audit purposes and “the boundaries of the fields on which the wetland is planned to be rehabilitated” must be encoded on the publicly accessible map of the State Agricultural Data Centre. Additionally, this information should be “provided together with the [...] project application, indicating the area (in ha), and the coordinates of the area to be restored”.

Finally, project operators may decide to apply for support under the extensive wetland management eco-scheme activity of the Strategic Plan for Agriculture and Rural Development of Lithuania 2023-2027. When a project applies and get support under the eco-scheme, the checks performed by the National Paying Agency are substituted by the monitoring framework of the eco-scheme.

The concerned actors shall be offered advice and training

Trainings and technical support are provided to project operators, primarily farmers as well as municipal employees. This provision is in line with indicator P-15-001-06-02-0203 from the table in Chapter I of the Description which requires the “establishment of a training and advice system for interested participants”. The trainings and technical support include workshops, seminars, consultation opportunities and online resources. These include:

- Consultations with independent agricultural advisors as specified by the Order No 3D-552 of 18 August 2023 amending Order of the Ministry of Agriculture of 19 August 2023 No. 3D-243

on “Approval of rules for financing consultancy costs of farmers and other persons engaged in agricultural activities”. An independent list of advisors is also regularly updated by the Ministry and is accessible online.

- Trainings in peatland restoration and sustainable practices. In 2023 a training programme on “Agri environment and landscape” aimed to develop technical competences to restore peatlands and reduce GHG emissions and a programme on “Opportunities of Paludiculture – additional income and use of restored peatlands for various economic purposes: innovative and traditional paludiculture products” provided participants with information about wet agriculture and forestry management on peatlands and their sustainable economic use.
- The Ministry of Agriculture has also organised workshops. For instance, the workshop entitled “Practical experience in restoring peat wetlands and carrying out economic activities in them” held on 20 April 2023 provided practical examples on how to continue the extensive use of restored wetlands and their opportunities for a sustainable bioeconomy. Materials and event details are available online.

The selection of an economic activity shall be carried out on a case-by-case basis, taking into account the specific characteristics of the area and the environmental constraints involved.

As previously indicated, sections 1.2.1 and 3.1.1. of the Annex to the Order No. 3D-427 outline control procedures and the type of activities that can be carried out by the project operators. Section 3.1.4 provides detailed requirements for projects to receive funding, including the obligation to specify the technical design of the measure and an assessment of the specifications of the project on the basis of the area to be restored. These technical specifications consider the type of activity to be carried out after the restoration and are designed accordingly. Furthermore, the maintenance and continuity of the activities are ensured through the control procedure of the National Paying Agency and the obligations undertaken by the project promoter as detailed in sections 3.1.5.6 and 3.1.5.7.

As indicated under section 11.2 of the Annex to the Order No. 3D-427, applicants who applied for the ‘Extensive Wetland Management’ eco-scheme of the Lithuanian Strategic Plan for Agriculture and Rural Development 2023-2027 must also undertake commitments for carrying out economic activities.

Those commitments are outlined in Paragraph 81 of the “Extensive Wetland Management eco-scheme” (Order No. 3D-92):

- The applicant must declare the total area of land covered by the scheme (at least 1 ha) (paragraph 81.1) and whether the land falls within the classification of permanent grasslands falling within extensive wetland management areas, or grasslands restored in accordance with the recovery and resilience plan (paragraph 81.2)
- On this land, no new drainage systems can be installed (paragraph 81.3), no ploughing, cultivation, or overseeding is permitted (paragraph 81.4).
- Plant protection products, mineral or organic fertilisers are not allowed (paragraph 81.5) on the land under the scheme. If fertilisers or plant protection products are used in other areas of the farm, these must be adequately registered and reported on within 20 working days after application (paragraph 81.12 and paragraph 81.13).
- The type of activity (i.e. mowing or grazing) must be determined annually (Paragraph 81.6).
- Grazing activities are further regulated under paragraph 81.8.(1 to 3) and paragraph 81.9, setting out the grazing intensities and the respective restrictions to be applied.

- Both mowing and grazing activities must be reported on, no later than within 20 working days (paragraph 81.10 and 81.11).
- In the case of haymaking, the activity can be performed no earlier than 20 June, and the resulting grass must be mowed by 1 March the following year (paragraph 81.7).

Thus, economic activities to be performed on the restored land are regulated on a case-by-case basis, subject to the nature of the activity and the intensity of the activity, while ensuring that the conservation of the restored wetland is maintained.

Under this investment, the following shall be carried out: (1) **regulatory changes to operationalise the national framework for the identification of damaged peatlands and to later manage the restored peatlands;**

Section 11 of the Annex to Order 3D-910 identifies the types of land on which the restoration of the hydrological regime can be performed and that will increase GHG absorption capacity. Based on the lands identified, section 3.1.4.2. of the Annex to the Order No. 3D-427 states that a district employee or the applicant for the joint project must encode on the publicly accessible map of the State Agricultural Data Centre, "the boundaries of the fields on which the wetland is planned to be rehabilitated". Additionally, this information is to be "provided together with the [...] project application, indicating the area (ha), the area and coordinates of the area to be restored", altogether operationalising an existing national framework for the identification of damaged peatlands.

Additionally, section 3.1.5.3. of the Annex to the Order No. 3D-427 states that applicants must "provide data for statistical purposes and monitoring of implementation and for carrying out the necessary evaluations", thus ensuring the continuous monitoring and management of the land. When a project promoter applies for the eco-scheme "Extensive Wetland Management" in line with sections 11.1 and 11.2 of the Annex to the Order No. 3D-427 the applicant must follow the management requirements outlined in paragraph 81 (see above for additional details).

4. Commission Preliminary Assessment: satisfactorily fulfilled

Number and name of the Milestone: 60a - Adoption of Cybersecurity Development Programme

Related Measure: C-1-1- C-1-1a- Transformation of public information technology governance – Development of state cybersecurity

Qualitative Indicator: National Cybersecurity Development Programme adopted

Time: Q3 2023

1. Context:

The objective of the measure C.1.1.a is to strengthen the State’s cybersecurity capabilities. This measure includes the following elements: a) adoption of a National Cybersecurity Development Programme, b) establishment of a cybersecurity monitoring system, c) strengthening the capacity to investigate cybercrimes and d) cybersecurity training of staff working in cybersecurity entities.

Milestone 60a requires the adoption of the National Cybersecurity Development Programme by the Government of the Republic of Lithuania. The programme represents a 4-year planning document, drawn up in accordance with the Law on Strategic Governance of the Republic of Lithuania and secondary legislation, that shall serve as a basis for the subsequent activities included within the measure, by defining the cybersecurity challenges to be addressed and by identifying the funds and resources needed to implement the actions.

Milestone 60a is the first step of the implementation of investment C.1.1. and will be followed by milestone 60b on the establishment of a cybersecurity monitoring system, milestone 60c on strengthening the capacity to investigate cybercrimes and milestone 60d on cybersecurity training of staff working in cybersecurity entities. The investment has a final expected date for implementation of 30 June 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled |
| 2 | Copy of the Lithuanian Government Resolution of 20 September 2023 No. 746 | Copy of the Lithuanian Government Resolution of 20 September 2023 No. 746 on the approval of the National Cybersecurity Development Programme of the Ministry of National Defence of the Republic of Lithuania, governor of the Development Programme for 2023-2030, hereinafter referred to as “the NCDP”) and link to the publication in the Register of Legal Acts (TAR 22.09.2023 No.18546) |
| 3 | Copy of the National Cybersecurity Development Programme | Copy of the National Cybersecurity Development Programme of the Ministry of National Defence of the Republic of Lithuania, governor of the Development Programme for 2023-2030 |
| 4 | The Action plan approved by Order No V-98 on 05 February 2024 of the Minister of National Defence of the Republic of | The Action plan approved by Order No V-98 on 05 February 2024 of the Minister of National Defence of the Republic of Lithuania and the link to the publication in the Register of Legal acts (Action plan of the Ministry of Defense) |

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3. Analysis:

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

The National Cybersecurity Development Programme shall be adopted by the Government of the Republic of Lithuania, in accordance with the Law on Strategic Governance of the Republic of Lithuania and secondary legislation.

On 20 September 2023, the National Cybersecurity Development Programme was adopted by the Government Resolution No. 746 of 20 September of 2023, in accordance with Article 18(2) of the Law on Strategic Management of the Republic of Lithuania and implementing the progress target 10.5 of the National Progress Plan for 2021–2030, approved by Resolution No. 998 of the Government of the Republic of Lithuania of 9 September 2020 "On the Approval of the National Progress Plan for 2021–2030".

Furthermore, in line with the description of the measure, **the programme shall serve as a basis for the activities listed in points b-d by describing the cybersecurity challenges to be addressed and by identifying the funds and resources needed to implement the actions.**

Points b-d of the description of the measure refer to the other deliverables under this measure, namely b) establishment of a cybersecurity monitoring system, c) strengthening the capacity to investigate cybercrimes and d) cybersecurity training of staff working in cybersecurity entities.

Concerning point b) establishment of a cybersecurity monitoring system, the NCDP identifies within article 1.4 under chapter I, the lack of cybersecurity monitoring data to assess the level of cybersecurity, resilience and threats as one of the key problems to be addressed by the programme. To this end, an action plan, approved by Order No. V-98 of the Minister of National Defence of the Republic of Lithuania on 05 February 2024, has been drawn up to address the issue and its underlying causes.

Regarding point c) strengthening the capacity to investigate cybercrimes, the NCDP acknowledges within article 2 under chapter I, that the cyber-criminal investigation capacity does not match the complexity of the offences due to i) lack of infrastructure for the investigation of cybercrime and ii) insufficient efforts to increase the competences of cybercrime investigators. Therefore, in order to enhance the capacity to investigate cybercrimes, the action plan foresees the modernisation of the cybersecurity infrastructure (activity No. 7) and the strengthening of cybersecurity personnel and investigators (activities No. 1,3,5.)

On point d) cybersecurity training of staff working in cybersecurity entities, article 1.5 under chapter I "Inconsistent provision of cybersecurity education and education for public authority personnel" indicates that the NCDP shall provide basic and specific cybersecurity training to public sector staff on an ongoing basis and organise cyber exercises as the programme.

Furthermore, Articles 1 to 4 within Chapter I "Purpose of the Development Programme" indicate and provide a detailed description of the different cybersecurity challenges identified on the basis of the Global Cybersecurity Index and to be addressed by the NCDP.

Finally, Chapter II “Financing Plan”, indicates i) the Recovery and Resilience Facility, ii) State budget, iii) Digital Europe Programme 2021-2027 and iv) co-financing of the Digital Europe Programme 2021-2027, as the different financing sources of the NCDP.

4. Commission Preliminary Assessment: satisfactorily fulfilled.

Number and name of the Milestone: 64 Entry into force of legislation on efficient data processing

Related Measure: C3.C-1-2- C-1-2- Ensuring the effectiveness of data management and open data

Qualitative Indicator: Legislation entered into force

Time: Q3 2022

1. Context:

The objective of measure C.1.2 is to ensure the availability of reliable public sector data, the possibility to share it, the possibilities for re-using the data and to create the preconditions for data-driven public policy as well as digital innovation in the private sector.

Milestone 64 concerns the entry into force of legislation on the efficient data management. This includes amendments to the Law on Official Statistics or the Law of the Right to Get Information from State and Municipality Institutions that extend the functions of the Statistic Lithuania to the management of the State Data Lake (state data platform).

Milestone 64 is the first milestone and of the reform and it will be followed by target 65 related to entry into operation of data management model, target 66 related to integration of information resources into the data lake, and target 67 related to entry into operation of data exchange tool.

The reform has a final expected date for implementation on 30 June 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | Summary document duly justifying how the target (including all the constitutive elements, notably the cooperation with the target groups) was satisfactorily fulfilled |
| 2 | Copy of the Law No. XIV-491 of 30 June 2021 amending Law No. VIII-1524 on the right to obtain information from state institutions and municipalities (hereinafter "Law on the Right to Obtain Information"). Link to the publication in the Register of Legal Acts: | The amendments to the Law on the Right to Obtain Information establish a model for data opening with detailed processes, tools and roles. |
| 3 | Copy of the Law of 19 July 2022 No. XIV-1396 on official statistics and state data management (hereinafter "Law on Official Statistics"). Link to the publication in the Register of Legal Acts: | The amendments to the Law on Official Statistics assign new functions to the Statistics Lithuania related to the management of the State Data Lake. |

3. Analysis:

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

Entry into force of legislation on the efficient data management.

The amendments to the Law on the Right to Obtain Information entered into force on 17 July 2021 (Article 2 – Entry into force, implementation and application of the Law).

The amendments to the Law on Official Statistics entered into force on 1 January 2023.

The amendments to the Law on the Right to Obtain Information transpose provisions of Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information and establishes a model for data opening with detailed processes, tools and roles.

The amendments to the Law on Official Statistics assign new tasks to Statistics Lithuania related to data management in line with the requirements of the milestone. In particular, the State Data Agency, an institution of the Government of the Republic of Lithuania, participates in forming state policy in the fields of official statistics and state data management under the Minister of Finance. The State Data Agency implements this policy and coordinates the preparation of official statistics in accordance with the provisions of Part I of the Official Statistics Program, and the processing of state data in accordance with the State Data Management Program. The State Data Agency is the manager and administrator of the State Data Management Information System, as outlined in Article 21, Paragraph 1 of this Law. Therefore, the Statistics Lithuania becomes the State Data Agency combining data from various institutions and responsible for the creation of the National Data Lake (state data platform allowing the public and private sectors as well as scientists to use analytical tools and to reuse public data). The tasks of the State Data Agency are detailed in Article 5 and include for example:

- the management of the state data contained in the State Data Management Information System in accordance with this law, the provisions of the State Data Management Information System and other legal acts regulating the management of official statistics, state data management, and processing (paragraph 5);
- coordinates the processing of state data in accordance with the State Data Management Program (paragraph 7);
- enables the use of additional information technology solutions of the State Data Management Information System related to depersonalisation and data opening (paragraph 10);
- compiles and publishes datasets for reuse on the Lithuanian open data portal (paragraph 11);
- administers the State Data Management Platform, organises and coordinates its use (paragraph 12).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 68 - Entry into force of amended regulation on the provision of information to persons with disabilities

Related Measure: C.1.3 Customer-oriented services

Qualitative Indicator: Legislation entered into force

Time: Q1 2024

1. Context:

The objective of measure C.1.3. is to digitally transform the Lithuanian public and administrative service by improving decision-making processes for the development and upgrading of new public services and increasing inclusiveness and accessibility for persons with disabilities. This includes integrated investments in the digitalisation of public administration processes, the reception of missing electronic public services, the automation of inter-institutional data exchange, and the accessibility of tools for people with disabilities.

Milestone 68 foresees the entry into force of amended legal regulation concerning the provision of information to persons with disabilities.

Milestone 68 is the third step of the implementation of the reform, following the completion of milestone 69 related to the call for tender for communication tools and solutions for people with disabilities, and milestone 70, related to the entry into operation of a competence centre for open data and digital transformation and will be followed by target 71, related to the entry into operation of solutions for facilitating the access to digital public services by persons with disabilities, target 72, related to the satisfactory use of public services by persons with disabilities, and target 73, related to the completion of projects to digitise services and upgrade the level of maturity of services. The measure has a final expected date for implementation on 30 June 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | The amended Law on Social Integration of the Disabled No. I-2044 (<i>Neįgaliųjų socialinės integracijos įstatymo nr. I-2044 pakeitimo įstatymas</i>), entered into force on 1 January 2024 | Copy of the publication in the Register of Legal Acts of an amended regulation on the provision of information to persons with disabilities, including provisions indicating entry into force |

3. Analysis:

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

Entry into force of amended regulation on the provision of information to persons with disabilities

Article 3 of amended Law No. I-2044 indicates that the Law containing the amendments entered into force on 1 January 2024.

Furthermore, in line with the description of the measure, **the reform shall be implemented [...] increasing the inclusiveness of public services and accessibility of services for persons with disabilities.**

The amendments to Law No. I-2044 increase the inclusiveness of public services and accessibility of services for persons with disabilities by regulating that municipal institutions and bodies shall provide public information free of charge to persons with disabilities and coordinate the development of an accessible environment:

- Article 1(4) subparagraph 1 indicates the right of persons with disabilities to freedom of expression and the right to receive information through accessible means of communication of their choice, including in Lithuanian sign language.
- Article 1(5) subparagraph 1 indicates the right of persons with disabilities to an accessible environment.
- Article 1(6) subparagraph 1 indicates the right of the deaf and persons with hearing disabilities to communicate and receive information in Lithuanian sign language.
- Article 1(4) subparagraph 2 and Article 1(5) subparagraph 2 indicate the obligations of state and municipal institutions and bodies to provide public information free of charge and to coordinate the development of an accessible environment.

The milestone is further specified in the Operational Arrangements, which requires that **the amended regulation on the provision of information to persons with disabilities will transpose Directive 2016/2102 on the accessibility of websites and mobile application of public sector bodies into national legislation.**

Article 1(4) subparagraph 2 indicates the obligation of public sector bodies to encourage managers of information channels to make information accessible to persons with disabilities, including on websites. The assessment of compliance with Directive 2016/2012 for the purposes of payments from the Recovery and Resilience Facility does not prejudice the assessment by the Commission in any other proceedings regarding the conformity of the national law with the aforementioned legislation.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 69 - Publication of call for tender for innovative solutions and tools to ensure better communication opportunities for people with disabilities

Related Measure: C3.C-1-3- C-1-3- Customer-oriented services

Qualitative Indicator: Publication of notice for call for tender

Time: Q2 2023

1. Context:

The objective of the reform C.1.3. is the digitalisation of public and administrative services through full transformation of national and local government processes. To this end, the reform foresees i) the improvement of the decision-making process for the development and upgrading of new public services, whilst increasing the inclusiveness of public services and accessibility of services for persons with disabilities and ii) integrated investments in the digitalisation of public administration processes, mainly concerning the reception of missing electronic public services, the automation of inter-institutional data exchange, and the accessibility of tools for people with disabilities to access public services.

Milestone 69 requires the publication of a call for tender for innovative solutions and tools to ensure better communication opportunities for people with disabilities. Furthermore, technical specifications as well as public procurement shall be developed in cooperation with the target groups, whilst qualification requirements shall pay particular attention to suppliers' experience and skills to implement similar IT solutions. Finally, milestone 69 indicates that IT systems shall meet all the requirements of the EC Internet Accessibility Directive (2024 Q1).

Milestone 69 is the second step of the reform C.1.3, following the completion of milestone 70 related to the entry into operation of a competence centre for open data and digital transformation and milestone 68 on the entry into force of the amended regulation on the provision of information to persons with disabilities, and will be followed by target 71 on the entry into operation of solutions for digital public services to persons with disabilities, target 72 on the satisfactory use of public services by persons with disabilities and target 73 on the completion of projects to digitise services and upgrade the level of maturity of the services provided. The reform has a final expected date for implementation of 30 June 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | Summary document duly justifying how the target (including all the constitutive elements, notably the cooperation with the target groups) was satisfactorily fulfilled |
| 2 | Copy of the certificate of 26 March 2024 the Lithuanian union of blind and partially sighted persons No. 190650319 on the target groups consultations from November 2022 to July 2023 for the development of an IT solution ensuring access to information for blind and visually impaired persons. | Annex 1 – Copy of the certification on target groups consultation No. 190650319. |

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| 3 | Copy of the market consultation for an IT solution ensuring access to information for the blind for the planned public procurement of services and a link to the publication Market consultation for an IT solution for access for blind person | Annex 2 – Copy of the market consultation for an IT solution ensuring access to information for the blind for the planned public procurement of services |
| 4 | Copy of the call for tender of the Department for the Affairs of Disabled under the Ministry of Social Security and Labour of 21 July 2023 No. 445195-2023 on the development or adaptation of an IT solution to ensure access to information and communication opportunities for blind and visually impaired persons to the Lithuanian market (hereinafter referred to as “Call No. 445195-2023”) and a link to the publication (Call No. 445195/2023) | Annex 3 – Copy of the call for tender of the Department for the Affairs of Disabled under the Ministry of Social Security and Labour of 21 July 2023 No. 445195-2023 on the development or adaptation of an IT solution to ensure access to information and communication opportunities for blind and visually impaired persons to the Lithuanian market (|
| 5 | Copy of the technical specifications of the call for tender No. 445195-2023 on the development or adaptation of an IT solution to ensure access to information and communication opportunities for blind and visually impaired persons to the Lithuanian market. | Annex 4 – Copy of the technical specifications of the call for tender No. 445195-2023 on the development or adaptation of an IT solution to ensure access to information and communication opportunities for blind and visually impaired persons to the Lithuanian market. |
| 6 | Copy of the qualification requirements of the supplier of the call for tender No. 445195-2023 on the development or adaptation of an IT solution to ensure access to information and communication opportunities for blind and visually impaired persons to the Lithuanian market. | Annex 5 – Copy of the qualification requirements of the supplier of the call for tender No. 445195-2023 on the development or adaptation of an IT solution to ensure access to information and communication opportunities for blind and visually impaired persons to the Lithuanian market. |
| 7 | Copy of the certificate of 27 March 2024 of the Lithuanian Society of Deaf No. S-12 from April 2022 to November 2023 on the adaptation (or creation), implementation of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf. | Annex 10 – Copy of the certificate of 27 March 2024 of the Lithuanian Society of Deaf No. S-12 from April 2022 to November 2023 on the adaptation (or creation), implementation of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf. |
| 8 | Annex 11 – Market consultation Copy of the market consultation for the adaptation (or creation), implementation of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf and a link to the publication | Annex 11 – Copy of the market consultation for the adaptation (or creation), implementation of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf |

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| | Market consultation on an IT solution for public procurement to ensure access to information for the deaf. | |
| 9 | Copy of the call for tender of the Department for the Affairs of Disabled under the Ministry of Social Security and Labour of 1 August 2023 No. 467936-2023 on the adaptation (or creation), implementation of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf (hereinafter referred to as “Call No. 467936 -2023”) and a link to the publication (Call for tender No. 467936/2023) | Annex 12 – Copy of the call for tender of the Department for the Affairs of Disabled under the Ministry of Social Security and Labour of 1 August No. 467936-2023 on the adaptation (or creation), implementation of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf |
| 10 | Copy of the technical specifications of the call for tender No. 467936-2023 on the adaptation (or creation), implementation of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf. | Annex 13 – Copy of the technical specifications of the call for tender No. 467936-2023 on the adaptation (or creation), implementation of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf. |
| 11 | Copy of the qualification requirements of the supplier of the call for tender No. 467936 -2023 on the adaptation (or creation), implementation of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf. | Annex 5 – Copy of the qualification requirements of the supplier of the call for tender No. 467936 -2023 on the adaptation (or creation), implementation of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf. |

3. Analysis:

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

Publication of call for tender for innovative solutions and tools to ensure better communication opportunities for people with disabilities.

1. Publication of the call for tender for “services for the development or adaptation of an audio-image IT solution to ensure access to information and communication opportunities for blind persons to the Lithuanian market”.
 - From November 2022 to July 2023, consultations for an IT solution ensuring access to information for the blind and visually impaired persons for the planned public procurement of services were held between the agency for the protection of the rights of persons with

disabilities under the Ministry of Social Security and Labour and the Lithuanian Union of blind and visually Impaired persons (hereinafter referred to as "Lass"), as indicated by the certificate No. 190650319 within Annex 1. Furthermore, the aforementioned annex confirms that the technical specifications of the call for tender as well as the qualification requirements of the supplier were agreed and drawn up in cooperation with the target groups.

- From 22 to 31 March 2023, a market consultation took place for an IT solution to ensure access to information for blind persons, as indicated in Annex 2. The market consultation provides a detailed description of its objective, and it covers i) the purpose of the consultation, ii) the analysis of the current situation, iii) the description of the need, specifying the functions required and iv) the priorities as well as the installation requirements.
- On 21 July 2023, the call for tender No. 445195-2023 for the development or adaptation of an IT solution to ensure access to information and communication opportunities for blind and visually impaired persons to the Lithuanian market was published (Annex 3).
- Annex 4 provides the technical specifications of the call for tender No. 445195-2023 on the development or adaptation of an IT solution to ensure access to information and communication opportunities for blind and visually impaired persons to the Lithuanian market. Chapter 2 indicates that the object of the procurement is the development and implementation of an audio-image IT solution to ensure blind access to information or the adaptation and implementation of an existing solution while, chapter 3 specifies that the adaptation and installation of the mobile application must be completed by the supplier by 1 July 2024. Furthermore, chapter 8 stipulates that the IT systems shall meet the requirements of the EC Internet Accessibility Directive.
- Annex 5 provides the qualification requirements of the supplier. The requirements stipulate that the supplier should have satisfactorily completed or be in the process of completing one or more contracts of at least one sound recording of a film (of at least 60 minutes duration) during the last 3 years (counting from the end of the deadline for submission of proposals) or during the period from the date of the supplier's registration (if the supplier has been operating for less than 3 years).
- On 24 August 2023, the proposal of a supplier (MB Internertiniai svetianiu sprendimai) alongside other bids were received for the call for tender No. 445195-2023 "Services for the development or adaptation of an IT solution to ensure access to information and communication opportunities for blind persons and visually impaired persons to the Lithuanian market" (Annex 7).
- On 27 September 2023, Annex 8 refers to the meeting where the members of the Public Procurement Commission within the Department for the Affairs of Persons with Disabilities under the Ministry of Social Security and Labour discussed and agreed to award the contract No 02-0115-P-0001 to the supplier MB Internetiniai svetainiu sprendimai for the creation or adaptation to the Lithuanian market of an IT solution to ensure access to information and communication opportunities for blind persons.
- Finally, on 28 September 2023, the service contract of public procurement No. 02-0115-P-0001 concerning the services for the development or adaptation of an IT solution to ensure access to information and communication opportunities for blind persons for the Lithuanian market was signed (Annex 9).

2. Public procurement of “Adaptation (or creation) of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf”.
- From April 2022 to November 2023, consultations for an adaptation (or creation) of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf were held between the Agency for the protection of the rights of persons with disabilities (hereinafter referred to as “ANTA”) under the Ministry of Social Security and Labour and the Lithuanian Society of Deaf (hereinafter referred to as “the ETD”), as indicated by certificate No. S-12 within Annex 10. Furthermore, the aforementioned annex confirms that the technical specifications of the call for tender as well as the qualification requirements of the supplier were agreed and drawn up in cooperation with ETD and the agency for the protection of the rights of persons with disabilities under the ministry of social security and labour (ANTA).
 - From 29 March to 6 April 2023, a market consultation took place for adaptation (or creation) of the IT solution for better communication opportunities for the deaf population, as indicated in Annex 11. The market consultation provides a detailed description of its objective, and it covers i) the purpose of the market consultation, ii) the analysis of the current situation, indicating the target groups affected iii) regulatory legislation applied for the development of the IT solution, iv) the description of the need, specifying the functions required for the system and v) the priorities as well as the installation requirements.
 - On 1 August 2023, the call for tender No. 467936-2023 on the “Adaptation (or creation), implementation of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf” was published. (Annex 12).
 - Annex 13 provides the technical specifications of the call for tender No. 467936-2023 for the adaptation (or creation), implementation of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf. Chapter 2 provides an analysis of the current situation and problems for which an IT solution is being deployed (or under development) while article 1 within chapter 3 specifies the functional architecture of the IT solution. Furthermore, chapters 4 and 6 provide the general requirements for the development of the IT solution and their management. Finally, chapter 1 stipulates that the IT systems shall meet the requirements of the EC Internet Accessibility Directive while chapter 8 indicates the final provisions.
 - Annex 14 provides the qualification requirements of the supplier to comply with quality management and environmental management systems standards. The requirements stipulate that the supplier, within the last 3 years (counting from the end of the deadline for submission of proposals) or within the period from the date of the supplier's registration (if the supplier has been operating for less than 3 years), has properly executed or is executing one or more contracts, during the execution of which licenses were sold and/or IT solution was created.
 - On 25 August 2023, the proposal of supplier DeafCom CZ s.r.o. was received for the call for tender No. 467936-2023 on the “adaptation (or creation), implementation of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf” (Annex 16). In addition, Annex 17 refers to the meeting of 2 October 2023, where the

members of the Public Procurement Commission within the Department for the Affairs of Persons with Disabilities under the Ministry of Social Security and Labour discussed and agreed to present the contract No. 02-0115-P-0001 to the supplier DeafCom CZ s.r.o. for the adaptation (or creation) of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf

- Finally, on 4 October 2023, the service contract of public procurement No. 02-0115-P-0001 concerning the adaptation (or creation) of the IT solution for better communication opportunities for the deaf population and the training of the target group to use an IT solution to ensure better communication opportunities for the deaf was signed (Annex 18).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Target: 76 Signed contracts with the owners of the digital and digitised cultural resources for the opening of the resources and made accessible to users

Related Measure: C-1-4- C-1-4- Prerequisites for innovative technological solutions in business and daily life

Quantitative Indicator: Number

Baseline: 0

Target: 12

Time: Q4 2022

1. Context:

The objective of measure C.1.4. is to create the necessary conditions for science and business to effectively develop and deploy advanced innovative tools in the Lithuanian language and to ensure universal access to digitised and digital cultural resources. This measure consists of five sub-measures: prerequisites for innovative technological solutions in business and daily life (sub-measure C.1.4.1), digitisation and accessibility of cultural resources (sub-measure C.1.4.2), production of digital education content and resources (sub-measure C.1.4.3), financial instruments for business creation and digital innovation (sub-measure C.1.4.4), and the ICT Centre of excellence (sub-measure C.1.4.5).

Target 76 is part of sub-measure C.1.4.2. that foresees, through organisational and technical measures in the field of publishing digital culture and information resources, the adaptation of electronic services and products to people with disabilities as well as the development of technological and IT solutions for the opening up and re-use of cultural and cultural heritage content. Target 76 concerns the funding of at least twelve projects for the digitisation, accessibility and dissemination of cultural resources.

Target 76 is the first target of sub-measure C.1.4.2, and it will be followed by target 77 related to the completed projects for digitisation of cultural resources and target 78 related to the digital (electronic) resources made available for persons with disabilities.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Copy of the Order of the Ministry of Culture of 13 November 2022 No. IV-828 on the implementation of the E-Culture platform project (hereinafter "Order of the Ministry of Culture No. IV-828"). Link to the publication in the Register of Legal Acts: TAR, Oct 13, 2022, No. 20889 . | Order of the Ministry of Culture No. IV-828 concerns the implementation of the "E-Culture platform" project (united portal of digitalised and digital cultural and audio-visual content, electronic services and dissemination). |
| 3 | Copies of signed contracts (agreements). | Copy of signed contracts between main project |

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| | | promoter (the Lithuanian National Library) or responsible Ministry (Ministry of Culture) and the resources owners. |
| 4 | List of signed contracts (agreements). | It presents the list of the 12 signed contracts (agreements) with the names of resources owners and brief description of digital cultural resources (data/sets/collections/etc.) they made accessible. |
| 5 | Copy of the Order of the Ministry of Culture of 27 April 2022 No. IV-428 (hereinafter referred to as “Order of the Ministry of Culture No. IV-428”). Link to the publication in the Register of Legal Acts: TAR, 2023-07-20, Nr. 14905 . | Order of the Ministry of Culture No. IV-428 concerns the approval of the Description of Progress Measure No. 08-001-04-01-03 “Investment in the Digitalisation and Accessibility of Cultural Resources” and in particular three chapters: Chapter I lists the target indicators, Chapter II states the sources of funding and Chapter III provides a summary of activities to be implemented under the measure. |
| 6 | Copy of the Order of the Ministry of Culture of 26 May 2022 No. IV-502. Link to the publication in the Register of Legal Acts: TAR, 2022-05-26, Nr. 11024 | Order of the Ministry of Culture of 26 May 2022 No. IV-502 amends Order of the Ministry of Culture No. IV-428 and in the part relating to project financing conditions description. |
| 7 | Copy of the Order of the Ministry of Culture of 19 July 2022 No. IV-622. Link to the publication in the Register of Legal Acts: TAR, 2022-07-25, Nr. 16091 | Order of the Ministry of Culture of 19 July 2022 No. IV-622 amends Order of the Ministry of Culture No. IV-428 in the part relating to financing conditions. |
| 8 | Copy of the Order of the Ministry of Culture of 18 November 2022 No. IV-911. Link to the publication in the Register of Legal Acts: TAR, 2022-11-21, Nr. 23389 | Order of the Ministry of Culture of 19 July 2022 No. IV-911 amends Order of the Ministry of Culture No. IV-428 in the part relating to project financing conditions. |
| 9 | Copy of the Order of the Ministry of Culture of 20 July 2023 No. IV-612. Link to the publication in the Register of Legal Acts: TAR, 2023-07-20, Nr. 14905 | Order of the Ministry of Culture of 20 July 2023 No. IV-612 amends Order of the Ministry of Culture No. IV-428 and Order of the Ministry of Culture and Order of the Ministry of Culture No. IV-502 in the part relating to project financing conditions description. |
| 10 | Copy of the Order of the Ministry of Culture of 11 August 2022 No. IV-665. Link to the publication in the legal Acts: TAR, 2023-08-11, Nr. 16182 . | Order of the Ministry of Culture of 11 August 2022 No. IV-665 concerns the amendment of Order of the Ministry of Culture No. IV-428 and Order of the Ministry of Culture, Order of the Ministry of Culture No. IV-502 and Order of the Ministry of Culture No. IV-612 in the part relating to project financing conditions description. |

3. Analysis:

The justification and substantiating evidence provided by the Lithuania authorities cover all constitutive elements of the target. **At least 12 contracts signed with the owners of the digital cultural resources for the opening of the resources and making them accessible to users.**

The target is further specified in the Operational Arrangements, which states that for the purpose of these operational arrangements, **‘project’ shall be defined as an agreement with the resource**

owners for the opening and use of digital cultural resources, implementing the necessary technical solutions and / or data transmission interfaces.

On 27 April 2022, the Progress instrument description (PID) was approved by Order of the Ministry of Culture No. IV-428 “, which alongside the amendments of 25 July 2022, 21 November 2022 and 20 July 2023, indicates the sources of financing for the progress facility of the development programme (Chapter II), the results achieved by the progress measure of the development programme (Chapter I) and a summary of the activities under the programme facility (Chapter III).

On 26 May 2022, the Description of the project financing conditions (PFCD) was approved by Order No. IV-502 of the Ministry of Culture, which alongside the amendments of 20 July 2023 and 11 August 2023 set up the specific financing project requirements (namely; eligibility costs, documents required, final implantation deadline etc.), as well as target groups, state aid requirements and the simplified rates for the implementation of project activities and projects under a joint project scope.

On 31 May 2022, the agreement contract between the main promoter of the “E-Culture platform” project and the owners of the digital cultural resources was finalised. The “E-Culture platform” project concerns the setting up of a united portal of digitalised and digital cultural and audiovisual content, electronic services and dissemination aiming to improve and accelerate access to digital cultural resources. The agreement concerns the transfer of digital and/or digitised cultural resources (digital images and standardised metadata describing them and other digitised content) held in the information systems managed by the National Library to be placed in a single information system and the commitment of making them available to users by means of information technology. The agreement also outlines final provisions, obligations, rights and liabilities of both parties as well as the deadlines for the opening of cultural resources and their scope.

On 13 October 2022, the project “E-Culture platform” was established by Order of the Ministry of Culture No. IV-828, approving the list of managers of digitalised and digital cultural resources participating in the implementation of the project and appointing the Lithuanian National Library of Martynas Mažvydas as the main promoter of the “E-Culture platform” project.

Between 7 and 13 December 2022, 12 contracts between the main promoter of the “E-Culture platform” project and the owners of the digital cultural resources for the opening of the resources and making them accessible to users were signed. In these contracts, the owners of the cultural resources legally commit vis-à-vis the main promoter of the E-culture platform to upload the cultural resources onto the aforementioned platform. Therefore, the signing of the contracts refers to transfer and publication of the resources.

3. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 80 Publication of call for tender and approval of the financing terms for the development and deployment of innovative technological solutions in business

Related Measure: C3.C-1-4- C-1-4- Prerequisites for innovative technological solutions in business and daily life

Qualitative Indicator: Publication of call for tender

Time: Q3 2022

1. Context:

The objective of sub-measure C.1.4.4 is to provide financial instruments for business creation and digital innovation.

Milestone 80 requires that Start-ups and spin-offs will be supported to develop products and solutions for artificial intelligence, blockchain technologies and robotics process automation by financing expenditure related to (i) the development of products and services in the initial stage of maturity, prior to the raising of investment capital; (ii) the analysis of the needs of the market; (iii) the development of a technological concept of solution; (iv) the development of a minimum viable product; and (v) the achievement of the stage of marketability of the product. Furthermore, milestone 80 also indicates that business service centres will be supported to deploy robotics automation processes and artificial intelligence solutions by financing expenditure related to (i) consultancy services relating to the initial analysis of the project on the processes rational to automate and the solutions enabling these processes; (ii) training costs related to the development of the ESA and AI solution; (iii) the acquisition of licences (robots, software licences) in connection with the project; (iv) cost of remuneration for time spent on project activities; (v) equipment and rental costs related to the installation and operation of the automated solutions (e.g. server rental).

Milestone 80 is the first step of the implementation of sub-measure C.4.4., and it will be followed by target is 81 which concerns the entry into force of the contracts for financial incentives in Q3 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Copy of the call for tender of the Ministry of Economy and Innovation of 27 June 2023 No. 02-018-k on the description of the conditions for financing projects of activities “Financial incentives for start-ups and spin-offs to develop AI, blockchain technologies, robotics automation products and solutions”, approved by Order of 20 June 2023 No. 4-328 of the Minister of Economy and Innovation of the Republic of Lithuania. | The call for tender was drawn up in accordance with the description of the conditions for financing projects under Measure No 05-001-01-05-05 ‘Incentivising enterprises to digitalise’ (hereinafter ‘the Progress Facility’) of the activity ‘Financial incentives for start-ups and spin-offs to develop AI, blockchain technologies, robotics processes automation products and solutions’ (hereinafter ‘the Procedure’) approved by Order No. 4-328 of the Minister for the Economy and Innovation of the Republic of Lithuania of 20 June 2023 amending Order No. 4-877 of the Minister for the Economy and Innovation of 15 July 2022 approving the Ministry of the Economy Development Programme for the year 2022-2030 and the Digitalisation of the Economy Description No 0505 Economic Development Programme of the Ministry of Economy and Innovation for 2022-2030. |

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| 2 | Copy of the Order of the Ministry of Economy and Innovation of 20 June 2023 No. IV-328 on the provisions of Order No. IV-877 of 15 July 2022 on the establishment programme of the operator of the 2022-2030 enlargement programme No. 05-001-01-05-05-05 (hereinafter referred to as Order IV-328 of 20 June 2023). | Order of the Ministry of Economy and Innovation of 20 June 2023 No. IV-328 on the provisions of order No IV-877 of 15 July 2022 on the establishment programme of the operator of the 2022-2030 enlargement programme No. 05-001-01-05-05-05 'Incentivising enterprises to digitalise'. |
| 3 | Copy of the call for tender of the Ministry of Economy and Innovation of 15 February 2023 No. 02-07-k on the description of the conditions for financing projects of activities "Financial incentives for business service centres to develop and implement robotics process automation (RPA) and AI solutions", approved by Order of 3 February 2023 No 4-56 of the Minister of Economy and Innovation of the Republic of Lithuania. | The call for tender was drawn up in accordance with the description of the conditions for the financing of projects under Measure No 05-001-01-05-05 of the Lithuanian Ministry of the Economy and Innovation Programme for the Development of Economic Transformation and Competitiveness for 2022-2030 (hereinafter 'the Progress Measure') approved by Order No 4-56 of the Minister for the Economy and Innovation of the Republic of Lithuania of 3 February 2023 amending Order No 4-877 of the Minister for Economic Affairs and Innovation of 15 July 2022 approving the Ministry of Economic Affairs and Innovation (RPA) and Artificial Intelligence (AI) solutions of the Ministry of the Economy Development Programme for 2022-2030 and the description of economic transformation measure No 505 of the Lithuanian Ministry of Economic Development Programme for the year 2022-2030. |
| 4 | Copy of the Order of the Ministry of Economy and Innovation of 3 February 2023 No. IV-56 on the provisions of order No IV-877 of 15 July 2022 on the establishment programme of the operator of the 2022-2030 no 05-001-01-05-05-05 (hereinafter referred to as Order IV-56 of 3 February 2023). | Order of the Ministry of Economy and Innovation of 3 February 2023 No. IV-56 on the provisions of order No IV-877 of 15 July 2022 on the establishment programme of the operator of the 2022-2030 enlargement programme No. 05-001-01-05-05-05. |

3. Analysis:

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

Publication of call for tender for start-ups and spinoffs and approval of the financing terms by the Ministry of the Economy and Innovation or an order of the Director of the Agency for Science, Innovation and Technology.

On 20 June 2023, the financing terms were approved by Order No. IV-328 of the Ministry of Economy and Innovation of the Republic of Lithuania and entered into force on 21 June 2023, setting up the specific funding, eligibility and compliance requirements as well as the scope and types of activities to be funded. Furthermore, the document indicates (i) the development of products and services in the initial stage of maturity, prior to the raising of investment capital; (ii) the analysis of

the needs of the market; (iii) the development of a technological concept of solution; (iv) the development of a minimum viable product; and (v) the achievement of the stage of marketability of the product.

On 27 June 2023, the call for tender of the Ministry of Economy and Innovation No. 02-018-k on the description of the conditions for financing projects of activities “Financial incentives for start-ups and spin-offs to develop AI, blockchain technologies, robotics automation products and solutions”, approved by Order of 20 June 2023 No. 4-328 of the Minister of Economy and Innovation of the Republic of Lithuania was published. The call for tender was drawn up in accordance with the description of the conditions for financing projects under Measure No. 05-001-01-05-05 ‘Incentivising enterprises to digitalise’ (hereinafter ‘the Progress Facility’) of the activity ‘Financial incentives for start-ups and spin-offs to develop artificial intelligence (AI), blockchain technologies, robotics processes automation products and solutions’ (hereinafter ‘the Procedure’) approved by Order No. 4-328 of the Minister for the Economy and Innovation of the Republic of Lithuania of 20 June 2023 amending Order No. 4-877 of the Minister for the Economy and Innovation of 15 July 2022.

Publication of call for tender for business services centres and approval of the financing terms by the Ministry of the Economy and Innovation or an order of the Director of the Agency for Science, Innovation and Technology.

On 3 February 2023, the financing terms were approved by Order No. IV-56 of the Ministry of Economy and Innovation of the Republic of Lithuania and entered into force on 4 February 2023, setting up the specific funding, eligibility and compliance requirements as well as the scope and types of activities to be funded. Furthermore, the document indicates (i) consultancy services relating to the initial analysis of the project on the processes to automate and the solutions enabling these processes; (ii) training costs related to the development of the automated ESA (expert systems application) and AI solution; (iii) the acquisition of licences (robots, software licences) in connection with the project; (iv) cost of remuneration for time spent on project activities; (v) equipment and rental costs related to the installation and operation of the automated solutions (e.g. server rental).

On 15 February 2023, the call for tender of the Ministry of Economy and Innovation No. 02-07-k on the description of the conditions for financing projects of activities “Financial incentives for business service centres to develop and implement robotics process automation (RPA) and AI solutions”, approved by Order of 3 February 2023 No. IV-56 of the Minister of Economy and Innovation of the Republic of Lithuania was published. The call for tender was drawn up in accordance with the description of the conditions for the financing of projects under Measure No. 05-001-01-05-05 of the Lithuanian Ministry of the Economy and Innovation ‘Programme for the Development of Economic Transformation and Competitiveness for 2022-2030’ (hereinafter ‘the Progress Measure’) approved by Order No. 4-56 of the Minister for the Economy and Innovation of the Republic of Lithuania of 3 February 2023 amending Order No 4-877 of the Minister for Economic Affairs and Innovation of 15 July 2022 approving the robotics process automation (RPA) and artificial intelligence (AI) solutions of the Ministry of the Economy Development Programme for 2022-2030 and the description of economic transformation measure No. 505 of the Lithuanian Ministry of Economic Development Programme for the year 2022-2030.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 92 Entry into force of the revised pre-primary, primary, lower secondary and secondary education programmes (curriculum)

Related Measure: D.1.1.- Modern General Education – Background to Competitive Competences

Qualitative Indicator: Legislation entered into force

Time: Q3 2022

1. Context:

The objective of the reform D.1.1 Reform 1 ‘Modern General Education – Background to Competitive Competences’ is to improve general education to reduce achievement gaps among pupils. The reform consists of seven sub-measures: 1. Improving the quality of education 2. Reorganisation of the school network 3. Millennium school programme, 4. Strengthening the competences of pedagogical staff, 5. Development of the STEAM ecosystem, 6. Digital education transformation, 7. Improving early childhood education and care.

The objective of sub-measure 1 ‘Improving the quality of education’ is to improve the quality of education. The content of pre-primary, primary, lower-secondary and secondary education framework programmes shall be updated by 30 September 2022 to take into account the latest scientific knowledge and developments.

Milestone 92 consists of the entry into force of pre-primary, primary, lower secondary and secondary education programmes (curriculum), that are the documents governing the content at national level. In order to take into account the latest scientific knowledge, and developments, the education programmes (curriculum) shall be revised. Entry into force of the legislation on the revision of the curriculum which shall cover - the goals of pre-primary, primary education, lower secondary and secondary education, - the content, - the levels of attainment of learning outcomes.

Milestone 92 is the final step in the implementation of sub-measure 1 ‘Improving the quality of education’, following milestone 91, related to the entry into force of the legislation on the methodology of the procedure for external evaluation of the quality of educational activities.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document. | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Ministerial order No. V-1269 ‘On the approval of the General Curriculum for Pre-primary, Primary, Lower Secondary and Upper Secondary Education’. Entry into force 1 September 2022. https://www.e-tar.lt/portal/lt/legalAct/1a764050239511edb4cae1b158f98ea5 ; | It approves the competency description as well as three general programmes: the general programme for pre-primary education, the general programme for Lithuanian language by language proficiency levels (A1-B2), the general programme for the Polish national minority’s native language and literature. |
| 3 | Ministerial order No. V-1541 ‘Regarding the amendment of Minister of Education, Science and Sports order No. V-1269 of 24 August 2022 “On the | It amends Ministerial order No. V-1269 by supplementing that order with 45 new appendices, including additional general programmes of other 44 subjects. In each |

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|---|---|--|
| | approval of the General Curriculum for Pre-primary, Primary, Lower Secondary and Upper Secondary Education”. Entry into force 1 October 2022. https://www.e-tar.lt/portal/lt/legalAct/06c1f24040b711edbc04912defe897d1 | appendix, the subject programme for primary, lower secondary, and upper secondary education is approved. |
| 4 | Ministerial order No. V-1146 ‘Regarding the amendment of Minister of Education, Science and Sports order No. V-1269 of 24 August 2022 “On the approval of the General Curriculum for Pre-primary, Primary, Lower Secondary and Upper Secondary Education”. Entry into force 6 September 2023. https://www.e-tar.lt/portal/lt/legalAct/7165e2104baa11ee9de9e7e0fd363afc | It amends Ministerial orders No. V-1269 and No. V-1541 by adjusting the general programmes according to the comments of the teacher communities and supplementing it with new appendices, consisting of one general programme and module programmes for 10 educational subjects. |
| 5 | Ministerial order No. V-1317 ‘On the approval of General Curriculum Update Guidelines’ https://www.e-tar.lt/portal/lt/legalAct/e3e9269009e511ea9d279ea27696ab7b/asr | It defines the guidelines for updating the general programmes of pre-school, primary, lower secondary, and upper secondary, including goals, learning outcomes (competencies), learning content, and changes in the assessment of student achievement. |
| 6 | National Education Agency special website https://www.mokykla2030.lt/skelbiama-atranka-dalyvauti-uzsienio-ekspertu-konsultacijose-apie-atnaujinama-ugdymo-turini/ | It shows that the National Education Agency of Lithuania held consultations with international experts in the context of the revision of curricula. |
| 7 | Guide to the update of the Framework Programmes of 9 December 2021 | It outlines the requirements for syllabus developers, also stating that the latest scientific knowledge and development has to be taken into consideration when defining the skills expected as well as levels of achievement. |
| 8 | Order No VK-109 of the 4 March 2020 Director of the National Education Agency | It defines the creation of a working group to develop the Competency framework, requiring that all members have doctoral degree and work on research projects. |

3. Analysis:

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

Entry into force of pre-primary, primary, lower secondary and secondary education programmes (curriculum), that are the documents governing the content of national level.

Ministerial order No. V-1269 'On the approval of the General Curriculum for Pre-primary, Primary, Lower Secondary and Upper Secondary Education', which entered into force on 1 September 2022, approved the competency description as well as three general programmes: the general programme for pre-primary education, the general programme for Lithuanian language by language proficiency levels (A1-B2), the general programme for the Polish national minority's native language and literature. Ministerial order No. V-1269 replaces the Ministerial order No. V-779 of 2 September 2014 'On the Approval of the General Programme of Pre-School Education' as well as the Ministerial order No. ISAK-1216 of 14 June 2006 'On the Approval of the Lithuanian Language Programme for the Equalisation Classes and the Equalisation Mobile Groups'.

It was amended by Ministerial order No. V-1541 'Regarding the amendment of Minister of Education, Science and Sports order No. V-1269 of 24 August 2022 "On the approval of the General Curriculum for Pre-primary, Primary, Lower Secondary and Upper Secondary Education"', which entered into force on 1 October 2022. Order No. V-1541 supplements order No. V-1269 with 45 new appendices, including additional general programmes of another 44 subjects. In each appendix, the subject programme for primary, lower secondary, and upper secondary education is approved. Ministerial order No. V-1541 replaces:

1. Ministerial order No. V-25 of 5 January 2022, On the amendment of order No V-390 of the Minister of Education and Science of 6 May 2014 'On the approval of the syllabus of the Foreign Language (English, French, Russian, German) Matura Examination'
2. Ministerial order No. V-21 of 5 January 2022, 'On the amendment of order No V-393 of the Minister of Education and Science of 7 May 2014 'On the approval of the musicology matura examination program'
3. Ministerial order No. V-23 of 5 January 2022, 'On the amendment of order No V-1197 of the Minister of Education, Science and Sport of 1 July 2011 'On the approval of Matura examination programs and the Lithuanian language and literature credit program'
4. Ministerial order No. V-1778 3 September 2021, 'On the amendment of order No V-1197 of the Minister of Education, Science and Sport of 1 July 2011 'On the approval of matura examination programmes and the Lithuanian language and literature credit program' (Ministry of Education, Science and Sport of the Republic of Lithuania)
5. Ministerial order No. V-1515 of 6 October 2020, 'On the amendment of order No V-579 of the Minister of Education and Science of 17 July 2017 'On the approval of the program for verification of the achievements of the Lithuanian language and literature in basic education'
6. Ministerial order No. V-1490 of 2 October 2020, 'On the amendment of order No V-1197 of the Minister of Education and Science of 1 July 2011 'On the approval of matura examinations and credit programs'
7. Ministerial order No. V-931 of 24 November 2017, 'On the amendment of order No V-1197 of the Minister of Education and Science of 1 July 2011 'On the approval of matura examinations and credit programs'
8. Ministerial order No. V-879 of 15 November 2017, 'On the amendment of order No V-1197 of the Minister of Education and Science of 1 July 2011 'On the approval of matura examinations and credit programs'
9. Ministerial order No. V-655 of 30 August 2017, 'On the amendment of order V-1159 of the Minister of Education and Science of the Republic of Lithuania of 18 July 2012 'On the Approval of the General Programme on Human Safety'
10. Ministerial order No. V-579 of 17 July 2017, 'On the approval of the program for the verification of the achievements of basic education in the Lithuanian language and literature

11. Ministerial order No. V-578 of 17.July.2017, 'On the amendment of order No V-55 of the Minister of Education and Science of 8 January 2010 'On the approval of the program for the verification of the achievements of the basic education of the Lithuanian mother tongue, the Lithuanian the program for the verification of the achievements of the basic education of the state language, the program for checking the achievements of basic education in the native languages of Belarusian, Polish, German and the program for checking the achievements of basic education in mathematics'
12. Ministerial order No. V-941 of 25 October 2016, 'On the approval of the General Programme for Health and Sexuality Education and Family Preparation
13. Ministerial order No. V-734 of 31 August 2016, 'On the amendment of order No V-269 of the Minister of Education and Science of 21 February 2011 'On the Approval of the General Curricula of Secondary Education'
14. Ministerial order No. V-46 of 25 January 2016, 'On the amendment of order No ISAK-2433 of the Minister of Education and Science of 26 August 2008 'On the approval of the general curricula of primary and lower secondary education'
15. Ministerial order No. V-9 of 7 January 2016, 'On the amendment of order No V-1197 of the Minister of Education and Science of 1 July 2011 'On the approval of Matura examinations and credit programs'
16. Ministerial order No. V-1054 of 9 October 2015, 'On the amendment of order No V-1197 of the Minister of Education and Science of 1 July 2011 'On the approval of matura examinations and credit programs'
17. Ministerial order No. V-1271 of 29 December 2014, 'On the amendment of order No V-1197 of the Minister of Education and Science of 1 July 2011 'On the approval of matura examinations and credit programs'
18. Ministerial order No. V-393 of 7 May 2014, 'On the approval of the musicology matura examination program
19. Ministerial order No. V-390 of 6 May 2014, 'On the approval of the syllabus of the Foreign Language (English, French, Russian, German) Matura Examination Program'
20. Ministerial order No. V-72 of 15 January 2014, 'On the approval of the Career Education Programme
21. Ministerial order No. V-1019 of 28 October 2013, 'On the amendment of order No V-1197 of the Minister of Education and Science of 1 July 2011 'On the approval of matura examinations and credit programs'
22. Ministerial order No. V-654 of 12 July 2013, 'On the amendment of order No V-269 of the Minister of Education and Science of 21 February 2011 'On the Approval of the General Curricula of Secondary Education'
23. Ministerial order No. V-109 of 20 February 2013, 'On the amendment of order No V-1197 of the Minister of Education and Science of 1 July 2011 'On the approval of matura examinations and credit programs'
24. Ministerial order No. V-1769 of 31 December 2012, 'On the amendment of order No V-1197 of the Minister of Education and Science of 1 July 2011 'On the approval of Matura examinations and credit programs'
25. Ministerial order No. V-1159 of 18 July 2012, 'On the approval of the General Programme for Human Safety
26. Ministerial order No. V-859 of 23 May 2012, 'On the amendment of order No V-1197 of the Minister of Education and Science of 1 July 2011 'On the approval of matura examinations and credit programs'
27. Ministerial order No. V-769 of 9 May 2012, 'On the amendment of order No V-55 of the Minister of Education and Science of 8 January 2010 'On the approval of the program for the verification of

the achievements of the basic education of the Lithuanian mother tongue, the Lithuanian the program for the verification of the achievements of the basic education of the state language, the program for checking the achievements of the lower secondary education of belarusian, polish, german mother tongues and the program for checking the achievements of the basic education in mathematics’

28. Ministerial order No. V-776 of 09 May 2012, ‘On the amendment of order No V-1197 of the Minister of Education and Science of 1 July 2011 ‘On the approval of matura examinations and credit programs’

29. Ministerial order No. V-651 of 12 April 2012, ‘On the approval of the General Programme of Ethnic Culture of Lower Secondary Education and the General Programme of Ethnic Culture of Secondary Education’

30. Ministerial order No. V-1197 of 1 July 2011, ‘On the approval of matura examination programs and the Lithuanian language and literature credit program

31. Ministerial order No. V-269 of 21 February 2011, ‘On the approval of the General Curriculum Framework for Secondary Education

32. Ministerial order No. V-271 of 21 February 2011, ‘On the amendment of order No ISAK-1790 of the Minister of Education and Science of 6 September 2007 ‘On the approval of the general programme of the Integrated Technology Course for pupils studying in accordance with Part II of the lower secondary education curriculum and for pupils of the general programmes of elective technologies and arts studying according to the secondary education curriculum’

33. Ministerial order No. V-55 of 8 January 2010, ‘On the approval of the program for the verification of the achievements of basic education in the mother tongues of Belarusian, Polish, German and the approval of the program for checking the achievements of basic education in Mathematics

34. Ministerial order No. ISAK-2433 of 26 August 2008, ‘On the approval of the general curricula of primary and lower secondary education

35. Ministerial order No. ISAK-1790 of 6 September 2007, ‘On the approval of the General Programme of the Integrated Technology Course for pupils studying in accordance with Part II of the lower secondary education curriculum and for pupils of the general programmes of elective technologies and arts studying according to the upper secondary education curriculum

36. Ministerial order No. ISAK-1484 of 13 July 2006, ‘On the approval of the General Programme of Religion (Catholic)

37. Ministerial order No. ISAK-1432 of 14 July 2005, ‘On the approval of the General Programme of Information Technologies for Basic Education

Order No. V-1541 and order No. V-1269 were further amended by Ministerial order No. V-1146 ‘Regarding the amendment of Minister of Education, Science and Sports order No. V-1269 of 24 August 2022 “On the approval of the General Curriculum for Pre-primary, Primary, Lower Secondary and Upper Secondary Education”’, which entered into force on 6 September 2023. The measure description requires curricula to be updated by 30 September 2022, however this legal act was adopted almost a year later, this represents a minimal substantive deviation from the measure description.

More in detail, Ministerial order No. V-1146 amends Ministerial orders No. V-1269 and No. V-1541 by adjusting the general programmes according to the comments of the teacher communities and supplementing it with new appendices, consisting of one general programme and module programmes for 10 educational subjects.

Through the three legal acts, Lithuania has approved in total 48 new general programmes (curricula), covering all pre-primary, primary, lower secondary and secondary education in Lithuania.

In order to take into account the latest scientific knowledge and developments, the education programmes (curriculum) shall be revised.

Several actions were undertaken by Lithuania to ensure that the new curricula integrate the findings of the latest research.

First, the competency framework (Annex 1 of Ministerial order No. V-1541) was developed by a group of researchers who were invited based on their professional (academic) experience to set the scene for further work on curricula. The competency framework incorporated major insights from research and became a foundational document for the revision of the curricula.

Second, Order No VK-109 of the 4 March 2020 Director of the National Education Agency defined the creation of a working group to develop the Competency framework, requiring that all members have doctoral degree and work on research projects. Each working group that was responsible for a subject's syllabus (languages, mathematics, sciences, etc.) was composed as such to ensure representation of practicing teachers and academics. The academics had to provide scientific input by suggesting what subject knowledge is relevant and must be included based on the latest research in the particular discipline.

Third, the Guide to the update of the Framework Programmes of 9 December 2021 outlined the requirements for syllabus developers, also stating that the insights from students' achievement surveys like PISA, TIMSS, PIRLS, ICCS had to be taken into consideration when defining the skills expected from students at certain points of their education as well as levels of achievement that indicate the quality of students' results.

Finally, as shown by the link to National Education Agency special website <https://www.mokykla2030.lt>, the National Education Agency organised six consultations for school with international education experts in the context of the revision of curricula. The consultations were held remotely from May 2022 until April 2023 on seven different topics:

1. principles for the implementation of training recommendations for the new content of the subject
2. didactics of higher achievement education
3. elective and compulsory content planning
4. application of digital teaching tools
5. development of language skills
6. integration of interdisciplinary topics and coherence of subjects
7. organisation of the dissemination of good practices through competence development with the participation of up to 300 international experts per topic (See this webpage for more details <https://www.mokykla2030.lt/skelbiama-atranka-dalyvauti-uzsienio-ekspertu-konsultacijose-apie-atnaujinama-ugdymo-turini/>).

Entry into force of the legislation on the revision of the curriculum which shall cover - the goals of pre-primary, primary education, lower secondary and secondary education,

Ministerial order No. V-1269 (paragraphs 6-9) defines 4 goals, according to the programme level:

1. The goal of pre-primary education – to help students develop personal qualities, acquire social skills, and prepare to study according to the primary education programme.

2. The goal of primary education – to help students develop moral attitudes, cultural, national, and civic self-awareness, to acquire literacy skills, social, emotional, and healthy lifestyle skills appropriate for this age group.
3. The goal of lower secondary education– to help students acquire subject knowledge and abilities, moral, cultural, national, and civic awareness, and the basics of maturity, to consolidate social, emotional, and healthy lifestyle skills, to develop the ability to make decisions, make appropriate choices and continue learning.
4. The goal of upper secondary education – to provide a person with a general education, to acquire moral, cultural, national, and civic maturity and to enable them to achieve further goals of learning, a successful and meaningful personal and social life.

the content

Based on Ministerial Orders No. V-1269, V-1541, V-1146, the Minister of Education, Science, and Sport has established the curriculum content with a focus on developing competencies through learning content that adheres to academic logic, relevant methodologies, and age-appropriate considerations. The general programmes' learning materials and tasks must meet quality criteria such as value orientation, being appropriately demanding, contextuality, dynamism, concentration, consistency, integrity, and harmony.

In primary and lower secondary education, the curriculum distinguishes between compulsory (minimum 70%) and optional content (maximum 30%). Upper secondary education programmes include optional subjects and in-depth modules. The detailed content of curricula for pre-primary, primary, lower secondary education and upper secondary education is provided in each programme as specified in the syllabi annexed to Ministerial Orders No. V-1269, No. V-1541, and No. V-1146 covering for all four levels of education. Interdisciplinary topics are chosen based on current youth and societal issues, including personal capabilities, cultural identity, communality and sustainable development.

The 48 general programmes (syllabi) that were approved cover the following subjects:

1. Pre-primary education general programme
2. Lithuanian language by language proficiency levels (A1-B2) general programme
3. Mother tongue and literature of the Polish national minority general programme
4. Ethics general programme
5. Catholic religion general programme
6. Orthodox Christian religion general programme
7. Evangelical Lutheran religion general programme
8. Evangelical Reformed religion general programme
9. Karaite religion general programme
10. Judaism religion general programme
11. Sunni Muslim religion general programme
12. Lithuanian language and literature general programme
13. Lithuanian sign language general programme
14. Mother tongue and literature of the Belarusian national minority general programme
15. Mother tongue and literature of the Russian national minority general programme
16. Mother tongue and literature of the German national minority general programme
17. Foreign language (first) general programme
18. Foreign language (second) general programme
19. Mathematics general programme
20. Computer science general programme
21. Natural sciences general programme
22. Biology general programme

23. Chemistry general programme
24. Physics general programme
25. Astronomy general programme
26. Technology general programme
27. Engineering technology general programme
28. Social education general programme
29. Ethnic culture general programme
30. History general programme
31. Geography general programme
32. Economics and entrepreneurship general programme
33. Foundations of citizenship general programme
34. National Security and National Defence general programme
35. Geographical information systems general programme
36. Law general programme
37. Psychology general programme
38. Philosophy general programme
39. Art general programme
40. Music general programme
41. Theatre general programme
42. Dance general programme
43. Media arts general programme
44. History of the arts general programme
45. Applied technologies general programme
46. Physical education general programme
47. Life skills general programme
48. Latin language and ancient culture general programme

the levels of attainment of learning outcomes.

Ministerial order No. V-1269, paragraph 21 sets the levels of achievement (attainment of learning outcomes) for pre-primary students as: below basic level, basic level, above basic level. Achievement assessments are to be presented descriptively with short comments describing the student's strengths, what has been achieved, and what needs improvement. Information about the student's achievements is to be collected and recorded in the learning portfolio (in a paper or digital format). Ministerial order No. V-1269, paragraph 22 sets the following thresholds for primary, lower secondary, and upper secondary education: satisfactory, basic and advanced levels.

The same paragraph specifies that in the primary education programme, progress and achievement are recorded and presented using comments and evaluation in the learning portfolios. With the teacher's assistance, students learn to compile these learning portfolios and self-assess their achievements. Student achievements are not graded. The same paragraph specifies that in the lower secondary and upper secondary education programmes, achievement levels are associated with grades: threshold level 4 points, satisfactory level 5-6 points, basic level 7-8 points, advanced level 9-10 points.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 99 Entry into force of the legislation laying down requirements for the preparation and implementation of National qualification development programmes for pedagogical staff

Related Measure: D.1.1. Modern General Education – Background to Competitive Competences

Qualitative Indicator: Legislation entered into force

Time: Q4 2022

1. Context:

The objective of the reform is to improve general education to reduce achievement gaps among pupils. The reform consists of seven sub-measures: 1. Improving the quality of education 2. Reorganisation of the school network 3. Millennium school programme, 4. Strengthening the competences of pedagogical staff, 5. Development of the STEAM ecosystem 6. Digital education transformation 7. Improving early childhood education and care.

Milestone 99 belongs to sub-measure 4 ‘Strengthening the competences of pedagogical staff’, which objective is to support pedagogical staff in strengthening their competences by linking the qualification and continuous professional development systems. In order to ensure the quality of national qualification development programmes for pedagogical staff, requirements shall be developed for the design and implementation of National Qualifications Development Programmes. The flexibility of training and training systems for pedagogical staff shall be increased with the possibility of getting credits for acquiring higher qualifications including master degree, by the recognition of informally acquired competences and by studying a module of subject studies. The implementation of national professional development programmes shall also be monitored.

Milestone 99 consists of the entry into force of the legislation on the qualitative requirements for the preparation and implementation of the national qualification development programmes for pedagogical staff which shall be developed and validated.

Milestone 99 is the first step of the implementation of this sub-measure. It will be followed by target 98, related to the completion of qualification development programmes for pedagogical staff. The sub-measure has a final expected date for implementation on 30 June 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document. | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Law No. XIV-895 of 11 January 2022, amending Law No. I-1489 https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.1480/asr , which entered into force on 1 September 2022. https://www.e-tar.lt/portal/lt/legalAct/a0c694e6790c1 | This legal act amends Articles 23 and 49 of Law No I-1489 on Education of the Republic of Lithuania, establishing that the Minister of Education, Science and Sport lays down requirements for national qualification development programmes for their assessment, accreditation, registration. |

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| | 1ec993ff5ca6e8ba60c | |
| 3 | Law No. XIV-1726 of 22 December 2022, which entered into force on 1 September 2023. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/6443d5e285dc11edbdcebd68a7a0df7e | This legal act amends Articles 7, 8, 9, 10, 11, 14, 16, 19, 20, 21, 23, 29, 36, 38, 39, 41, 43, 44, 46, 49, 52, 53, 56, 57, 58, 59, 62, 63, 64, 67, 69, 70 of Law on Education No. I-1489 of the Republic of Lithuania, and supplements it with article 564. |
| 4 | Ministerial Order No. V-3 of 3 January 2023, which entered into force on 4 January 2023. https://www.e-tar.lt/portal/lt/legalAct/8e9848808b2c11ed8df094f359a60216 | This legal act approves the requirements for qualification development programmes for pedagogical staff and for national qualification development programmes and for the assessment, accreditation and registration of national qualification development programmes |
| 5 | Ministerial Order No. V-7 of 4 January 2023, which entered into force on 5 January 2023. https://www.e-tar.lt/portal/lt/legalAct/dd47afd08bf311ed8df094f359a60216 | This legal act amends Order No. ISAK-556 of 29 March 2007 of the Minister for Education, Science and Sport approving the regulations for the professional development of heads of state and municipal education institutions (except higher education institutions), deputies, heads of units organising education, teachers, and pupil support specialists, and also determines the developers and implementers of the national programmes. |
| 6 | Ministerial Order No. V-1942 , of 13 December 2022, which entered into force on 14 December 2022. https://www.e-tar.lt/portal/lt/legalAct/e039f8207ab811edbc04912defe897d1 | This legal act establishes priority areas for the development of qualifications of pedagogical staff (except for staff of higher education institutions) for the period 2023-2025, it also delegates to the National Education Agency the task of monitoring the development of the qualification of pedagogical staff of state and municipal educational institutions (except higher education institutions) in accordance with the priority areas of qualification development for the period 2023-2025. |
| 7 | Ministerial Order No. V-1499 , of 27 November 2023, which entered into force on 28 November 2023. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/e8d855a08d6111eea791d94269904d9b?jfwid=-1l7zm5mf0 | This legal act entails flexibility by approving a description of competences for teachers and student support specialists, recognising the value of high-quality national programmes delivered by approved teacher training centres and accredited qualification development institutions. |
| 8 | Ministerial order No. V-289 , of the 24 April 2017, which entered into force on 24 April 2017. https://e-tar.lt/portal/lt/legalAct/b765dae028ca11e78397ae072f58c508) | This legal act establishes the possibility of getting credits for acquiring higher qualifications including master degree, by the recognition of informally acquired competences and by studying a module of subject studies. |
| 9 | Order No. VK-219 of the Director of the National Education Agency of 5 April | This administrative act sets the requirements for the providers of national qualification |

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| | 2023. | development programmes for pedagogical staff. |
| 10 | Order No. VK-814 of the Director of the National Education Agency of 12 September 2024. | This administrative act approves the guidelines for monitoring the implementation of national professional development programmes for pedagogical staff. |
| 11 | <p>Principles and requirements for the content of specific national qualification development programmes.</p> <ul style="list-style-type: none"> • Criteria for selecting the content of national programmes on inclusion. • Criteria for selecting the content of national programmes on life skills. • Criteria for the content of the national program on the topic of teaching and learning mathematics <p>And others published on https://www.aikos.smm.lt/Puslapiai/Praadinis.aspx</p> | These documents outline the principles and requirements for the content of the national qualification development programmes, which are specified according to the type of programme by the National Education Agency. |

3. Analysis:

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

Entry into force of the legislation on the qualitative requirements for the preparation and implementation of the national qualification development programmes for pedagogical staff which shall be developed and validated.

Law No. XIV-895 'On the Amendment of Articles 23 and 49 of the Law on Education of the Republic of Lithuania No I-1489' ('Law No. XIV-895') amending Articles 23 and 49 of Lithuania's Law on Education requiring the Minister of Education to enshrine into the Law the legal framework for national qualification development programmes, entered into force on 1 September 2022 as per Article 3.

Law No. XIV-1726 'Amending articles 7, 8, 9, 10, 11, 14, 16, 19, 20, 21, 23, 29, 36, 38, 39, 41, 43, 44, 46, 49, 52, 53, 56, 57, 58, 59, 62, 63, 64, 67, 69, 70 of the Law on Education (No. I-1489) and supplementing the law with article 564' (Law No. XIV-1726) extensively amending the Law on Education entered into force on 1 September 2024 as per Article 36. In particular, the amendment to Article 23(7) of the Law on Education empowered teacher training centres to implement national programmes in cooperation with other higher education institutions and/or accredited institutions, stipulated that national programmes should only be developed in accordance with priority areas, and at the same time empowered the Minister of Education, Science and Sport to establish the requirements for national programmes for the improvement of the qualifications of pedagogical staff (other than higher education staff), as well as the procedure for their validation (assessment, accreditation and registration).

Ministerial Order No. V-3 'On the approval of requirements for in-service training programmes for teaching staff (except higher education staff) and national professional development programmes and the approval of a description of the procedure for the evaluation, accreditation and registration

of national in-service training programmes (Ministerial Order No. V-3) outlining the preparation and accreditation requirements for national qualification programmes, entered into force 4 January 2023, the day following the signature of the order by the Minister, in accordance with the national legal framework. The order establishes the requirements for national qualification development programmes, including details about the provider, objectives, content, results, and evaluation methods, and requires programmes to be aligned with specified formats, ensure relevance and consistency, span 135-270 hours with 30-50% practical work, and align with priority areas.

Ministerial Order No. V-7 'On the order of the minister of education, science and sport of 29 march 2007 no. isak-556 on the approval of the provisions for the professional development of heads of state and municipal educational institutions (except higher education institutions), their deputies for education, heads of departments organizing education, teachers, specialists in assisting the pupil' (Ministerial order No. V-7) amending regulations on the professional development of educational staff, entered into force on 5 January 2023, the day following the signature of the order by the Minister, in accordance with the national legal framework. This Ministerial order establishes that national programmes can be developed by teacher training centres (point 8.2), higher education institutions (point 9.3) and accredited institutions (point 10.2), and delegates to the Ministry the validation (assessment, accreditation and registration) of national programmes.

Ministerial Order No. V-1942 'On the approval of priority areas of professional development of pedagogical staff (except higher education staff) for the period 2023-2025' (Ministerial Order No. V-1942) establishing priority areas for pedagogical staff qualification development and delegating to the National Education Agency its monitoring, entered into force on 14 December 2022, the day following the signature of the order by the Minister, in accordance with the national legal framework.

They shall lay down the content,

The Council Implementing Decision required the legislation on qualitative requirements to lay down the content of national qualification development programmes for pedagogical staff. The content of the national qualification development programmes is generally regulated by Ministerial Order No. V-3, where point 4 states: *'Programmes must comply with the requirements for relevance, completeness, coherence of implementation of topics, the consistency of learning methods and activities and their duration with other parts of the programs and the expected results, which are set out in Annex 2 to the Description.'* However, there are additional specifications of the requirements for the content of the national qualification development programmes established according to the type of programme by the National Education Agency. Those are published on the website of the National Education Agency and on the website <https://www.aikos.smm.lt/Puslapiai/Pradinis.aspx>.

Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the general requirements for the definition of the content are already defined by the newly adopted Ministerial Order No. V-3, in line with the requirements of the milestone, whereas the programme-specific content is defined by the National Education Agency in line with that Order. 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.

topics,

Law No. XIV-895 amended Article 23(7) of the Law on Education of the Republic of Lithuania establishing that national qualification development programmes should be designed in priority

areas for the development of qualifications approved by the Minister for Education, Science and Sport for a period of three years. Ministerial Order No. V-1942 of the Minister for Education, Science and Sport of 13 December 2022 approved priority areas of qualification development for pedagogical staff for the period 2023-2025, namely: *strengthening of digital competences, improvement of competences necessary to implement the principle of inclusion, strengthening of civic education competences, development of training practices and didactics competences, development of leadership competences*. Ministerial Order No. V-1942 (points 1 to 5) also provides a description for each priority area, detailing topics for each area for the preparation of national programmes.

implementation forms,

Ministerial Order No. V-3 defines the implementation forms of the national qualification development programmes by defining the required duration and the share of hours dedicated to practical work as well as requiring the alignment to the priority areas for pedagogical staff development. In particular, Ministerial Order No. V-3, point 5 states: *'Programs are drawn up in the state language and must meet the requirements for the preparation of documents.'* and, point 6.1 states: *'the duration of the national program is not less than 135 and not more than 270 hours, of which at least 30 and not more than 50 percent are allocated to practice'*. Furthermore, the requirements for the implementation form of the national qualification development programmes are further specified according to the type of programme by the National Education.

requirements for providers of the implementation of national qualification development programmes for pedagogical staff.

Order No. VK-219 of the Director of the National Education Agency of 5 April 2023 establishes the requirements for applications for the provision of national qualification development programmes. More in detail, applicants are subject to the requirements determined in paragraph 7:

'7.1. to have at least 3 years' experience of competence development activities for pedagogical staff and in the last 3 years have implemented long-term (at least 40 hours) qualification development programs for pedagogical staff. Experience in the implementation of priority qualification development programs would be considered as an advantage.

7.2. to have international partners (to have established a partnership agreement for the preparation and/or implementation of national programs).

7.3. to have in-country partners - natural and/or legal persons- for the implementation of these activities.

7.4. to have lecturers with experience in the development and/or implementation of priority qualification development programmes in the priority areas of professional development as specified in paragraph 18 of the Description.'

Furthermore, in line with the description of the measure, **in order to ensure the quality of national qualification development programmes for pedagogical staff, requirements shall be developed for the design and implementation of National Qualifications Development Programmes by 31 December 2022**

Please refer to the analysis above for the entry into force required by the milestone description. The Council Implementing Decision required that the legislation related to the development of requirements for ensuring the quality of national qualification development programmes entered into force by 31 December 2022. The Law No. XIV-895 and Ministerial Order No. V-1942 entered into force before 31 December 2022, however Law No. XIV-1726, Ministerial Order No. V-3 and Ministerial Order No. V-7 have entered into force after 31 December 2022. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the

legislation required to establish the requirements for national qualification development programmes had entered into force at the time of the assessment.

Furthermore, in line with the description of the measure, **the flexibility of training and training systems for pedagogical staff shall be increased with the possibility of getting credits for acquiring higher qualifications including master degree, by the recognition of informally acquired competences and by studying a module of subject studies.**

Order No. VK-219 of the Director of the National Education Agency, issued on 5 April 2023, under subparagraph 16.2, allows the conversion of hours studied in national programmes into academic credits that can be applied towards master's studies, according to the procedures established by higher education institutions. This aligns with Ministerial Order No. V-289, which outlines in points 5 to 7 that higher education institutions (HEIs) recognise and assess competences gained through various contexts outside formal education, such as work experience, volunteering, community service, and self-directed learning. Point 5 states that HEIs evaluate these competences if the individual can demonstrate that they are equivalent to the learning outcomes of the relevant courses. Point 6 explains that, for higher education qualifications, credits are awarded for specific modules or subjects when sufficient evidence of competence is provided and validated through various assessment methods. Point 7 indicates that once these competences are assessed and recognised, the institution certifies them with an appropriate document indicating the number of credits earned, which are then credited towards the individual's intended study programme.

Furthermore, Ministerial Order No. V-1499 of the Minister for Education, Science and Sport, effective from 28 November 2023, reinforces this flexibility by approving a description of competences for teachers and student support specialists, recognising the value of high-quality national programmes delivered by approved teacher training centres and accredited qualification development institutions. These legal provisions collectively support a more adaptable and inclusive approach to teacher education, acknowledging non-formal learning experiences and facilitating progression to higher qualification levels, including master's degrees, or specific subject study modules.

Furthermore, in line with the description of the measure, **the implementation of national professional development programmes shall also be monitored.**

Order No. VK-814 of the Director of the National Education Agency of 12 September 2024 approves the guidelines for monitoring the implementation of national professional development programmes for pedagogical staff. The guidelines outline the objectives, tasks, and criteria for monitoring these programmes, ensuring a systematic approach to data collection, analysis, and reporting. The National Education Agency is responsible for this process, providing recommendations for improvement based on the findings.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 106 Entry into force of the legislation on the criteria (guidelines) for pre-school education curriculum

Related Measure: D.1.1 Modern General Education – Background to Competitive Competences

Qualitative Indicator: Legislation entered into force

Time: Q3 2023

1. Context:

The objective of the reform is to improve general education to reduce achievement gaps among pupils. The reform consists of seven sub-measures: 1. Improving the quality of education 2. Reorganisation of the school network 3. Millennium school programme, 4. Strengthening the competences of pedagogical staff, 5. Development of the STEAM ecosystem 6. Digital education transformation 7. Improving early childhood education and care.

Milestone 106 is part of sub-measure 7. ‘Improving early childhood education and care’ which aims to improve the access and quality of early childhood education and care by reviewing the criteria for pre-school curricula to ensure that the content is up-to-date, responding to the latest scientific knowledge about the characteristics of pre-school age children, the identification of their abilities and preferences or needs, and the provision of education based on individual child development.

Milestone 106 outlines that the design of pre-school curriculum is decentralised and must be developed according to the criteria (guidelines) for pre-school education curriculum approved by the Minister of Education, Science and Sport. The entry into force of the updated criteria (guidelines) for pre-school education curriculum shall determine the competencies to be acquired by children before the compulsory school age; respond to the latest scientific knowledge about the education of children of the appropriate age; encourage children to read (develop a book-reading culture).

Milestone 106 is the second and the last milestone of the sub-measure 7. ‘Improving early childhood education and care’, and it follows the completion of 105, related to the publication of the study on the feasibility of developing early childhood education infrastructure in municipalities.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document. | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Ministerial order No. V-1142 ‘On the Approval of Preschool Education Program Guidelines’. Entry into force 5 September 2023. https://www.e-tar.lt/portal/lt/legalAct/be8a5a304add11ee9de9e7e0fd363afc/asr | This ministerial order approves the preschool education programme guidelines. |
| 3 | Law No. I-533 ‘On Local Self-Government of the Republic of Lithuania’. Entry into force 26 March 1995. https://www.e-tar.lt/portal/lt/legalAct/TAR.D0CD0966D67F/asr | Article 6, Clause 8 of the Law establishes the principle through which pre-school education is one of the autonomous functions of municipalities. |
| 4 | Law No. XIV-1726 https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/6443d5e | The Law amends Article 7, part 4 establishing that the preschool education programmes are |

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| | 285dc11edbdcebd68a7a0df7e amending Law No. I-1489 ‘Law on Education of the Republic of Lithuania’. Entry into force 4 January 2023. https://www.e-tar.lt/portal/lt/legalAct/TAR.9A3AD08EA5D0/asr | prepared according to the guidelines of the preschool education program as approved by the Minister of Education, Science and Sports. |
| 5 | Project S-REP-22-3 ‘Analysis of the curriculum of early childhood education and prospective for further improvement’. Project information: https://www.vdu.lt/cris/entities/project/2a3fc813-ae1e-4318-948a-6e994a59b2d8 Project output: https://www.vdu.lt/cris/entities/project/2a3fc813-ae1e-4318-948a-6e994a59b2d8/publications | This project by the Research Council of Lithuania led to a scientific report evaluating the content of early childhood education and care and providing evidence-based recommendations for the improvement of educational curriculums, the update of teaching methods and materials, and the professional development of the school community. |

3. Analysis:

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

Entry into force of the legislation on the criteria (guidelines) for pre-school education curriculum. The design of pre-school curriculum is decentralised and must be developed according to the criteria (guidelines) for pre-school education curriculum approved by the Minister of Education, Science and Sport. The entry into force of the updated criteria (guidelines) for pre-school education curriculum shall [...]

Article 6, Clause 8 of the Law No I-533 established already in 1995 that the design of preschool education curricula is decentralised. The decentralised design of the pre-school curriculum ensures that municipalities, which are closer to the community and better understand local needs and conditions, are responsible for organising preschool education programs. This approach allows for greater flexibility and responsiveness to specific regional educational requirements and cultural contexts, fostering a more tailored and effective early education system.

Law No. XIV-1726 amended Article 7, Part 4 of the Law No. I-1489 establishing that the preschool education programmes are prepared according to the guidelines of the preschool education program as approved by the Minister of Education, Science and Sports. The Article 7 of the Law entered into force on 5 January 2023, as specified in Article 36.

The guidelines were approved by the Minister of Education, Science and Sport through Ministerial order No. V-1142 replaces Ministerial order No. V-268 of 24 April 2017, establishing a common framework for preschool education, focusing on essential areas of development and competencies that children should acquire before compulsory schooling. The guidelines entered into force on 5 September 2023, the day following the signature of the order by the Minister, in accordance with the national legal framework.

The requirement for the preschool curriculum to be developed according to the criteria approved by the Minister of Education, Science and Sport ensures uniformity and quality across all regions. By adhering to these guidelines, preschool education providers can ensure that they meet national educational standards and objectives, thus providing a consistent and high-quality educational experience for all children, regardless of their location. These guidelines specify five key areas of preschool education: "Our health and well-being," "Me and the community," "Me in the world of language," "Exploring and knowing the environment," and "Creating and expressing." This structured approach ensures that all educational institutions adhere to the same standards, thereby maintaining the quality and effectiveness of preschool education throughout the country.

[...] determine the competencies to be acquired by children before the compulsory school age;

According to the guidelines (Article 18 Ministerial order No. of V-1142), education providers shall prepare their preschool education programmes and evaluate children's progress according to 18 areas of achievement, namely:

1. daily life skills;
2. physical activity;
3. perception and expression of emotions;
4. self-regulation and self-control;
5. self-concept and self-esteem;
6. relationship with adults and peers;
7. knowledge of the environment;
8. mathematical thinking;
9. digital intelligence;
10. understanding of languages;
11. linguistic expression;
12. aesthetic perception;
13. artistic expression;
14. creativity;
15. exploration;
16. problem solving;
17. ability to play;
18. ability to learn.

Furthermore, Ministerial order No. of V-1142 (point 43.2) establishes that continuity between preschool and pre-primary education is ensured by the alignment of achievement areas developed during pre-school education and the competencies developed during pre-primary education: coherent groups of achievements, the content of achievements, and their consistent progression. In the appendix 'Description of education achievements of preschool children' of the Ministerial order No. V-1142, Article 9 says that the set of achievements gained in preschool education provides the prerequisites for the child to successfully develop the competencies provided for in the pre-primary education program. More in detail, according to Ministerial order V-1269, the competencies that should be acquired in pre-primary education by children before the compulsory school-age are: communication, cultural, creativity, cognition, citizenship, digital and social, emotional and healthy lifestyle.

[...] respond to the latest scientific knowledge about the education of children of the appropriate age; [...]

To ensure alignment with contemporary research, the Ministry of Education, Science, and Sport of Lithuania partnered with the Research Council of Lithuania in November 2022 to undertake the S-REP-22-3 project. This initiative focused on analysing the existing early childhood education curriculum and identifying areas for improvement. The project aimed to establish a robust foundation for quality early education curricula, rooted in child development principles and current scientific evidence. Through a systematic approach, the Research Council produced a comprehensive scientific report, offering recommendations for: a) Updating preschool education content programmes to reflect the latest research and best practices; b) Developing methodological materials, tools, and resources at the national level to support implementation; c) Providing professional development opportunities for the school community.

The project's outcomes have significantly contributed to the development of a systematic approach to early childhood education, ensuring that the curriculum remains relevant and effective in fostering children's growth. The findings were reflected into Ministerial Order No. V-1142.

Moreover, Point 9 of the same order emphasises the guidelines' adherence to international standards, including the United Nations Convention on the Rights of the Child, recommendations of international organisations, child development principles, and contemporary scientific research. By considering these factors, the guidelines aim to provide a framework for early childhood education that responds to the latest scientific knowledge. Moreover,

[...] encourage children to read (develop a book-reading culture).

Incorporating the promotion of reading and the development of a book-reading culture within the preschool curriculum helps to instil a love for reading and literacy from an early age. This focus on language and literacy is crucial for cognitive development and academic success. The area of education 'Me in the world of languages' outlined in Article 6 of the guidelines (Ministerial order No. V-1142) specifically targets the understanding and use of language, both verbal and non-verbal, fostering linguistic diversity and identity. Encouraging children to read and developing a culture of reading books are vital components of this educational area, laying the groundwork for lifelong learning and literacy skills.

In line with the description of the sub-measure, the reform aims to respond **to the latest scientific knowledge about the characteristics of pre-school age children, the identification of their abilities and preferences or needs, and the provision of education based on individual child development.**

As explained above, Ministerial Order No. V-1142 was drafted considering the most recent available scientific literature and the results of the S-REP-22-3 project. In particular, Chapter II of the order, 'Child Development and Education,' was authored by researchers to guide educators in understanding children's developmental and educational characteristics. Specifically, Points 12.1 to 12.6 outline the childhood developmental processes that establish the foundations for education, emphasising that quality education fosters the maturation of the body and brain, promoting overall child development. Point 13 of Ministerial Order No. V-1142 highlights that the program is designed to meet and enrich the basic needs of every child.

Additionally, point 49 specifies that the curriculum developed by ECEC institutions must include several interrelated components: general provisions; principles of pre-school education; aims, objectives, and outcomes; content, process, and educational environment; and children's educational progress and continuity. According to Point 49.1, the general provisions should encompass an approach to the child and their education; articulate the values underlying the

education; describe the needs of the children; consider the needs of parents (guardians) and the local community; reflect regional particularities; and capture the school's unique characteristics.

Chapter II of the Annex to Ministerial Order No. V-1142 also outlines eighteen areas of achievement, each broken down into six developmental steps reflecting consistent growth. The association between a child's achievement steps and age is conditional, acknowledging that each child is unique, with varying developmental paces and educational experiences. Consequently, children of the same age may exhibit different levels of achievement. Monitoring these achievements enables teachers and educational support professionals to recognise each child's developmental differences, needs, and pace—whether rapid progression or persistence at a particular achievement step— while ensuring that the provision of education is based on the individual child development.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 107 Entry into force of the Law on Adult Education establishing a coordinated lifelong learning system (LLL) model and setting out the principles for the functioning

Related Measure: D.1.2 Access to the development of competences and the recognition of qualifications for adults

Qualitative Indicator: Provision in the legislation indicating the entry into force of the legislation

Time: Q3 2022

1. Context:

The objective of the measure is to put in place a unified model for the functioning and governance of the life-long learning (LLL) framework. All information shall be available in a single IT system. The system shall contain only programmes that meet applicable quality standard and shall contain a mechanism to identify programmes for acquiring high value-added competences. It shall ensure that higher education programmes are also offered in the LLL framework, which shall also allow high skilled people to participate in competence development programmes. The governance of the LLL system shall be carried out through the National Human Resources Monitoring Commission. On the basis of the national human resources monitoring system, decisions shall be taken on priority groups of people with access to training funding, as well as on priority programmes/axes to be addressed. The legislation shall enter into force by 30 September 2022.

The one-stop-shop model for lifelong learning shall consolidate a fragmented framework for adult skills development, with clear roles and responsibilities for all actors and operational funding mechanisms. Given that there is currently no single electronic system in the country where individuals may find information on learning/capacity development opportunities, the aim is to create an electronic one-stop-shop for information. The development of the electronic system shall be based on the principle of an "individual learning account" and shall allow not only to find information on learning opportunities, but also to register directly in the programmes, and to provide a clear communication tool on the measures proposed by the State to develop competences. This one-stop-shop electronic system shall also be integrated with other electronic systems, such as the Employment platform. The one-stop-shop lifelong learning system shall be fully operational by 31 March 2023.

Competence development shall focus on the target group of employed persons (18-65) with a priority for the low-skilled and support/administration shall be based on the principle of "individual learning accounts", encompassing both the IT service to access training, and the financing of adult learning. At least 21.6 thousand people are expected to be supported to improve – among others their digital skills. The sub-measure shall be completed by 30 June 2026.

Milestone 107 concerns of the entry into force of legislation enshrining the lifelong learning (LLL) model in the Law on Adult Education. The legislation shall describe the governance and monitoring elements of the LLL system.

Milestone 107 is the first step of the implementation of the reform, and it will be followed by milestone 108 related to the entry into service of the lifelong learning (LLL) IT system and target 109 related to the training of 21 600 persons. The reform has a final expected date for implementation in Q2 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document. | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Resolution No. 200 of the Government of the Republic of Lithuania on the Law No VIII-822 on non-formal adult education and continuing learning. Entry into force: 31 March 2023. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.60192/asr | It approves the draft law on the amendment of Articles 2, 4, 7, 9, 10, 11, 13, 15, 16, 17 of the Law of the Republic of Lithuania on Non-formal Adult Education and Continuing Education No VIII-822 of the Republic of Lithuania and to supplement the Law with Article 9-1 and submit it to the Seimas of the Republic of Lithuania. |
| 3 | Law No. XIV-1932 amending Law No. VIII-822 of the Republic of Lithuania on non-formal adult education and continuing education of the Republic of Lithuania. Entry into force: 01 December 2023. https://www.e-tar.lt/portal/legalAct.html?documentId=96c19810f32611ed9978886e85107ab2 | It amends Articles 2, 4, 7, 8, 9, 10, 11, 13, 15, 16, 17 and supplements Article 9-1 in the Law No. VIII-822. |
| 4 | Law No. VIII-822 on non-formal adult education and continuing learning. Entry into force: 1 December 2023. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.60192/asr | It incorporates the amendments Articles 2, 4, 7, 8, 9, 10, 11, 13, 15, 16, 17 and the new Article 9-1 as set out by No XIV-1932. |
| 5 | Resolution No. 162 of the Government of the Republic of Lithuania. Entry into force: 25 February 2016. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/d713d051dbbd11e59019a599c5cbd673/asr | It approves the description of the National Human Resources Monitoring Framework, including the establishment of a Government Commission for the coordination of national human resources monitoring and its tasks |
| 6 | Ministerial Order No. V-599 of the Minister for Education, Science and Sport of the Republic of Lithuania. Entry into force: 28 April 2023. https://www.e-tar.lt/portal/lt/legalAct/c93707e0e4d411ed9978886e85107ab2 | It adopts the model description of the system of individual learning accounts (ILA). |
| 7 | Government Resolution No. 819 of the Republic of Lithuania. Entry into force: 28 October 2023. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/7cfd868674b011eeadbcc0bf53e6c339?positionInSearchResults=0&searchModelUUID=8a40002e-a0d5-4f51-8bf0-4fb74ac57845 | It approves: <ul style="list-style-type: none"> the list of ministries and the non-formal adult education and continuing learning financing measures administered by them to be included in the system of individual learning accounts, the list of the priority areas of the publicly financed programmes provided in the system of individual learning accounts, as well as the priority groups of individuals to be |

| | | |
|----|--|---|
| | | participants of the ILA system. |
| 8 | Employment Law No. XII-2470 of the Republic of Lithuania. Entry into force: 1 July 2017. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/b9ca8ad03de611e68f278e2f1841c088/asr | It provides the definition of 'employed person' which is relevant in relation to the target groups. It also describes the acquisition of high value-added qualifications and competences, and the definition of such competences. |
| 9 | Resolution No.764 of the Government of the Republic of Lithuania. Entry into force: 26 July 2019. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/8ca1c4b1aee011e9b43db72f2154cfa0 | It provides the definition of qualifications levels which is relevant in the context of the identification high value competences for the ILA system. |
| 10 | Ministerial order No. V-1218 of the Minister of Education, Science and Sport of the Republic of Lithuania. Entry into force: 19 September 2023. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/0e2168e2565a11ee8e3cc6ee348ebf6d/asr | It describes the procedure for quality assurance of non-formal adult education and continuing learning programmes published in the individual learning accounts system, defining learning programme requirements, evaluation of learning programmes as well as monitoring of the implementation of the learning programmes published in the ILA system. |
| 11 | Ministerial order No. 289 of the Minister of Education, Science and Sport of the Republic of Lithuania. Entry into force: 25 April 2017. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/7f369150292911e79f4996496b137f39?ifwid=-fa58h42s9 | It adopts the general principles for the assessment and recognition of competences acquired through non-formal and informal learning related to higher education in higher education institutions. |
| 12 | Ministerial Order No. V-1515 of the Minister of Education, Science and Sport of the Republic of Lithuania. Entry into force: 30 November 2023. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/35c620a08ef611eea791d94269904d9b?positionInSearchResults=0&searchModelUUID=b9a572a4-9d49-4cdb-9508-f610740af836) | It approves the procedures for the administration of the individual learning accounts system and the financing of persons seeking to improve and/or acquire competences through the system as well as the procedures for the organisation of the call for tenders to receive the financing of the participation in the programmes of non-formal adult education and continuing learning |

3. Analysis:

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

Entry into force of the legislation on the Lifelong Learning (LLL) model which shall be enshrined in legislation and amendments to the Law on Adult Education enter into force, enshrining the functioning of the LLL model:

Lithuania has adopted new legislation on the Lifelong Learning model by adopting Ministerial order No. V-1218 of the Minister of Education, Science and Sport of the Republic of Lithuania, which entered into force on 19 September 2023, the day following the signature of the order by the Minister, in accordance with the national legal framework. The Ministerial order describes the procedure for quality assurance of non-formal adult education and continuing learning programmes

published in the individual learning accounts system, defining learning programme requirements, evaluation of learning programmes as well as monitoring of the implementation of the learning programmes published in the ILA system.

Lithuania has also amended the Law No. VIII-822 on Non-formal Adult Education and Continuing Education enshrining the functioning of the LLL model with the Law No XIV-1932, amending Law No. VIII-822 on Articles 2, 4, 7, 8, 9, 10, 11, 13, 15, 16, 17 and supplementing it with the new Article 9-1, which entered into force on 1 December 2023 as per Article 13.

The governance and monitoring elements of the LLL system, including:

- **the Human Resources Monitoring Commission and its functions,**

The National Human Resource Monitoring Commission was set up in 2016.

The Commission's new function in relation to Life Long Learning (LLL) model is set out in the new Article 9-1(5) of the Law No. VIII-822 on non-formal adult education and continuing learning, which establishes that the commission set up by the Government is in charge for the coordination of the implementation of the national monitoring of human resources and it shall present recommendations to the Minister of Education, Science and Sport.

- **a permanent working group at technical level on the overall coordination of activities carried out by ministries,**

The new Article 9-1 of Law No. VIII-822 on non-formal adult education and continuing learning (describes the Individual Learning Accounts (ILA) system and its main operating principles, including the establishment of a permanent working group at technical level on the overall coordination of activities carried out by ministries. More in detail, Article 9-1 part 4 establishes that the Minister of Education, Science and Sport shall establish a Management group, approving its regulations and composition, to manage the Individual Learning Accounts system.

- **the principles of the LLL IT system (based on the model of individual learning accounts),**

The new Article 9-1 of Law No. VIII-822 on non-formal adult education and continuing learning describes the ILA system and its main operating principles which include unification, inter-institutionalisation and a single-window principles. The LLL IT system is based on the model of individual learning accounts as described in the Order No. V-599 of the Minister for Education, Science and Sport of the Republic of Lithuania on the approval of the model description of the system of individual learning accounts. More in detail, Article 9-1 part 1 describes the principles of the LLL IT system as a system of Individual Learning Accounts, which is a unified interinstitutional system operating on a single-window principle, where proposals for learning are provided based on non-formal adult education and lifelong learning programmes, opportunities to apply for state-instituted funding for non-formal adult education and lifelong learning programmes, and vocational guidance services for individuals seeking to improve or acquire competencies. Additionally, in the Individual Learning Accounts system, the funding allocated by all institutions operating in the non-formal adult education and lifelong learning system is consolidated, and information is managed about non-formal adult education and lifelong learning programmes and acquired competencies.

- **the funding elements,**

Amended Article 17(4) of Law No. VIII-822 on non-formal adult education and continuing learning sets out the allocation of state funding for individuals using the ILA system, specifying the sources of funding for non-formal adult education and continuing learning, the use of funds from the State Budget and municipal budgets, including the condition for which state funding is allocated to individuals if they fall into the priority groups in accordance with the procedure established in Article 9-1, Point 5 of the same law.

Moreover, Article 9-1 part 3 of Law No. VIII-822 on non-formal adult education and continuing learning states that the Minister of Education, Science and Sport, in consultation with the Minister of Social Security and Labour and the Minister of Economy and Innovation, establishes the procedure for administering the Individual Learning Accounts system and the financing of individuals seeking to improve or acquire competencies through this system, as well as the procedure for organizing the competition for funding to participate in non-formal adult education and lifelong learning programmes. The information system of Individual Learning Accounts is administered by an institution authorized by the Minister of Education, Science and Sport.

Ministerial Order No. V-1515 implements Law No. VIII-822, Article 9-1 part 3, defining the procedures for the administration of the Individual Learning Accounts system and for the funding of persons seeking to develop and/or acquire competences through this system, and for the organisation of a call for applications for funding to participate in non-formal adult education and continuing learning programmes.

- **the principles for the identification of target groups and programmes,**

The principles for the identification of that target groups and programmes have been included in the Law No. VIII-822 on non-formal adult education and continuing learning, and they establish that the government of Lithuania shall select every two years the target groups and programmes, on the basis of the conclusions and recommendations by the Commission on Human Resources Monitoring, which in turn draws its conclusions on the basis of the report by the Management group. Indeed, the new Article 9-1 of Law No. VIII-822 on non-formal adult education and continuing learning sets out the principles for the identification of target groups and programmes.

Moreover, Government resolution No. 819, which entered into force 28 October 2023, establishes the target groups for participation in the Individual Learning Accounts system is defined as those who meet all of the following criteria:

- Employed persons who meet at least one of the criteria referred to in Article 3(1)(1) and (2) of the Law on Employment of the Republic of Lithuania, therefore a person who is employed or has a legal relationship equivalent to an employment relationship, is a self-employed person, or engages in unpaid employment activities.
- Persons who have acquired qualifications, higher education and higher education qualifications, and/or foreigners with documents certifying high professional qualifications.
- Persons aged between 18 and 65 who are citizens of the Republic of Lithuania or foreigners holding a document granting or confirming the right of residence in the Republic of Lithuania.

Resolution No. 819 also establishes the priority learning programmes:

1. Strengthening digital competences.
2. Mathematical competence and the strengthening of competence in science, technology and engineering.
3. Strengthening entrepreneurial competences.

4. Strengthening competences in multilingualism.
5. Personal, social and learning to learn competences.
6. Literacy competence.
7. Strengthening citizenship competence.
8. Competence in cultural awareness and expression.

- **mechanism for identifying high added value competences,**

The new Article 9-1 of Law No. VIII-822 on non-formal adult education and continuing learning sets out in part 2 the quality principles of the ILA system, including a provision that high added value competences learning programmes will be published in the ILA system, also providing a link to the Employment Law of the Republic of Lithuania.

The list of high added value competences and the relative approval procedure is defined in Article 39-3 part 2 of the Employment Law No. XII-2470 of the Republic of Lithuania, which entered into force on 1 July 2017. The list is approved by the Director of the Employment Service, and it shall include qualifications corresponding to no lower than level IV of the Lithuanian Qualification Framework and competences supporting these levels of qualifications, if the qualifications and competences are related to investment in research, experimental development and innovation and to the priority directions of development of Lithuanian RDI determined by the Government of the Republic of Lithuania.

The criteria for the complexity, autonomy and variability of qualification activities for each level of qualification are defined in the Resolution of the Government of the Republic of Lithuania No.764 of 24 July 2019 'On the Approval of the Structure of Qualifications'. The qualification level IV is defined as follows: *'The qualification is intended for activities consisting of actions and operations in a relatively wide range of areas of activity. The activity is carried out in the framework of a number or more specialized operational tasks, the possible solutions of which are not always tested and known. When performing activities, one is able to apply factual and theoretical knowledge, which is characteristic of a wide context related to the field of activity. The activity is carried out independently, taking responsibility for the quality of the procedures and results of performing activities. Having gained professional experience of a specified duration, qualifications make it possible to transfer practical operational skills to lower-skilled workers and supervise their activities. The operating environment requires the ability to adapt to changes caused by a change in the context of the activity, which is usually predictable'*.

- **the quality assurance and**

The amended article 10 of Law No. VIII-822 on non-formal adult education and continuing learning describes the quality assurance system for non-formal adult education, in particular, part 3 specifies quality assurance procedures regarding the ILA system: *'Article 10. Quality assurance in non-formal adult education and continuing learning*

1. The quality of non-formal adult education and continuing learning shall be the responsibility of the provider of non-formal adult education and continuing learning and of the entity exercising the rights and responsibilities of the owner (i.e. the board).

2. The quality of non-formal adult education and continuing learning shall be ensured through monitoring of non-formal adult education and continuing learning, surveys, as well as evaluation and external evaluation of non-formal adult education and continuing learning providers.

3. The procedure for quality assurance of non-formal adult education and continuing education programmes published in the system of individual learning accounts shall be established by the Minister of Education, Science and Sport.

The procedure for quality assurance of non-formal adult education and continuing learning programmes published in the individual learning accounts system is described in Ministerial Order No V-1218 of the Minister of Education, Science and Sport of the Republic of Lithuania 'On the Approval of the Description of the Procedure for Quality Assurance of Non-formal Adult Education and Continuing Learning Programmes Published in the Individual Learning Accounts System', which entered into force on 19 September 2023, defines the learning programme requirements, the evaluation of learning programmes as well as the monitoring of the implementation of the learning programmes published in the ILA system. In short, there are two procedures: the simplified procedure for accredited institutions, with only one step (initial assessment by experts from the Centre for the Development of Qualifications and Vocational Training); and the more complex one for all other learning providers, with two steps (initial assessment by experts from the Centre for the Development of Qualifications and Vocational Training and evaluation by content evaluators from the Centre for the Development of Qualifications and Vocational Training). The object of evaluation is the learning programme, not the learning provider.

More in detail, Ministerial Order No V-1218 establishes that the Centre for the Development of Qualifications and Vocational Training is responsible for quality assurance in non-formal adult education and continuing learning. This entails, first, that all learning programmes submitted for publication in the ILA system are subject to an initial assessment by experts from the Centre for the Development of Qualifications and Vocational Training, who assess whether the information provided in the Learning Programme meets the criteria for the initial assessment of learning programmes. Learning programmes, submitted by a higher education institution, a vocational education and training institution with vocational training as its principal activity, or another accredited institution are allowed to be published after this first step. Second, learning programmes, submitted by learning providers other than those mentioned above, must be evaluated by content evaluators from the Centre for the Development of Qualifications and Vocational Training.

- **The elements of the system for the recognition of competences.**

The amended Articles 7 and 11 of the Law No. VIII-822 on non-formal adult education and continuing learning refer to the recognition of competences and the relative procedure:

'Article 7. Links between formal and non-formal adult education

Schools providing formal education programmes:

(1) may run non-formal adult education programmes;

(2) provide information and advice to interested persons on their non-formal adult education programmes and on the recognition of competences acquired through non-formal education and informal learning.'

'Article 11. Recognition of competences acquired through non-formal and informal learning

Competences acquired through non-formal education or informal learning may be recognised as part of a completed formal education programme (other than a study programme) or as part of a study programme in accordance with the procedure laid down by the Minister for Education, Science and Sport.'

The procedure for recognition of competences is further explained in Ministerial order No. 289 of the Minister of Education, Science and Sport of the Republic of Lithuania of 24 April 2017 'On the adoption of general principles for the assessment and recognition of competences acquired through non-formal and informal learning related to higher education in higher education institutions', which sets out the general principles of recognition. More in detail, it stipulates that higher education institutions (HEIs) shall carry out the assessment and recognition of competences acquired by

individuals in accordance with their own procedures, in accordance the principles of accessibility, flexibility, transparency and objectivity, comparability. The document recommends that HEIs organise the process of assessment and recognition of acquired competences in phases: Information, Consultation, Assessment, Decision.

Furthermore, in line with the description of the measure, **it shall ensure that higher education programmes are also offered in the LLL framework, which shall also allow high-skilled people to participate in competence development programmes**

The new Article 9-1 of Law No. VIII-822 on non-formal adult education and continuing learning sets out in part 2 the quality principles of the ILA system, which enable the higher education institutions (universities and college) to participate in the ILA system. Moreover, according to current data, the ILA online platform (www.kursuok.lt) currently includes more than 110 active learning programmes provided by universities and colleges.

Furthermore, in line with the description of the measure, **the legislation shall enter into force by 30 September 2022.**

Please refer to the analysis above for the entry into force of the legislation required by the milestone description. The Council Implementing Decision required that the legislation on the Lifelong Learning model entered into force by 30 September 2022. The Ministerial order No. V-1218 and Law No. XIV-1932 have both entered into force after 30 September 2022. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the legislation on the Lifelong Learning model had entered into force at the time of the assessment.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 115 Entry into force of the amendment to the law on Vocational Training on Centres of Excellence in Vocational Education and Training

Related Measure: D.1.4 Competences for Green and Digital Transformation Acquired in Vocational Education and Training”

Qualitative Indicator: Entry into force of the legislation

Time: Q4 2022

1. Context:

The reform consists of five sub-measures: 1. Establishment of the National Platform for the progress of vocational education and training 2. Assessment of competences 3. Apprenticeship and work-based learning 4. Mobility programme 5. More opportunities to acquire profession for school pupils.

Milestone 115 belongs to sub-measure 2: Assessment of competences and aims to improve the recognition of competences acquired in formal and non-formal settings. To this end, amendments to the Law on Vocational Training and to the implementing legislation shall be sought to designate 18 competence assessment centres to pool knowledge through networking with sectorial training centres in the same field.

Milestone 115 consists of the entry into force of the amendments to the Law on Vocational Training which shall establish the power of the Minister for Education, Science and Sport to appoint providers of vocational training to implement the assessment and recognition of formally, non-formally or informally acquired competences at level 4 of the European Qualifications Framework. The implementing legal acts shall lay down the accreditation requirements and accreditation procedure for such competence assessment centres, as well as a unified methodology for competence assessment to be applied by such centres.

Milestone 115 is the single milestone in the implementation of sub-measure D.1.4.2.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document. | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Law No. XIV-1732 of the Republic of Lithuania Republic of Lithuania of 22 December 2022. Entry into force on 1 September 2023. (https://www.e-tar.lt/portal/legalAct.html?documentId=66ac76508c0f11ed8df094f359a60216) amending Law on vocational education and training No. VIII-450 of 14 October 1997 (https://www.e-tar.lt/portal/lt/legalAct/TAR.44FA08A7226F) | It amends the Law on vocational education and training No. VIII-450, amending articles 2, 6, 7, 13, 14, 17, 18, 20, 23, 26, 28, 29, 32, 33, 35, 36, 38, 39 and repealing article 11, thereby empowering the Minister of Education, Science and Sports to approve general plans and procedures for both formal and non-formal vocational education and training and to appoint vocational education institutions |
| 3 | Ministerial order No. V-1294 of 4 October 2023. Entry into force on 5 October 2023. (https://www.e-tar.lt/portal/legalAct.html?documentId=66ac76508c0f11ed8df094f359a60216) | It amends order No V-15 of the Minister of Education, Science and Sport of 14 January 2015, thereby approves the description of the assessment procedure |

| | | |
|---|--|---|
| | tar.lt/portal/lt/legalAct/fc5c5fb062bc11eebc77e58877a83c4e) amending Ministerial order No. V-15 of 14 January 2014 (https://www.e-tar.lt/portal/lt/legalAct/43f8cf209cc411e48dcdae4eb2005eaf) | of a person's acquired competencies. |
| 4 | Ministerial order No. V-575 of 20 May 2024 of the Minister of Education, Science and Sport of the Republic of Lithuania. Entry into force on 20 May 2024. (Not published, submitted in FENIX) | It establishes a Working Group in charge of submitting proposals to the Minister for Education, Science and Sport by 1 June 2024 for the designation of vocational training institutions. |
| 5 | Ministerial order No V-652 of 4 June 2024 of the Minister of Education, Science and Sport of the Republic of Lithuania. Entry into force on 1 September 2024. https://www.e-tar.lt/portal/lt/legalAct/e4eaeed0224e11efbdaea558de59136c | It appoints institutions of vocational education and training to assess the practical part (Skills) of the competences of level 4 and 5 qualifications. |

3. Analysis:

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

Entry into force of the amendments to the Law on Vocational Training which shall establish the power of the Minister for Education, Science and Sport to appoint providers of vocational training to implement the assessment and recognition of formally, non-formally or informally acquired competences at level 4 of the European Qualifications Framework.

Law No. XIV-1732 amends the Law on vocational education and training No. VIII-450 which entered into force on 1 September 2023 according to Article 21(1). More in detail, Article 12 of the Law No. XIV-1732 amends the Law on vocational education and training no. VIII-450 by replacing Article 26(2), thereby empowering the Minister of Education, Science and Sports to approve general plans and procedures for both formal and non-formal vocational education and training and to appoint vocational education institutions for the evaluation of the practical part (skills) of the competences of level 4 and 5 qualifications.

Furthermore, the related Ministerial order No. V-1294, which entered into force on 5 October 2023, in point 2 explains that the procedure for assessing the competences acquired by a person for qualifications of level I to V applies to people that have completed a formal vocational education and training program; or have acquired the competences that make up the qualification by studying according to a non-formal vocational education and training programme or part of a programme (module), by means of work experience or self-education. Notably, Ministerial order No. V-1294 in point 12 also establishes that the Minister of Education, Science and Sports appoints Competence Assessment Centres to implement the assessment of the practical part (skills) of the competences of 4-5 level qualifications in fields of education.

The implementing legal acts shall lay down the accreditation requirements and accreditation procedure for such competence assessment centres, [...]

Paragraph 2 of Ministerial order No. V-575 defines the **accreditation requirements**, specifically establishing that for vocational education and training institutions to be selected as competence assessment centres they shall:

1. have a sectoral practical training centre, except for sectors to which no sectoral practical training centre has been assigned;
2. have the means for cooperation and networking with other vocational training institutions and social partners;
3. conduct formal vocational training programmes in the relevant field of education;
4. demonstrate to have both sufficient practical training facilities and adequate administrative and human resources. Specifically, the institution must have an appropriate material base, which includes the necessary equipment and infrastructure for individuals to perform practical tasks during their assessment. Additionally, the institution must possess adequate administrative and human resources capable of organizing and managing the competence assessment process. This includes having a sufficient number of qualified staff to handle the logistical and operational aspects of assessments, which can vary depending on the number of programmes offered and the volume of graduates being assessed.

The **accreditation procedure** consists of:

- 1) the working group (which was established by Ministerial order No. V-575, paragraph 2) tasked to present proposals to the Minister of Education, Science and Sport by 1 June 2024, regarding the accreditation of vocational education institutions for the assessment of practical competencies (skills) at levels 4 and 5, based on the accreditation requirements defined in Paragraph 2 of Ministerial order No. V-575;
- 2) the Minister of Education, Science and Sport appoints Competence Assessment Centres according to educational areas or sub-areas, taking into account the proposal of the working group.

[...] as well as a unified methodology for competence assessment to be applied by such centres.

Chapter IV: Implementation of Competence Assessment of the Ministerial order No. V-1294 outlines in Articles 29-50, the unified methodology for competence assessment to be applied by competence assessment centres, by defining the essential steps and requirements.

More in detail, it requires the competence assessment process to be articulated in two parts, the theoretical part and the practical part. The theoretical part shall be conducted electronically at a VET provider with necessary computer equipment, supervised by at least two employees not previously involved with the students, with immediate publication of results. The practical part follows within 10 days, held at the Competence Assessment Centre for levels 4 and 5, lasting up to 6 hours, with materials and equipment prepared, and assessed by a commission of three qualified assessors. General procedures ensure impartiality, address special needs, mandate identity verification and prohibit late arrivals and disruptive behaviour, ensuring a structured and fair evaluation process.

Furthermore, in line with the description of the measure, **amendments to the Law on Vocational Training and to the implementing legislation shall be sought to designate 18 competence assessment centres which shall eventually become methodological centres in the field of education to pool knowledge through networking with sectorial training centres in the same field.** In accordance with the amended Article 26(2)(6) of the Law on Vocational Education and Training No. VIII-450 and taking into account the proposal of the working group established by Ministerial order No. V-575, with Ministerial order No. V-652 (effective from 1 September 2024 as per Article 2),

the Minister of Education, Science and Sport has appointed 18 Competence Assessment Centres according to educational areas or sub-areas.

| Order number | Name of the field of education and subdomain | Vocational training institution/ competence assessment centre |
|--------------|---|---|
| 1. | In the field of architecture and construction education | Vilnius Construction Training Centre |
| 2. | Production and processing education (Oblast: Material science (glass, paper, plastics, wood)) | Kaunas Technology Training Centre |
| 3. | Production and processing education (Oblast: Textiles (clothing, footwear and leather)) | Klaipėda Technology Training Centre |
| 4. | In the field of information and communication technology education (Oblast: Computer application and computer literacy) | Vilnius Technology and Engineering Training Centre |
| 5. | Information and communication technology education (sub-areas: Design and administration of databases and networks, development and analysis of software, applications) | Kaunas School of Information Technology |
| 6. | Engineering and engineering professions in education (sub-areas: Electronics and automation) | Visaginas Technology and Business Vocational Training Centre |
| 7. | Engineering and engineering professions in education (sub-areas: Environmental technologies, mechanics and metal works) | Vilnius Technology and Engineering Training Centre |
| 8. | Engineering and engineering professions in education (sub-areas: Chemical engineering, Electricity and Energy) | Alytus Centre for Vocational Education and Training |
| 9. | In the field of education in the engineering and engineering professions (Oblast: Motor vehicles, vessels and aircraft) | Vilnius School of Automechanical and Business |
| 10. | In the field of arts education | Kaunas School of Applied Fine Arts |
| 11. | Personal services in the field of education (sub-areas: Travel, tourism and recreation, domestic services, nursing and beauty care) and Safety services education | King Mindaugas Centre for Vocational Training |
| 12. | Personal services in the field of education (Oblast: Hotel and catering services) and Production and Processing Education (Subsidiary: Food technology) | Kaunas Food Industry and Trade Training Centre |
| 13. | Health education and social welfare education | King Mindaugas Centre for Vocational Training |
| 14. | Transport Services Education and Business and Administration Education (Subsidiary: Organisation of work) | Kaunas Technology Training Centre |
| 15. | Business and administration education (sub-areas: Accounting, Wholesale and Retail, Finance, Banking and Insurance) | Centre for Business and Hospitality Professional Careers |
| 16. | Business and administration education (sub-areas: Management and administration, administration of | King Mindaugas Centre for Vocational Training |

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| | the Bureau) | |
| 17. | In the field of agricultural education | King Mindaugas Centre for Vocational Training |
| 18. | Forestry education and fisheries education | Šilutė Vocational Training Centre |

Changes in the legislation establish a clear framework for competence assessment centres to eventually become methodological centres within the field of education. Specifically, Ministerial Order No. V-575 point 2 sets an accreditation standard requiring vocational education and training institutions to have the capacity for cooperation and networking with other institutions and social partners, which is essential for these centres to pool knowledge and best practices across their respective sectors. This collaborative approach is further reinforced by the Ministerial order No. V-1294 which amended Ministerial order V-15 Point 14, explicitly allowing competence assessment centres to enter into agreements with other professional training providers for the assessment of practical competences. Such provisions promote the formation of robust networks, enabling the exchange of expertise and resources. Finally, the process is overseen by the Qualifications and Vocational Education and Training Development Centre (the qualifications management authority referred in Point 14 of Ministerial order No. V-1294), which coordinates and facilitates the creation of these networks, ensuring that competence assessment centres are well-equipped to take on a leading role in the development and dissemination of educational methodologies, thus fulfilling their potential as methodological centres.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 129 Entry into force of the renewed framework of incentives for business to invest in R&D

Related Measure: E.1.2 Effective implementation of innovation policy, increased demand for innovation, developed start-up ecosystem and green innovation development

Qualitative Indicator: Legislation entered into force

Time: Q4 2022

1. Context:

The objective of the reform is to increase the efficiency of the innovation policies in Lithuania by revising the institutional set-up, creating a legal framework for R&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).

Milestone 129 is part of sub-measure E.1.2.1 that foresees the establishment of a single innovation agency and the establishment of a coherent science-business cooperation framework. To this end, Milestone 129 concerns the entry into force of revised rules for support for R&D measures on the basis of recommendations of a conducted study on R&D incentives for businesses. These revised rules should reduce gaps and overlaps between different R&D support measures, harmonize the support measures mix by setting up clear logical connections between various funding instruments, as well as funding instruments and various innovation support services.

Milestone 129 is the third and last milestone of sub-measure E.1.2.1, and it follows the completion of milestone 127, related to the set up the Innovation Agency, and milestone 128, related to entry into force of the revised legislation on innovative activities.

2. Evidence provided:

| | Name of the evidence | Short description |
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| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Feasibility study on incentives for business to invest in R&D&I, prepared by Smart Continent LT, JSC, dated 19 April 2023. | The feasibility study on incentives for business to invest in R&D&I reviews the innovation incentive system, analyses and evaluates the existing support measures (financial, acceleration, etc.) implemented so far, either through the state budget or under the 2021-2027 EU Funds Investments Programme (hereinafter referred to as ESFIP), identifies gaps in the system, potential duplication of incentives for innovative business and, on the basis of the analysis, draws up solutions for the optimisation of the innovation system and proposes amendments to 20 legislative acts which |

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| | | would enable the transition to a single, coherent system of incentives to promote innovative activity. |
| 3 | Copy of the Amendment No. 4-339 of the Minister of the Economy and Innovation to Order No. 4-1128 on the Approval of the Description of the Procedure for the Granting and Administration of Subsidies to Enterprises under the Measures “To Promote the Development of the Space Sector in Lithuania” and “To Participate in International and National R&D and Innovation Programmes” (hereinafter referred to as Amendment No. 4-339). Link to the publication in the Register of Legal Acts: TAR 23/06/2023, No. 12625 . Entry into force: 24 June 2023. | Amendment to Ministerial Order. The amended description aims at encouraging Lithuanian companies to participate in international events where they would familiarise themselves with international R&D&I programmes, develop their capacity to prepare international project applications, find partners from foreign countries to participate in R&D&I programmes, and organise further events (consortium meetings) dedicated to the preparation of international R&D&I project applications. |
| 4 | Copy of Order No. 4-333 of the Minister of the Economy and Innovation on the Approval of the Description of the Procedure for the Granting and Administration of Subsidies to Promote the Participation of Enterprises in Important Projects of Common European Interest (IPCEI) (hereinafter referred to as Order No. 4-333). Link to the publication in the Register of Legal Acts: TAR 23/06/2023, Nr. 12620 . Entry into force: 24 June 2023. | Ministerial Order. The description approved by the Order aims at helping enterprises operating in the priority sectors of R & D & I (Smart Specialisation) to prepare for participation in and join IPCEI. |
| 5 | Copy of Order No. 4-856 of the Minister of the Economy and Innovation on the approval of the development concept of the Lithuanian space sector (hereinafter referred to as Order No. 4-856). Entry into force: 11 July 2022. | Ministerial Order. The concept approved by the Order defines the most important provisions for the development of the competitive Lithuanian space sector, the implementation of which seeks to improve the international competitiveness of scientific research and experimental developments in space and space-related areas, the development of new technologies and products in these areas, and competitive, high value-added services. |
| 6 | Copy of Order No. 4-816 of the Minister of the Economy and Innovation of on the approval of the development concept of the Lithuanian start-up ecosystem (hereinafter referred to as Order No. 4-816). Entry into force: 8 June 2022. | Ministerial Order. The concept approved by the Order contains provisions to increase the international competitiveness of Lithuanian start-ups in the field of research and experimental development, create conditions for start-ups to develop innovative solutions, and promote cooperation between business and science, for example via acceleration programmes. |
| 7 | Copy of Order No. 4-420 of the Minister of the Economy and Innovation on the approval of the description of the procedure | Ministerial Order. The Order approves the procedure for granting subsidies to promote bilateral cooperation in the field of R&D |

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| | for the allocation and administration of subsidies intended for participation in R&D projects supported by bilateral cooperation programs (hereinafter referred to as Order No. 4-420). Link to the publication in the Register of Legal Acts: TAR 24/07/2023, Nr. 15058 . Entry into force: 25 July 2023. | through the innovation promotion fund. It aims to strengthen the capabilities of companies to join international R&D programmes by supporting market-oriented international level R&D projects. |
| 8 | Copy of Order No. 4-969 of the Minister of the Economy and Innovation on the approval of the description of the implementation procedure for re-certification of products of Lithuanian origin (hereinafter referred to as Order No. 4-969). Link to the publication in the Register of Legal Acts: TAR 05/09/2022, Nr. 18289 . Entry into force: 6 September 2022. | Ministerial Order. The Order approves the re-certification description of products of Lithuanian origin, establishes the procedure for submitting and evaluating applications for financing as well as the procedures for supervising the allocation of financing and the use of the allocated financing, which determine the requirements to be followed by natural and legal persons operating in the manufacturing industry and seeking to receive financing of Lithuanian origin for the re-certification of products. |
| 9 | Copy of Order No. 4-436 of the Minister of Economy and Innovation on the approval of the description of the procedure for the allocation and administration of supporting subsidies for the development of targeted competences (hereinafter referred to as Order No. 4-436). Link to the publication in the Register of Legal Acts: TAR 04/08/2023, Nr. 15824 . Entry into force: 5 August 2023. | Ministerial Order. The Order approves the procedure for awarding subsidies intended to encourage the activities of small and medium-sized business entities. This consists of investment in services or goods aimed at digitalisation or optimisation related to production or service provision. |
| 10 | Copy of Order No. 4-1154 of the Minister of the Economy and Innovation on the approval of the description of the procedure for the allocation and administration of subsidies under the measure "Participating in international and national R&D and innovation programs" for the promotion of partnership activities of the European Union's general research and innovation programme "Horizon Europe" (hereinafter referred to as Order No. 4-1154). Link to the publication in the Register of Legal Acts: TAR 05/12/2022, Nr. 24738 . Entry into force: 6 December 2022. | Ministerial Order. The description approved by the Order aims to strengthen international cooperation in the field of technology and innovation and involvement in international scientific research and experimental development programmes. It would encourage legal entities registered in Lithuania to participate in and sign funding agreements for European Institute of Innovation and Technology Knowledge and Innovation Community (EIT KIC) membership and/or Horizon Europe partnership activities. |
| 11 | Copy of Order No. 4-364 of the Minister of Economy and Innovation on the approval of the description of the procedure for the allocation and administration of subsidies to promote the participation of Lithuanian start-ups in foreign events (hereinafter referred to as Order No. 4-364). Link to the publication in the Register of Legal Acts: TAR 30/06/2023, Nr. 13379 . Entry into force: 1 | Ministerial Order. The Order approves the procedure for awarding subsidies (such as acceleration programmes) intended to promote the internationalisation of Lithuanian start-ups, their establishment of contacts with foreign investors and/or potential partners, clients and the raising of their competence. |

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| | July 2023. | |
| 12 | Copy of Order No. 4-497 of the Minister of Economy and Innovation on the approval of the description of the procedure for the allocation and administration of subsidies aimed at promoting the participation of companies in international scientific research and experimental development and innovation diplomacy programs (hereinafter referred to as Order No. 4-497). Link to the publication in the Register of Legal Acts: TAR 07/09/2023, Nr. 17805 . Entry into force: 8 September 2023. | Ministerial Order. The Order approves the procedure for awarding subsidies (such as acceleration programmes) to encourage the participation of companies in international scientific research and experimental development and innovation diplomacy programmes. |
| 13 | Copy of Order No. 4-116 of the Minister of the Economy and Innovation on the approval of the description of Progress Measure No. 05-001-01-05-07 "Establishing a coherent system for promoting innovative activities" of the 2022-2030 Economic Transformation and Competitiveness Development Programme manager of the Republic of Lithuania Ministry of Economy and Innovation (hereinafter referred to as Order No. 4-116). Link to the publication in the Register of Legal Acts: TAR 27/02/2023, Nr. 3455 . Entry into force: 28 February 2023. | Ministerial Order. The description approved by the Order lays out the terms and conditions for financing of projects through the innovation promotion fund which promote SME international networking and involvement in R&D&I partnership networks. |
| 14 | Copy of Order No. 4-451 of the Minister of Economy and Innovation on the approval of the description of the Progress Measure No. 05-001-01-04-02 "Encouraging companies to transition towards a climate-neutral economy of the 2022-2030 Economic Transformation and Competitiveness Development Programme manager of the Republic of Lithuania Ministry of Economy and Innovation (hereinafter referred to as Order No. 4-451). Link to the publication in the Register of Legal Acts: TAR 17/08/2023, Nr. 16308 . Entry into force: 18 August 2023. | Ministerial Order. The description approved by the Order lays out the terms and conditions for financing of projects which promote the development and demonstration of innovative environment-friendly technology, i.e. promoting the production of sustainable products in industrial SMEs (Central and Western Lithuania region). |
| 15 | Copy of Law No. XIV-2296 of the Republic of Lithuania on Amendments to Articles 17 and 46 of the Law No. IX-675 on Corporate Income Tax (hereinafter referred to as Law No. XIV-2296). Link to the publication in the Register of Legal Acts: TAR 14/12/2023, Nr. 24166 . Entry into force: 1 January 2024. | Lithuanian Government Law. The Law provides for the extension of the R&D reliefs until 31 December 2028. |
| 16 | Copy of Order No. 4-1193 of the Minister of the Economy and Innovation on the amendment to the Order of 2022 July 22 No. 4-885 on the approval of the description | Ministerial Order. The description amended by the Order approves the financing conditions of the project to stimulate investment in new high added value product |

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| | of progress measure No. 05-001-01-05-07 "Establishing a coherent system for promoting innovative activities" of the 2022-2030 Economic Transformation and Competitiveness Development Programme manager of the Republic of Lithuania Ministry of Economy and Innovation (hereinafter referred to as Order No. 4-1193). Link to the publication in the Register of Legal Acts: TAR 21/12/2022, Nr. 26200 . Entry into force: 22 December 2022. | development activities and provide opportunities for researchers to participate in companies' scientific R&D activities, promote intellectual property, early trial production of new products created and preparation for the market (Region of Central and Western Lithuania). |
| 17 | Copy of Order No. 4-116 of the Minister of Economy and Innovation amending Order No. 4-460 on approval of the description of the procedure for the granting and administration of subsidies aimed at promoting the commercialisation of innovative products of enterprises (hereinafter referred to as Order No. 4-116 amending Order No. 4-460). Link to the publication in the Register of Legal Acts: TAR 01/03/2024, Nr. 3912) Entry into force: 2 March 2024. | Ministerial Order. The description amended by the Order ensures the continuity of the measure "InoČekiai". |
| 18 | Copy of Order No. R1-13-(1.3 E)2024 of the Director of the Public Institution Innovation Agency on the approval of the regulations of administrative units of the Public Institution Innovation Agency (hereinafter referred to as Order No. R1-13-(1.3 E)2024). Entry into force: 17 January 2024. | Administrative Order. The Order establishes the regulations of the units of the Innovation Agency. |
| 19 | Copy of Amendment to Order No. 1K-237 of the Minister of Finance approval on the implementation of the 2021–2027 EU Funds Investment Programme and the Recovery and Resilience Plan "Next Generation Lithuania" (hereinafter referred to as Amendment to Order No. 1K-237). Link to the publication in the Register of Legal Acts: TAR 22/06/2022, Nr. 13361 . Entry into force: 11 August 2022. | Amendment to Ministerial Order. The amendments concern the restructuring of the form of the description of the project financing terms and conditions (hereinafter referred to as PFSA) for the period 2021-2027. |
| 20 | Minutes from the Inter-institutional Working Group organised on 19 April 2024 by the Ministry of Finance. | Minutes from Inter-institutional meeting, in which the decision was made to delete one of the forms of the call for project implementation plans. |
| 21 | Copy of Order No. 4-15 of the Minister of Economy and Innovation on the amendment of Order No. 4-1219 of the Minister of the Economy and Innovation of 28 December 2022 on the approval of the Strategic Action Plan of the areas of the | Ministerial Order. This Order approves the reallocation of funds between the instruments of the Strategic Action Plan, considering the decisions taken at the meeting of the Strategic Planning Working Group held on 21 December 2022. |

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| | Minister of the Economy and Innovation of the Republic of Lithuania for years 2023-2025 (hereinafter referred to as Order No. 4-15). Entry into force: 12 January 2023. | |
| 22 | Recommendations of the Ministry of Finance for the regional allocation of expenditure for projects under ESFIP, published on 8 February 2023. | Ministerial Recommendations on allocation of project expenditures under the ESFIP to specific Lithuanian regions, based on various principles such as the location of the project's infrastructure, the location of the project activities and the location of the beneficiary of the project. |
| 23 | Copy of Order No. 1K-31 of the Minister of Finance amending Order. No 1K-237 of 22 June 2022 on the implementation of ESFIP and the Recovery and Resilience Plan "Next Generation Lithuania" (hereinafter referred to as Order No. 1K-31). Link to the publication in the Register of Legal Acts: TAR 13/08/2024, Nr. 14450 . Entry into force: 14 August 2024. | Ministerial Order. The Order amends the Rules for the administration of EU funds on the ES investicijos website, so that comments and suggestions can be submitted on the website. |
| 24 | Copy of Order No. R1-222-(1.3 E) of the Director of the Public Institution Innovation Agency amendment to Order No. R1-66-(1.3 E) of 17 March 2023 (hereinafter referred to as Order No. R1-222-(1.3 E)2024). Entry into force: 28 July 2023. | Administrative Order. The Order approves the recast list of positions of the Innovation Agency. |
| 25 | Copy of Order No. 4-274 of the Minister of Economy and Innovation on the approval of the operational strategy on the public institution Innovation Agency in 2023-2025 (hereinafter referred to as Order No. 4-274). Entry into force: 22 May 2023. | Ministerial Order. The Order approves the operational strategy to develop the innovation ecosystem. |
| 26 | Website of ES investicijos: https://esinvesticijos.lt | Website of Lithuanian Ministry of Finance listing calls for project implementation plans planned by ministries. |
| 27 | Website of Innovation Agency: https://inovacijuagentura.lt | Website of the Innovation Agency containing guidance on the completion of R&D documentation and information on the R&D ecosystem. |

3. Analysis:

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

The existing system of incentives for R&D has been revised, by implementing the recommendations of the conducted study on the R&D incentives for businesses.

Following a call for tenders by the Lithuanian Ministry of Economy and Innovation, the selected tenderer, Smart Continent LT, prepared a feasibility study on incentives for business to invest in

R&D&I on 19 April 2023. The feasibility study analysed the system of R&D incentives in Lithuania at the time: the support measures implemented under the State budget or under the ESFIP, tax incentives for business to invest in R&D&I, as well as the system, processes and legal framework for investment in R&D&I. On the basis of this, the study identified gaps and potential duplications and drew up solutions to optimise the R&D support system, in the form of a list of recommendations.

While several recommendations were deemed impractical or unfeasible to implement, the critical mass of recommendations reflecting the substance of the study were implemented, achieving the intended objective of revising the existing system of incentives for R&D. Specifically, the following recommendations were implemented:

- Recommendation 1 and 2 concern the provision of support services and clear, comprehensive guidance to businesses for the documentation of their R&D activities. They are addressed by Order No. R1-13-(1.3 E)2024, which sets out the obligation of the Innovation Agency to provide advice to business on the completion of R&D documentation, and by the website of the Innovation Agency, which contains guidance on the completion of R&D documentation and a contact person to support businesses with their documentation (verified by an on-the-spot-check).
- Recommendation 3 concerns the extension of a tax incentive for businesses investing in R&D&I. It is addressed by Law No. XIV-2296 which confirms the extension of the R&D relief (reduced profit due to an ongoing investment project) until 31 December 2028.
- Recommendation 7 concerns the provision of incentives to businesses to stimulate participation in international R&D programmes. This is addressed by Order No. 4-339, Order No. 4-333, Order No. 4-856, Order No. 4-816, Order No. 4-420, Order No. 4-969, Order No. 4-436, Order No. 4-1154, Order No. 4-364, Order No. 4-497, Order No. 4-116, and Order No. 4-451, which provide incentives for businesses to engage in international R&D&I programmes.
- Recommendation 8 concerns the continuation of the “Inočekiai” tool for innovation support and the introduction of the Innovation Voucher. This is addressed by Order No. 4-116 amending Order No. 4-460 which ensures the continuity of the measure “Inočekiai” and introduces the Innovation Voucher as new form of support for homogenous and simple activities.
- Recommendation 9 concerns the continuous training of the State Tax Inspectorate staff in order to ensure effective checks and advice on R&D&I activities. This is addressed by Order No. R1-13-(1.3 E)2024 which sets out the obligation of the Innovation Agency to continually organise training on the upgrading of competences in the R&D&I sphere for State Tax Inspectorate staff working with enterprises engaged in R&D&I activities.
- Recommendations 10 (restructuring of the PFSA form), 11 (amendment or removal of the form of the call for project implementation plans and adding all necessary information on calls on the website) and 12 (clear definition on how the implementation of project activities in different regions will be treated) concern the need for clearly structured, comprehensive, and not too complex nor lengthy documents in order to simplify access to R&I support. Recommendation 10 is addressed by the amendment to Order No. 1K-237 which simplifies

and structures the PFSA form in a clear way. Recommendation 11 is addressed by the decision made during the Inter-institutional Working Group of 19 April 2024 to abolish one of the forms of the call for project implementation plans which was superfluous, and by the website of ES investicijos where information on calls was restructured and improved (verified by an on-the-spot-check). Recommendation 12 is addressed by the Recommendations of the Ministry of Finance for the regional allocation of expenditure for projects under ESFIP, where recommendations for the allocation are provided based on various principles such as the location of the project's infrastructure, the location of the project activities and the location of the beneficiary of the project.

- Recommendation 13 concerns the publication of calls, the possibility to submit comments and suggestions and the addition of filter functionalities on the website of ES investicijos in order ease use for potential applicants. This is addressed by Order No. 1K-31 which amends the rules for administration of EU funds on the ES investicijos website to allow for the submission of comments and suggestions by applicants, and the website of ES investicijos which contains all information on calls in one place as well as filter functionalities (verified by an on-the-spot-check).
- Recommendation 15 concerns the combination of two almost identical calls for innovative projects (InoPažanga and InoBranda) into a single call to avoid confusion from potential applicants. This is addressed by the website of ES investicijos, where a published plan of calls is set out which shows the calls have been merged into one call "InoPažanga+InoBranda" (verified by an on-the-spot-check).
- Recommendation 16 concerns the improvement of the Inostartas Call to include support to businesses for the widest range of R&D activities at various stages of their R&D&I cycles. This is addressed by Order No. 4-1193, which approves the financing conditions to support initial activities such as new high-value added product development, early trial production, intellectual property management, and preparation for the market, and Order No. 4-116 amending Order No. 4-460 which expands the description of the call to include initial R&D activities and establishes the obligation to make the information about the call public and easily accessible.
- Recommendation 17 and 20 concern the concentration of information on business-oriented instruments on a single platform and the collection and making available of relevant data on actors in the R&D&I ecosystem to business. These are addressed by Order No. R1-13-(1.3 E)2024, which sets out the obligation of the Innovation Agency to coordinate the collection, provision, posting and updating of systematised and relevant data on the participants of the R&D ecosystem, Order No. 4-274, which sets out the operational strategy to develop the innovation ecosystem, and the website of the Innovation Agency, which posts the information on the lists of R&D programmes of all institutions, available calls and a map of the innovation ecosystem (verified by an on-the-spot-check).
- Recommendation 19 concerns the allocation of personal Innovation Agency managers to advise and support companies on R&D-related issues. This is addressed by Order No. R1-13-(1.3 E)2024, which sets out the tasks, functions and responsibilities of members of the Innovation Agency which would allow the assignment of a project manager to each company

to advise on R&D, and Order No. R1-222-(1.3 E) which contains the approved and recast list of positions of the Innovation Agency.

The revised rules shall: reduce gaps and overlaps between different R&D support measures

The revised rules implement the recommendations of the feasibility study on incentives for business to invest in R&D&I which identified gaps and potential duplications in the R&D incentive system. The description of the progress measure No. 05-001-01-05-07 of the Development Programme elaborated on these gaps and potential duplications, which were addressed through several of the revised acts.

Specifically, gaps identified were the following:

- Lack of investment by small businesses in R&D (Objective 1.5, Problem 3 of the Development Programme), due to:
 - Lack of funding for R&D activities, addressed by measures to expand the financial instruments of the innovation promotion fund (Order No. 4-420, Order No. 4-116)
 - Lack of incentives for attracting foreign direct investment in R&D, addressed by measures to promote the attraction of foreign direct investment in R&D&I (Order No. 4-333).
 - Low number of researchers and lack of skilled labour in business, addressed by measures to develop the skills of staff working in SMEs and other entities involved in the search for entrepreneurship opportunities (Order No. R1-13-(1.3 E)2024, Order No. 4-436, Order No. 4-274).
- Insufficient share of innovative activities in all companies (Objective 1.5, Problem 4 of the Development Programme), due to:
 - Lack of integration of the Lithuanian research and innovation (R & I) system in international value chains, addressed by measures to promote the participation of SMEs in international R&D&I initiatives (Order No. 4-339, Order No. 4-333, Order No. 4-856, Order No. 4-420, Order No. 4-436, Order No. 4-1154, Order No. 4-497).
 - The lack of encouragement to form and develop short value chains, addressed by activities to promote the formation and development of short value chains among SMEs (Order No. 4-436, Order No. 4-274).

Overlaps identified were the following:

- Recommendation 15 of the study found that two calls for projects were almost identical, these were merged (website of ES investicijos).
- Recommendation 16 of the study found that to avoid overlap in a certain call, it was necessary support to widest possible range of R&I activities, and this was done by including support for R&I activities from idea to product commercialization (Order No. 4-1193, Order No. 4-116).
- Recommendation 20 of the study found that information on R&D incentives is fragmented and not always relevant, therefore information on R&D instruments was concentrated on a single platform (Order No. R1-13-(1.3 E)2024 and website of Innovation Agency).
- Objective 1.5, Problem 4 of the Development Programme found that the business acceleration system is fragmented causing potential overlaps, therefore measures were

taken to implement specialised start-up acceleration programmes (Order No. 4-364, Order No. 4-816) and attract an international accelerator (Order No. 4-497).

[...] harmonize the support measures mix by setting up clear logical connections between various funding instruments as well as funding instruments and various innovation support services.

To harmonize the support measures mix, the Ministry of Economy and Innovation and the Innovation Agency mapped out the different instruments and support services through a Strategic Action Plan approved by Order No. 4-15 and subsequently published on the website of the Innovation Agency.

The Strategic Action Plan sets out the allocation of funds sourced from the RRF, ESFIP and the State budget under different management areas relevant to innovation policy: "Encourage companies to digitize", "Implement mission-based science and innovation programs", "Create a coherent system for the promotion of innovative activities", "Organize activities for the promotion of innovations", "Promote the development of the space sector in Lithuania", and "Participate in international and national R&D and innovation programs". It sets up clear logical connections between the various funding instruments and shows that the various funding sources are complementary and do not overlap.

On the website of the Innovation Agency, a map of existing instruments and tools available for companies and research organisations was created. It groups the services and instruments available per institution or body (the Lithuanian Science Council, the Innovation Agency, Invest Lithuania, INVEGA, Central Project Management Agency, Science and Innovation Officers, Lithuanian Academy of Sciences, Ministry of Finance, Ministry of Innovation, other ministries, and developers and intermediaries), setting up clear logical connections between the funding instruments and various innovation support services.

Entry into force of revised rules for support for R&D measures (about 20 legal acts such as Ministerial Orders). [...] The Rules shall enter into force after their publication in the Legal Act Register (E TAR).

20 legal acts were revised to address the recommendations of the study on R&D incentives and revise the rules for support for R&D measures.

The Council Implementing Decision required that The Rules shall enter into force after their publication in the Legal Act Register (E TAR).

As specified under the section "Evidence provided", the following 15 Ministerial Orders entered into force a day after their publication in the Legal Act Register (E-TAR), in accordance with the national legal framework:

- Amendment No. 4-339 entered into force on 24 June 2023.
- Order No. 4-333 entered into force on 24 June 2023.
- Order No. 4-420 entered into force on 25 July 2023.
- Order No. 4-969 entered into force on 6 September 2022.
- Order No. 4-436 entered into force on 5 August 2023.
- Order No. 4-1154 entered into force on 6 December 2022.
- Order No. 4-364 entered into force on 1 July 2023.
- Order No. 4-497 entered into force on 8 September 2023.
- Order No. 4-116 entered into force on 28 February 2023.

- Order No. 4-451 entered into force on 18 August 2023.
- Order No. 4-1193 entered into force on 22 December 2022.
- Order No. 4-116 amending Order. No. 4-460 entered into force on 2 March 2024.
- Amendment to Order No. 1K-237 entered into force on 11 August 2022.
- Order No. 1K-31 entered into force on 14 August 2024.

Law No. XIV-2296 entered into force on 1 January 2024 after its publication in the Legal Act Register (E-TAR) on 14 December 2023, as stipulated by Article 3(1) of the Law.

The following five legal acts entered into force but were not published in the Legal Act Register:

- Order No. 4-856 entered into force on 11 July 2022.
- Order No. 4-816 entered into force on 8 June 2022.
- Order No. R1-13-(1.3 E)2024 entered into force on 17 January 2024.
- Order No. R1-222-(1.3 E) entered into force on 28 July 2023.
- Order No. 4-15 entered into force on 12 January 2023.
- Order No. 4-274 entered into force on 22 May 2023.

Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, these five legal acts constitute lower ranked acts which are generally not published in the Register: Order No. 4-856 and Order No. 4-816 approve development concepts, Order No. R1-13-(1.3 E)2024 and Order No. R1-222-(1.3 E) are administrative orders, Order No. 4-15 approves a strategic action plan and Order No. 4-274 approves an operational strategy. This is a matter of procedure, and they nevertheless concern legal acts which have entered into force and are essential to revising the rules for support for R&D measures. 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.

Furthermore, in line with the description of the measure, **a study [...] shall be [...] carried out, based on which other legal acts shall be revised by 31 December 2022 [...].**

Six legal acts were revised by 31 December 2022, based on the study carried out by Smart Continent LT as discussed under the first requirement:

- Order No. 4-969
- Order No. 4-1154
- Order No. 4-1193
- Order No. 1K-237
- Order No. 4-856
- Order No. 4-816

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 151 Entry into force of amendment to the Law on the Methodology of Determination Municipal Budget Revenue and publication of findings of the systematic comparison of municipal fiscal indicators and the assessment of municipal capacity to raise revenues

Related Measure: C6.F-1-3- F-1-3- Long-term sustainability and transparency of the national budget

Qualitative Indicator: Provision in the amending law indicating entry into force of the amendment to the Law on the Methodology of Determination Municipal Budget Revenue and publication of findings

Time: Q2 2023

1. Context:

The aim of the reform F.1.3 “Long-term sustainability and transparency of the national budget” is to increase the long-term sustainability of the state and municipal budgets, transparency of medium-term budgeting and funding of state services. It also focuses on spending reviews and ways to increase financial independence of municipalities.

Milestone 151 aims to identify ways to improve the structure of municipal revenues, especially by increasing the share of revenues which are directly determined by the municipalities. Implementation of this reform requires amending the Law on the Methodology of Determination of the Municipal Budget Revenue and creating analytical tools allowing to compare municipal fiscal indicators and to assess municipal capacity to raise revenues.

Milestone 151 is the only milestone of the sub-measure 3. The sub-measure 3 has a final expected date for implementation on 30 June 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was fulfilled. |
| 2 | Annex 1 - The Law No. XIV-744 amending Articles 2, 5, 9-1, and 10 of the Republic of Lithuania Law No. VIII-385 on the Methodology of Determination of Municipal Budget Revenue. The amending law entered into force on 23 December 2021. | The Law amends the methodology for calculating the State budget grants and funds to be allocated to municipal budgets (XIV-744 Lietuvos Respublikos savivaldybių biudžetų pajamų nustatymo metodikos įstatymo Nr. VIII-385 2, 5,... (lrs.lt)). |
| 3 | Annex 2 - description of and a link to the created online tools allowing to compare municipal fiscal indicators and to assess the capacity to increase the municipality’s revenue; a copy of the analysis carried out using the | Annex 2 includes 1) the description of and a link to the online analytical tools allowing all citizens and institutions to compare the revenue, expenditure, and performance (quality of life index) indicators of all municipalities and to assess the capacity to increase the municipality’s revenue; 2) a copy of the analysis |

| | | |
|---|---|--|
| | latter analytical tools and a reference to the publication of the analysis. | carried out by the Ministry of Finance using the latter analytical tools. The analysis encompasses a systematic comparison of municipal fiscal indicators and assessment of the capacity of municipalities to increase revenue. The results and conclusions of the assessment as well as the aforementioned analytical tools are accessible on the website - Lietuvos finansai - LietuvosFinansai.lt , section "Municipal indicators". Date of publication: 30 June 2023. |
| 4 | Annex 3 - Copy of the analysis produced by analytical tools and reference to the analysis publication | Annex 3 is a copy of the published analysis of autonomous wealth tax revenues, of costs by function and of the quality of life index, which was produced using the analytical tools described in annex 2. |
| 5 | Annex 4 – Order of the Ministry of Finance of March 2023 number 1K on the central project management agency of a public body operational strategy for 2024-2026 and estimates of expenditure for 2024 | Annex 4 is the operational strategy for the Central Project Management Agency for 2024-2026, which shows in table 2 of Chapter III the target to train municipalities in the use of the analytical tools to improve analysis and planning of autonomous income and expenditure and self-assessment of quality of life indicators. |

3. Analysis:

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

- **Entry into force of the amendment to the Law on the Methodology of Determination of Municipal Budget Revenue:**
 - Law No. XIV-744 amending the law VIII-385 on the Methodology of Determination of Municipal Budget Revenue was published in the Registry of Legal Acts on 22 December 2021. As indicated in the Registry of Legal Acts, Law No. XIV-744 came into force on 23 December 2021 ([XIV-744 Law no. VIII-385 of the Republic of Lithuania on the Methodology for Determining Revenues of Municipal Budgets of the Republic of Lithuania 2, 5,... \(Irs.lt\)](#)). This is shown through a link, contained in the cover note, accompanying the copy of the legal act (Annex 1) given as evidence to the payment request.
- **which shall improve the structure of municipal revenue:**
 - In Lithuania, the central government sets, administers and collects personal income tax (PIT) with most of these PIT revenues going into the municipalities' budgets. PIT revenue projections for the following year's municipality budgets are prepared by the central government and, accordingly, included in each municipality's budget plan. If, at the end of the year, the central government projections turn out to be higher than the PIT revenue collected, the difference between the projected and actual revenue from the PIT is compensated from the State budget – except in case of a significant economic downturn. Before the Law No. XIV-744 entered into force, the central government

would compensate not only the under-collected PIT revenues, but also other types of revenues from local taxes (taxes which are set and projected by municipalities themselves) where the projections were larger than the revenues collected. The old methodology did not create incentives for municipalities to exploit local tax revenue sources effectively and efficiently, as under-collected revenues were compensated from the State budget.

- According to Article 4, and 6 of Law No. XIV-744, for 2022 and all later general government budget plans, a new methodology shall be used to calculate the State budget grants and funds to be allocated to municipal budgets to compensate for the lower than projected municipal revenues from taxes. The new methodology retains one universal indicator (from Article 4(3) of the Law No XIV-744), namely the projected PIT revenue. This indicator is used to calculate the State budget funding needed to balance out the under-collection of PIT only (as opposed to under-collection of any source of municipal budgets) in a municipality compared to projected revenue from the PIT (Article 6 of the Law No XIV-744). Under-collection of local tax revenues is no longer compensated from the State Budget. This new methodology ensures stable and predictable revenue for municipalities as well as motivates municipalities to utilize their capacity to increase their own revenue.
 - Article 3 of Law No. XIV-744 abolishes some old and sets new indicators and their coefficients which are used to calculate the share of personal income tax allocated to the budget of each municipality to compensate for higher expenditure needs arising from socio-economic indicators that do not directly depend on municipalities' policies (for example, the size of the municipality, number of pensioners, number of children). Such indicators as the total area of educational establishments and the total area of buildings in the municipality have been abolished as they might discourage municipalities from using their infrastructure more efficiently. Among other changes, a coefficient indicating the weight of the indicator "number of pre-school age children", has been increased to enable municipalities to provide more pre-school care services for children, which are currently lacking in most municipalities.
 - As a result of the aforementioned changes, the adoption of the new methodology to determine municipal revenues will lead to an improved municipal budget structure.
- **Tools shall be used by the Ministry of Finance which shall allow: - a comparison of municipal revenue, expenditure and performance indicators; - assessment of the capacity to increase municipal revenues:**
 - The Central Project Management Agency has developed analytical tools for systematic comparison of municipal fiscal indicators and assessment of municipal capacity to increase revenue in the project No. 04-004-P-0001 "Assessment of Municipal Capacity to Increase Income by Developing Analytical Tools". The following municipal fiscal indicators are compared: income gaps (which enables comparison of revenue indicators) and expenditure gaps (which enables comparison of expenditure indicators) and the quality-of-life index (which enables comparison of performance indicators) (see Annex 2, sections numbered 1), 2) and 3)). The quality-of-life index (QLI) consists of 41 indicators reflecting the quality of life in six domains (see Annex 2, section 3)): Material living conditions (subindex A); Population entrepreneurship and business competitiveness (subindex B); Health services (subindex C); Educational services (subindex D); Demography, civic and social participation (subindex E); Public infrastructure, quality, and safety of the living environment (subindex F). With the help of the tools developed, it is possible to assess the capacity of municipalities to increase their revenue by comparing the composition of revenue and expenditure and trends in deficits or surplus

of a given municipality with others and comparing the performance (quality-of-life-index) of given revenue and expenditure compositions across municipalities.

- The Ministry of Finance has integrated these analytical tools into its open data portal ("[Lietuvos finansai - LietuvosFinansai.lt](https://lietuvosfinansai.lt/)") and has mandated the Central Project Management Agency (CPMA) to offer direct consultations to municipalities using these analytical tools (Annex 4, table 2, target 2.2.1).
- **The findings from these analyses shall be published:**
 - The tools, as well as their results and conclusions, have been published on 30 June 2023 and made available for public use on <https://lietuvosfinansai.lt/>, section "Municipal Indicators", as reflected in Annex 3. Lietuvos finansai - LietuvosFinansai.lt findings of the following analyses have been published:
 - Income from property taxes and revenue gaps in municipalities: [Turto mokestinės pajamos ir jų atotrūčiai savivaldybėse - LietuvosFinansai.lt](https://lietuvosfinansai.lt/turto-mokestinės-pajamos-ir-ju-atotrūčiai-savivaldybėse)
 - Expenditure gaps in municipalities: [Savivaldybių išlaidų atotrūčiai - LietuvosFinansai.lt](https://lietuvosfinansai.lt/savivaldybiu-islaidu-atotrūčiai)
 - The quality-of-life index differences across municipalities: [Gyvenimo kokybės indeksas - LietuvosFinansai.lt](https://lietuvosfinansai.lt/gyvenimo-kokybės-indeksas)

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 156 Entry into force of the legal requirement for online platform operators to collect and report to the tax authorities data on transactions carried out on online platforms

Related Measure: C6.F-1-4- F-1-4- Improving tax compliance

Qualitative Indicator: Provision in the law indicating the entry into force of legal obligation for platform operators to provide information to the State Tax Inspectorate

Time: Q1 2023

1. Context:

The aim of reform F.1.4 is to improve tax compliance in high-risk sectors and to increase the transparency of transactions. This reform consists of five sub-measures: more transparency in the trade in used vehicles (sub-measure 1); fair taxation of online economic activities (sub-measure 2); limiting the use of cash (sub-measure 3); financially literate future taxpayers (sub-measure 4); more transparency in the construction sector (sub-measure 5)

Milestone 156 is part of measure F.1.4.2, aiming to ensure fair taxation of online economic activities. To that end, milestone 156 foresees amending the national legislation in order to oblige online platform operations to collect and report data on transactions carried out on online platforms to the tax authorities by 31 January of the year following the calendar year to which the information relates. The State Tax Inspectorate shall receive the first set of data by 31 March 2024.

Besides this milestone 156, sub-measure F.1.4.2 does not include other milestones. The sub-measure has a final expected date for implementation on 31 March 2023.

2. Evidence provided:

| | Title | Description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements). |
| 2 | Copy of the Law No. XIV-1658 of 13 December 2022, amending Articles 2, 3, 12, 13, 25, 26, 32, 33, 38, 39, 401, 87, 88, 99, 1042, 126, 139, 140, 164 of, and the Annex to, the Law on Tax Administration No. IX-2112, and supplementing the Law with Article 61, (hereafter, "Law No. XIV-1658"). Link to the publication in the Register of Legal Acts: TAR, 22/12/2022 No. 2022-26362 . | Legitimising the obligation for digital platform operators to submit information to the State Tax Inspectorate on sellers who receive income from activities through a digital platform |
| 3 | Copy of the Order No. VA-95 of 23 December 2022, (hereafter, "Order No. VA-95"). Link to the publication in the Register of Legal Acts : TAR, 23/12/2022 No. 2022-26730 . | Establishing rules for reporting activities conducted on platforms to the State Tax Inspectorate |
| 4 | Copy of the Law No. XIV-1660 of 13 December 2022, amending and supplementing Articles 12, 29, 208, 210, 211, 589, 611 of the Code of | Imposing penalties for non-compliance with the requirements for platform operators laid down in the Republic of Lithuania Law on Tax Administration and its implementing |

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| | Administrative Offences of the Republic of Lithuania, and introducing new Articles 188-3, 217-2. Link to the publication in the Register of Legal Acts: TAR, 22/12/2022 No. 2022-26364. | legislation. |
| 5 | Copy of the Law No. XIV-1665 of 13 December 2022, amending Article 18-1 of the Road Transport Code of the Republic of Lithuania. Link to the publication in the Register of Legal Acts: TAR, 22/12/2022 No. 2022-26369. | Waiving the obligation for the passenger transport organiser to submit information on income generated by passenger transport operators to the State Tax Inspectorate in accordance with the Code of Road Transport, and instead submitting information to the State Tax Inspectorate as other platform operators following Article 61 of the Law on Tax Administration No. IX-2112. |

3. Analysis:

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

In particular:

The new legal provisions in the Law on Tax Administration shall be adopted and enter into force

- Law No. XIV-1658, which – among other changes that are unrelated to this milestone – introduces Article 61 to the Law on Tax Administration, was published in the Registry of Legal Acts on 22 December 2022. As provided by Article 23, the introduced Article 61 in the Law on Tax Administration came into force on 1 January 2023.

The online platform operators shall be obliged to collect and report data on transactions carried out on online platforms to the tax authorities by 31 January of the year following the calendar year to which the information relates.

- Article 61(1) provided in Law No. XIV-1658 mandates that online platform operators must collect and annually report sellers' revenues and transaction data to tax authorities. Article 16 of Order No. VA-95 provides that platform operators must submit this data to tax authorities no later than on 31 January of the year following the calendar year to which the information relates.
- Articles 61(1) and 61(5) provide that the State Tax Inspectorate is designated as the authority to receive data from platform operators, to ensure transparency and accountability in online economic activities.
- Articles 61(2.1) and 61(2.2) define online platform operators subject to reporting requirement as entities that enter into agreements with sellers to use the platform or part of it. It further specifies that online platform operators that are subject to reporting requirements based on their connection to Lithuania or their activity within the European Union. Specifically, platform operators that are tax residents of Lithuania, established under Lithuanian law, have their management bodies in Lithuania, have a permanent establishment in Lithuania, or are foreign platform operators facilitating certain activities within the EU, are required to report. Article 61(2.3) defines platforms broadly to include any software, including websites or parts of websites and mobile applications, that allows platform users and sellers to engage in medium facilitating commercial activities.

- Articles 61(2.4) and 61(2.5) outlines the specific activities for which transactions must be reported by the platform operators. These include renting real estate, personal services, selling goods, and vehicle rental. Personal services are further defined as services performed by individuals, either independently or on behalf of an entity, under a contract for a specific duration or task.
- The Law No. XIV-1658 is complemented by the Order No. VA-95, establishing rules for reporting activities conducted on platforms to the State Tax Inspectorate. Articles 20, 24 and 25 specify transaction information that the platform operator needs to collect and report, including seller identification numbers, residence information, financial account numbers (if known), and details about the activities conducted or income received through the platform.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 158 Entry into force of legislation limiting cash payments in risky economic sectors and/or individual types of transactions.

Related Measure: F-1-4- F-1-4- Improving tax compliance

Qualitative Indicator: Provision in the law indicating the entry into force of legislative provisions introducing restrictions on cash payments in risky economic sectors and/or for individual types of payments

Time: Q4 2022

1. Context:

The aim of reform F.1.4 is to improve tax compliance in high-risk sectors and to increase the transparency of transactions. This reform consists of five sub-measures: more transparency in the trade in used vehicles (sub-measure 1); fair taxation of online economic activities (sub-measure 2); limiting the use of cash (sub-measure 3); financially literate future taxpayers (sub-measure 4); more transparency in the construction sector (sub-measure 5).

Milestone 158 is part of sub-measure F.1.4.3., aiming at limiting the use of cash in risky economic sectors or for individual types of transactions.

Milestone 158 concerns entry into force of legislation limiting cash payments in risky economic sectors and/or individual types of transactions based on the analysis of the Ministry of Finance. These amendments shall reduce opportunities for businesses and natural persons to conceal their income.

Milestone 158 is the only milestone of sub-measure F.1.4.3.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements). |
| 2 | Copy of the Law No. XIV-1165 of 23 June 2022 on Limiting Cash Transactions in the Republic of Lithuania, and a link to the publication in the Register of Legal Acts (TAR, 07/07/2022 No. 2022-14924). | The law detailing regulations on the maximum allowable cash payments, enforcement mechanisms, and penalties for non-compliance. |
| 3 | Copy of an analysis annexed to the Government Resolution No. 22-8062 of 23 May 2022 | Copy of an analysis annexed to the Government Resolution No. 22-8062 of 23 May 2022 conducted by the Ministry of Finance on cash limitations that could reduce the shadow economy focusing on options to introduce limitations on cash payments in risky sectors or individual types of transactions, and a link to the publication in the Register of Legal Acts (TAR, 2022-05-23 No. 22-8062). |
| 4 | Copy of the Law No. XIV-1166 of 23 June 2022, amending Article No. 6.929 of the Civil Code of | The law amends Article No. 6.929 of the Civil Code of the Republic of Lithuania |

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| | the Republic of Lithuania, and a link to the publication in the Register of Legal Acts (TAR, 07/07/2022 No. 2022-14904). | refining regulations for cash and non-cash transactions |
| 5 | Copy of the Law No. XIV-1241 of 28 June 2022, amending Articles No. 40-1 and 41 of the Tax Administration Law No. IX-2112 of the Republic of Lithuania, and a link to the publication in the Register of Legal Acts (TAR, 11/07/2022 No. 2022-15187) | The law amends Articles No. 40-1 and 41 of the Tax Administration Law No. IX-2112 of the Republic of Lithuania focusing on tax administration adjustments |
| 6 | Copy of the Law No. XIV-1400 of 19 July 2022, amending Article No. 589 and adding Article 207-1 to the Code of Administrative Offenses of the Republic of Lithuania, and a link to the publication in the Register of Legal Acts (TAR, 25/07/2022 No. 2022-16126). | The law amends Article No. 589 and adds Article 207-1 to the Code of Administrative Offenses of the Republic of Lithuania, focusing on the regulation of cash transactions and payments |

3. Analysis:

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

Analysis of the Ministry of Finance on cash limitations that could reduce the shadow economy which shall serve as a basis for legislation

In Q2 2022, the government submitted to the Parliament an analysis, as an Annex to Government Resolution No. 22-8062 of 23 May 2022, conducted by the Ministry of Finance on cash limitations that could reduce the shadow economy focusing on options to introduce limitations on cash payments in risky sectors or individual types of transactions. In this analysis, the key recommendation was to impose universal limitations on cash payments. This key recommendation served as a basis for draft legislation.

the legislation introducing restrictions on cash payments in risky economic sectors and/or for individual types of transactions shall enter into force.

Law No. XIV-1165 was published in the Registry of Legal Acts on 7 July 2022. As provided by Article 8, the law came into force on 1 November 2022.

These amendments shall reduce opportunities for business and natural persons to conceal their income.

The law introduced universal provisions limiting the use of cash. It reduces opportunities for business and natural persons to conceal their income and thus contribute to the improvement of tax compliance. The implementation is ensured by introducing administrative liability. In particular:

Paragraph 1 of Article 4 “Settlements and Other Payments in Cash” of the Law stipulates that settlements, as well as any other payments in respect of transactions may be made in cash, provided that they do not exceed EUR 5,000 or the amount in foreign currency corresponding to this amount. The total amount of cash payments made in instalments, as well as any other payments made in cash in respect of the transaction may not exceed EUR 5,000 (or the amount in foreign currency corresponding to this amount). It further specifies that, if the transaction amount exceeds EUR 5,000, the amount exceeding EUR 5,000 should be made in non-cash form. Namely, payments made in instalments, as well as any other payments relating to recurrent payments under a long-term or

open-term transaction and the total amount of settlements, as well as any other payments made at a time when the date of conclusion of the transaction is not known, settlements, as well as any other payments, made in respect of the transaction may be made in cash until their total amount reaches the amount specified in this paragraph. Subsequent settlements, as well as any other payments made under that transaction, regardless of the size, shall be made in non-cash form. Also, Article 4 of Paragraph 1 further provides that the counterparties shall not have the right to split the transaction, if this could avoid the application of the limitation on cash settlement, as well as the any other cash payments.

To ensure the enforcement of the Law, Article 6 states that “the State Tax Inspectorate and the Financial Crime Investigation Service under the Ministry of the Interior shall, within the limits of their competence, monitor the compliance with the requirements laid down in this Law”. Article 7 stipulates that “persons who violated this Law shall be liable in accordance with the procedure laid down in the Code of Administrative Offences of the Republic of Lithuania”.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 180 Finalisation of a study on adequacy of the minimum income scheme

Related Measure: G-1-1- G-1-1- Guaranteed minimum income protection

Qualitative Indicator: Final report issued

Time: Q4 2022

1. Context:

The reform G.1.1. aims at improving the social welfare of the most vulnerable groups and alleviating poverty. It consists of three sub-measures: (1) study on the minimum income scheme and related changes to the legislation (Sub-measure 1), (2) additional measures to increase adequacy and sustainability of social benefits (Sub-measure 2); and (3) accreditation of social care (Sub-measure 3).

Milestone 180 consists of the finalisation of a study on adequacy of the minimum income scheme. The study shall include recommendations to reform the minimum income scheme as well as ex-ante impact assessment of the proposed reforms.

Milestone 180 is the first step of the sub-measure 1 and will be followed by milestone 181 related to entry into force of amendments to the relevant laws regulating the minimum income protection scheme according to the recommendations of the study. Sub-measure 1 has a final expected date for implementation on 31 March 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was fulfilled. |
| 2 | Copy of the final report on the adequacy of the minimum income scheme. | The final report includes an overview of the current situation and analysis of social assistance, assistance pension, unemployment benefits, benefits for children and families, contributory and non-contributory benefit coordination, benefit indexation, optimisation of the legal basis, recommendations on these themes and ex-ante impact assessment of the recommended alternative policy measures, assessing their impact on the general government budget, poverty statistics, income distribution, incentives to work. The final report was finished on 19 December 2022 and published on the website of the Ministry of Social Security and Labour: https://socmin.lrv.lt/lt/es-investicijos/sadm-igyvendinami-projektai/projekto-minimaliu-pajamu-sistemas-adekvatumo-studija-pristatymas/ |
| 3 | Service Transfer-Acceptance Act. | The transfer-acceptance act of the services (production of the report on the adequacy of the minimum income study) signed by the service provider (signed by the director of the external research group) and the service recipient (signed by the head of the Strategic Decisions Support Group of the Ministry of Social Security and Labour). Date |

| | |
|--|-------------------------------------|
| | of the signature: 27 December 2022. |
|--|-------------------------------------|

3. Analysis:

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

Finalisation of a study on adequacy of the minimum income scheme

The study on adequacy of the minimum income scheme includes the analysis of the current situation of minimum income protection, recommendations, and the ex-ante impact assessment (with alternative scenarios) and was finalised on 19 December 2022. The final report of the study is available on the website of the Ministry of Social Security and Labour: <https://socmin.lrv.lt/lt/es-investicijos/sadm-igyvendinami-projektai/projekto-minimaliu-pajamu-sistemos-adekvatumo-studija-pristatymas/>. The final report was produced by an external research group. On 27 December 2022 the transfer-acceptance act of the services was signed by service provider and the service recipient.

The main purpose of the study was to comprehensively assess the minimum income system in Lithuania, to identify directions for its improvement in order to reduce monetary poverty and income inequality of citizens and to ensure more efficient use of public funds. The main objectives of the study are:

- to assess minimum income support measures in the event of unemployment, childbirth, sickness, disability, and for disadvantaged working and non-working age groups (sections 4 and 5 of the study);
- to identify the gaps in the methodology for the indexation of social benefits and the methodology for the calculation of the amount of the Minimum Amount of the Consumption Basket (sections 4.7. and 6.7 of the study);
- to undertake a systematic assessment of the legislation regulating the minimum income (section 5.1.) and to assess the interrelationship between the legislation, as well as to assess the possibilities of optimisation of the legislation (sections 5.2. and 5.3.);
- to provide recommendations on measures to ensure the protection of minimum incomes in Lithuania (sections 5.3. and 6 of the study);
- to prepare ex-ante impact assessments of the recommended measures on poverty, inequality, distribution of incomes, and the budgets of the state and municipalities (section 6 of the study).

The following national legislation on minimum income has been evaluated to achieve the objectives of the study (sections 5 and 6):

- the Law on Cash Social Assistance for Low-Income Residents of the Republic of Lithuania;
- the Law on Basic Amounts of Social Assistance and Fines of the Republic of Lithuania;
- the Law on Sickness and Maternity Social Insurance of the Republic of Lithuania;
- the Law on Benefits for Children of the Republic of Lithuania;
- the Law on Unemployment Social Insurance of the Republic of Lithuania;
- the Law on Employment of the Republic of Lithuania and other legal acts, which are related to the implementation of the provisions of the above-mentioned laws.
- the Law on State Social Assistance Pensions of the Republic of Lithuania;
- the Law on State Social Insurance Pensions of the Republic of Lithuania; and

- other legal acts which are related to the implementation of the recommendations proposed in the study.

The study shall include recommendations to reform the minimum income scheme

Many recommendations are presented in the study (sections 5.3. and 6). Some of them are presented as alternatives to each other and include several sub-recommendations. The final number of recommendations depends on whether all alternatives and/or all sub-recommendations are counted as separate recommendations and accordingly ranges from 25 to 55. Recommendations cover seven elements of the minimum income protection scheme:

- benefit calculation and indexation methodology;
- contributory and non-contributory benefit coordination and minimal contributory benefits (sickness, maternity, paternity, childcare and others);
- unemployment benefits;
- cash social assistance benefits;
- social assistance pensions and other minimal pensions;
- benefits for children and families;
- funding allocations to municipality budgets.

as well as ex-ante impact assessment of the proposed reforms.

The study presents ex-ante impact assessments of the recommended alternative policy measures, assessing their impact on the general government budget, poverty statistics, income distribution, and incentives to work. The results of the ex-ante impact assessments are presented in the section 6.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 184 Entry into force of the legislation on changes to the pension indexation mechanism

Related Measure: C7.G-1-1- G-1-1- Guaranteed minimum income protection

Qualitative Indicator: Legislation entered into force

Time: Q4 2022

1. Context:

The reform G.1.1. aims at improving the social welfare of the most vulnerable groups and alleviating poverty. It consists of 3 sub-measures: (1) study on the minimum income scheme and related changes to the legislation (sub-measure G.1.1.1), (2) additional measures to increase adequacy and sustainability of social benefits (sub-measure G.1.1.2); and (3) accreditation of social care (sub-measure G.1.1.3).

Milestone 184 belongs to sub-measure G.1.1.2 and concerns the entry into force of legislation aimed at reviewing the pension indexation mechanism to provide for a faster increase in pensions, reducing the at-risk-of-poverty rate among the elderly.

Milestone 184 is the second step of the implementation of the sub-measure G.1.1.2. and it follows the completion of milestone 182 related to the entry into force of legislation which introduced a single-person benefit paid to single (non-spouse) disabled and elderly persons. It will be followed by milestone 183 related to the entry into force of the amendment to the Law on Unemployment Social Insurance, which aims to increase the coverage of unemployment insurance. Sub-measure G.1.1.2. has a final expected date for implementation on 31 March 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the target (including all the constitutive elements, notably the cooperation with the target groups) was satisfactorily fulfilled |
| 2 | Copy of the Law No. XIV-678 of 23 November 2021 amending Articles 2, 8, 17, 29, 33, 45, and 49 of the Law of the Republic of Lithuania on Social Insurance Pensions No. I-549 (hereinafter Law No. XIV-678) (XIV-678 Lietuvos Respublikos socialinio draudimo pensijų įstatymo Nr. I-549 2, 8, 17, 29, 33, 45 ir 49 st... (lrs.lt)). | The Law No. XIV-678 amended the Law on Social Insurance Pensions and introduced an additional indexation mechanism for the individual part of the state pension. |

3. Analysis:

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

Entry into force of the legislation

Law No. XIV-678 was published in the Registry of Legal Acts on 26 November 2021. As provided by Article 8, the law came into force on 1 January 2022.

which shall review the pension indexation mechanism to provide for a faster increase in pensions to reduce the at-risk-of-poverty rate for the elderly.

The Law No. XIV-678 introduced an additional annual indexation mechanism for the individual part of the pension (Article 2). Paragraph 1 of Article 2 stipulates that this mechanism is triggered when the at-risk-of-poverty (AROP) rate for persons aged 65 and over exceeds 25%, or when the ratio of the projected average old-age pension to average net earnings in the year falls below 50%. As indicated in the explanatory note to the Law No. XIV-678, the objective of the adopted amendments is to reduce the AROP rate among elderly. The indexation applies until the AROP rate is reduced to 25%.

The amendment has led to a faster increase in pensions, as evidenced by the publicly available data, published by the Lithuanian statistical office, and presented in the Summary document by the Lithuanian Ministry of Social Affairs and Labour:

- **2021:** The average social insurance old-age pension was EUR 413.
- **2022:** Following the additional indexation introduced by the new legislation, the average pension increased to EUR 474.
- **2023:** The average pension continued to rise, reaching EUR 539 by 2023.
- **2024 (estimated):** The average pension is expected to further increase to EUR 605, demonstrating a significant and sustained increase compared to previous years.

The trend of increasing AROP rate among the elderly has been effectively reversed and started decreasing since 2022 when the additional indexation mechanism entered into force. According to Eurostat, the AROP rate among elderly decreased by 3.4 percentage points in 2023 (reflecting 2022 incomes), and it is estimated by the Lithuanian Statistical Office to further decrease by 1.7 percentage points in 2024 (reflecting 2023 incomes).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 201 Entry into force of legislation to improve the investment environment for RES developers

Related Measure: H-1-3- H-1-3- Increasing the generation capacity from RES

Qualitative Indicator: Legislation entered into force

Time: Q3 2022

1. Context:

The objective of this reform is to promote the production, transmission and consumption of electricity from renewable sources, improving institutional and legal mechanisms, and providing investment incentives for RES developers. This reform is accompanied by two sub-measures: (1) Improving the investment environment for RES developers (Sub-measure 1); (2) Support for the construction of onshore RES plants (solar and wind power) (Sub-measure 2). The objective of sub-measure H.1.3.1. is to simplify the administrative requirements for the deployment of new renewable energy capacity, through a package of legislative changes which contains elements going beyond the transposition of the Renewable Energy Directive (RED II). The sub-measure further includes a modelling study on the Lithuanian energy system, which shall develop proposal on necessary actions to further develop the Lithuanian renewable electricity generation capacity.

Milestone 201 concerns the entry into force of legislation to simplify the administrative requirements for the development of renewable energy power plants, the amended legislation shall: define and regulate hybrid power plants; require a single development permit and a single manufacturing permit for hybrid power plants; waive the development and generation allowances for prosumers and for new RES power plants up to 100kW; limit the duration of the permitting granting procedures to one year for new RES power plants.

Milestone 201 is the first step of the implementation of the sub-measure H.1.3.1., and it will be followed by milestone 200 on the completion of a modelling study for the Lithuanian energy system. The sub-measure has a final expected date for implementation of 30 June 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was fulfilled. |
| 2 | Law on Renewable Energy of 23 June 2022 No. XIV-1169 on the Amendment of Articles 2, 3, 5, 6, 11, 13, 14, 20-1, 20-2, 22, 30, 32, 48, 49, 51 of the Law of the Republic of Lithuania on Renewable Energy No XI-1375 and supplementing the Law with Articles 13-1, 20-3, (hereinafter referred to as “amended Law on RES”), and a link to the publication in the Register of Legal Acts (TAR, 2022-07-07, No. 14906). | The amendment to this law defines a ‘hybrid power plant’, thus simplifying the administrative requirements for their establishment and entry into operation. |
| 3 | Law on Electricity of 23 June 2022 No. XIV-1170 on | The amendment to this law regulates |

| | | |
|---|---|--|
| | the amendment of Articles 2, 6, 9, 16, 17, 20, 21-1, 22, 22-22-2, 23, 31, 39, 41, 41-1, 48-2, 48-3, 48-4, 49, 58, 59, 67, 71-1, 72, 74 of the Law on Electricity of the Republic of Lithuania No VIII-1881 and supplementing the Law with Articles 20-1, 73-2, (hereinafter referred to as “amended Law on Electricity”), and a link to the publication in the Register of Legal Acts (TAR, 2022-07-07, No. 14907). | the connection of hybrid power plants to the electricity grid and waives the development and generation permits for prosumers and for new RES power plants up to 100kW, thus simplifying the administrative requirements for their establishment and entry into operation. |
| 4 | Law on Electricity of the Republic of Lithuania No. VIII-1881 (hereinafter referred to as “consolidated Law on Electricity”), and a link to the publication in the Register of Legal Acts (TAR, 2000-08-04, No. 66-1984). | This Law regulates the issuance of development and generation permits for renewable energy generation facilities. |
| 5 | The Resolution of the National Energy Regulatory Council of the Republic of Lithuania of 11 June 2024 No. O3E-828 on the approval of the description of the procedure for the use of electricity distribution networks by AB "Energijos skirstymo operatorius" (hereinafter referred to as “Order No. O3E-828”), and link to the publication in the Register of Legal Acts (TAR, 2024-06-11, No. 10628). | This order contributes to limiting the duration of the permitting granting procedures to one year for new RES power plants. |
| 6 | The Resolution of the Government of the Republic of Lithuania of 15 March 2023 No. 174 on the amendment of Resolution No 829 of the Government of the Republic of Lithuania of 7 August 2019 "On the approval of the rules for issuing permits for activities in the electricity sector" (hereinafter referred to as “Order No. 174”), and link to the publication in the Register of Legal Acts (TAR, 2023-03-20, No. 4895). | This order requires a single development permit and a single manufacturing permit for hybrid power plants, thus simplifying the administrative requirements for their establishment and entry into operation. |
| 7 | Law of 24 November 2022 No. XIV-1560 of the Republic of Lithuania on the Assessment of the Impact of Planned Economic Activities on the Environment No. I-1495 (hereinafter referred to as “Law No. XIV-1560”), and link to the publication in the Register of Legal Acts (TAR, 2022-12-08, No. 25031). | The amendment to this law contributes to limiting the duration of the permitting granting procedures to one year for new RES power plants. |
| 8 | Law of 23 June 2022 No. XIV-1172 on the Amendment of Articles 2, 3, 10, 11 and Annexes 1 and 2 of the Law of the Republic of Lithuania on the Assessment of the Impact of Planned Economic Activities on the Environment No. I-1495 (hereinafter referred to as “Law No. XIV-1172”), and link to the publication in the Register of Legal Acts (TAR, 2022-07-07, No. 14910) | The amendment to this law contributes to limiting the duration of the permitting granting procedures to one year for new RES power plants. |
| 9 | Law of Construction of the Republic of Lithuania No I-1240 (hereinafter referred to as “Law of construction”), and link to the publication in the Registry of Legal Acts (TAR, 1996-04-10, No. 32- | Law regulating the obtention of a building permit or a written approval of the building project. |

3. Analysis:

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

Entry into force of legislation to simplify the administrative requirements for the development of renewable energy power plants,

Legislations entered into force:

- According to Article 18.1 of the amended Law on RES, the amendment to the Law on RES entered into force on 8 July 2022, except for Articles 3, 7, 13, 14, 15, 17, 9(7), 9(9), 9(10) and 18(4), which enter into force on another date and do not contribute to the fulfilment of the milestone.
- According to Article 27 of the amended Law on Electricity, the amendment to the Law on Electricity entered into force on 8 July 2022, except for Articles 19, 20, 27(7), 27(8), 27(9), which enter into force on another date and do not contribute to the fulfilment of the milestone.
- Order No. O3E-828 was published in the Registry of Legal Acts on 11 June 2024 and entered into force one day after its publication, on 12 June 2024.
- Order No. 174 was adopted on 15 March 2023, was published in the Registry of Legal Acts on 20 March 2023 and entered into force one day after its publication, on 21 March 2023.
- According to Article 2 of the amended Law on Environmental Impact Assessment of Planned Economic Activities No. XIV-1560, the Law No. XIV-1560 entered into force on 1 January 2023, except for Article 2(2), which enters into force on another date and does not contribute to the fulfilment of the milestone.
- According to Article 7 of the amended Law on Environmental Impact Assessment of Planned Economic Activities No. XIV-1172, the Law No. XIV-1172 entered into force on 8 July 2022, except for Article 7(2).
- Consolidated version of the Law of Construction of the Republic of Lithuania No I-1240

The aforementioned legislations simplify the administrative requirements for the development of renewable energy power plants, by:

- Establishing a definition of hybrid powerplants featuring either multiple generating sources of renewable energy or featuring one or more sources of renewable energy and energy storage facilities at one point of the electricity grid (Article 1(5) of the amended Law on RES).
- Requiring a single development permit and a single manufacturing permit for hybrid power plants, instead of a permit for each source of electricity generation (Paragraph 6.1 and Paragraph 7.5 of Order No. 174).
- Waiving development and generation permits for prosumers and RES power plants with a capacity up to 100Kw (Article 4(8) and Article 4(9) of the amended Law on Electricity).

The amended legislation shall: Define and regulate hybrid power plants: The reform shall make it possible to connect hybrid RES plants (such as solar and wind) or energy storage facilities at one point of the electricity grid without following a permitting procedure simply based on an addition

of the installed capacity. The connection of the hybrid power plant to the electricity grid shall be assessed on the basis of an allowed generation capacity instead of the installed capacity.

Article 1(5) of the amended Law on RES, which supplements the Law with Article 2(28¹), defines the hybrid power plant as “several power plants or installations using different types of energy from renewable sources connected to the system at the same point of connection of electrical installations to the electricity grid”. Therefore, the definition of the hybrid power plant stipulates that the connection to the grid of hybrid power plants (featuring either multiple sources of renewable energy or featuring one or more sources of renewable energy and energy storage facilities) is made on one point of the electricity grid.

Article 7 of the amended Law on Electricity supplements the Law with Article 20¹. Paragraph 2 of that Article states that “The installed capacity of a power plant, including a hybrid power plant, or of an energy storage facility may exceed the permissible generation of power set at the connection point, but the permissible generated power may not exceed the installed capacity of the power plant, including the hybrid power plant, or the energy storage unit”. Thus, it regulates the permissible electricity generation from the installation on the basis of allowed generation capacity instead of an addition of the installed capacity.

Require a single development permit and a single manufacturing permit for hybrid power plants.

Paragraph 6.1 of Order No. 174 states that a permit for the development of energy generation capacity or energy storage capacity is to be issued for “the construction or installation of a new energy facility (an electric or hybrid power plant or an energy storage facility)”, except for cases where a permit is not required. Thus, a single development permit is required for a hybrid power plant.

Paragraph 7.5 of Order No. 174 states that following the construction or installation of a hybrid power plant in accordance with a development permit, “a single permit for the production of electricity shall be issued, indicating the total installed capacity of the hybrid power plant equal to the sum of the installed capacity of the plants and/or energy storage facilities of the hybrid power plant, respectively, the installed capacity of each power plant, the installed capacity of the energy storage facilities, the permissible generating capacity at the connection point of the power plant and the maximum capacity of the power generation module”. As such, only a single manufacturing (i.e. production) permit is required for hybrid power plants.

Waive the development and generation allowances for prosumers and for new RES power plants up to 100kW.

Article 4(8) amending Article 16(10) of the Law on Electricity states that a permit to generate electricity (i.e. generation allowance) is not required for three categories of persons:

- (i) “prosumers and persons seeking to become prosumers;”
- (ii) “persons intending to generate electricity in generating installations with an installed capacity of not more than 100 kW, the permissible generating capacity of which is zero”, and;
- (iii) “persons intending to generate electricity at an installed capacity of not more than 100 kW in installations for the production of electricity from renewable sources with a permissible generating capacity of more than zero”.

In addition, Article 4(9) amending Article 16(14) of the Law on Electricity states that a permit to develop electricity generation capacity (i.e. development allowance) is not required for the three aforementioned categories of persons.

Furthermore, Article 4(15) supplementing Article 16(14) of the Law on Electricity, Paragraph 29, states that “Permits are not required for the development of energy storage capacity and for the generation of electricity from energy storage facilities if a person intends to build or install an energy storage facility with an installed capacity of not more than 100 kW only for his own use and for the needs of the economy, without supplying electricity to the electricity grid, that is, when the permissible generating capacity is zero, as well as if the person generates electricity from the energy storage unit, produced by installations with an installed capacity of not more than 100 kW of electricity from renewable sources, where the installed capacity of the energy storage unit does not exceed 100 kW”.

Limit the duration of the permitting granting procedures to one year for new RES power plants: The granting of the three main permits for the development of RES plants (permit for the development of electricity generation capacity, building permit and permit for the production of electricity) shall not take more than one year for new RES power plants.

The Lithuanian authorities define the standard permit granting procedure (from application to issue) in 7 key steps for a total of 195 working days. It should be noted that a working year can be approximated as 52 weeks of 5 working days, for a total of 260 working days. Therefore, the standard permit-granting procedure for a new RES power plant is less than both a calendar and a working-day year, and follows the following process:

- (i) Organisation of the screening procedures for the environmental impact assessment lasts up to 20 working days if no additional information is requested (10 working days under Article 7(4) of Law No. XIV-1560 + 10 working days under Article 7(5) of Law No. XIV-1560).:
- (ii) Organisation of the environmental impact assessment lasts up to 75 working days, if no additional information is requested (10 working days under Article 8(5) of the Law No. XIV-1560 + 10 working days under Article 8(10) of the Law No. XIV-1560 + 20 working days under Article 11(3) of Law No. XIV-1560 + 15 working days under Article 11(5) of Law No. XIV-1560 + 20 working days under Article 12(1) of Law No. XIV-1560).
 - a. In this specific case, the assessment period under Article 11(5) of Law No. XIV-1560 is limited to 15 working days instead of 20 working days, as the planned economic activities are classified as overriding public interest and considered to be of importance to public security. This classification was introduced under Article 1 of Law No XIV-1172, supplementing Article 2 of the Law on Environmental Impact Assessment with paragraph 14¹. Thus, RES power plants have the status of overriding public interest and considered to be of importance for public security.
- (iii) Application for and reception of preliminary conditions for connection from the electricity grid operator lasts up to 20 working days, if no additional information is requested (the process under Paragraph 12 of Order No. O3E-828 lasts 30 calendar days. For the purpose of the timeline, it is understood that it equals 20 working days).
- (iv) Application to the National Energy Regulatory Council (NERC) for and reception of a development permit lasts up to 20 working days, if no additional information is requested (the process under Article 17(2) the consolidated Law on Electricity lasts 30 calendar days. For the purpose of the timeline, it is understood that it equals 20 working days).

- (v) Application to the electricity grid operator for and receive connection conditions lasts up to 20 working days, if no additional information is requested (the process under Paragraph 127 of Order No. O3E-828 lasts 30 calendar days. For the purpose of the timeline, it is understood that it equals 20 working days).
- (vi) Obtention of a building permit or a written approval of the building project lasts up to 20 working days, if no additional information is requested (Article 27(12) sub-paragraph 1 of the Law on construction):
- (vii)
 - a) Application to the NERC for and obtain a generation permit lasts up to 20 working days, if no additional information is requested (the process under Article 17(2) the consolidated Law on Electricity lasts 30 calendar days. For the purpose of the timeline, it is understood that it equals 20 working days)

Furthermore, the development and generation permits for prosumers and for new RES power plants up to 100kW have been waived following the amendment of the Law on Electricity, as stated under Article 4(8), Article 4(9), and Article 4(15). Therefore, for those persons, the permitting granting procedures is expected to be reduced by up to 40 working days.

Furthermore, in line with the description of the measure, **this reform consists of a package of legislative changes which contains elements going beyond the transposition of the Renewable Energy Directive (RED II).**

The Renewable Energy Directive (RED II) requires that the permit-granting process does not exceed two years for power plants, and one year for power plants with an electrical capacity of less than 150 kW (including all relevant procedures of competent authorities). With the aforementioned amendments, the standard permit granting procedure (from application to issue) in Lithuania lasts a total of 195 working days (out of 260 working days in a year). Therefore, these legislative changes are more ambitious than the deadline of two years (or 520 working days) imposed by the Renewable Energy Directive (RED II).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Loan support

Number and name of the Milestone: 58b Establishment and entry into operation of the Green Finance Competence and Knowledge Centre

Related Measure: C2.B-3-1- B-3-1- Development of Green Financial Products

Qualitative Indicator: Green Finance Competence and Knowledge Centre has entered into operation

Time: Q4 2023

1. Context:

The objective of this reform is the entry into force of the Order of the Minister of Finance approving the Lithuanian Green Finance Action Plan 2023-2026, which aims to mobilise public and private finance to meet climate change mitigation and adaptation objectives and to increase Lithuania's attractiveness for investors in green financial products. Under this reform, support shall be provided to establish and operationalise the Green Finance Competence and Knowledge Centre, to contribute to the development of a sustainable labelling ecosystem in Lithuania on the basis of international practices, ensure the dissemination of relevant sustainability-related information, coordinate cooperation between the public and private sectors and academia and promote Lithuania in the field of sustainable finance.

Milestone 58b is related to the establishment and entry into operation of the Green Finance Competence and Knowledge Centre.

Milestone 58b is the second and last milestone of the reform, and it follows the completion of milestone 58a, related to the entry into force of the Order of the Minister of Finance approving the Lithuanian Green Finance Action Plan 2023-2026.

The reform has a final expected date for implementation of 31 December 2023.

2. Evidence provided

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Amendment of 20 June 2023 No XIV-2078 of Articles 1, 4, 6, 7 and repeal of Article 11-1 of the Law on National Development Bodies of the Republic of Lithuania No XIII-1257 (hereinafter referred to as "Amendment No. XIV-2078"). Link to the publication in the register of legal acts: TAR, 2023-06-27, No. 12870. | Amendment to the law which set new functions for INVEGA in order to implement the Action 1 "Establishing a Green Finance Competence and Knowledge Centre and ensuring leadership in the Baltic region" of the Lithuanian Green Finance Action Plan |
| 2 | Copy of Regulation of INVEGA of 11 December 2023 (hereinafter referred to as "Regulation of INVEGA"). Link to the website where it can be accessed: https://invega.lt/lt/doclib/k44uq7lwkztrzr2xug53msjxbxf27kjj . | The regulation attributes the competencies linked to the Green Finance Competence and Knowledge Centre to the Green Finance Institute. |
| 3 | Organisational structure of INVESTMENT AND BUSINESS GUARANTEES LTD of 9 October 2023 | The organisational structure of INVEGA, valid from 15 December |

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|---|--|--|
| | (hereinafter referred to as “published organisational structure”). Link to website where it can be accessed: https://invega.lt/struktura-ir-kontaktai/struktura/84 . | 2023, showing that the Green Finance Institute is established under the Chief Executive Officer. |
| 4 | Copy of meeting minutes of the board of supervisors of INVEGA of 12 January 2023 No 002 on the approval of the Strategic Operational Plan of UAB Investment and Business Guarantee for 2024, and a copy of the Strategic Operational Plan of UAB Investment and Business Guarantee for 2024 (hereinafter referred to as “Strategic Plan of INVEGA”). Link to website where the latter can be accessed: https://invega.lt/doclib/mj8khwe9x34ubu2p828bwfcpryvp9jc4 . | Meeting minutes of the Supervisory Board of INVEGA approving the 2024 Strategic Plan of INVEGA. |
| 5 | Quarterly Report of 30 April 2024 on the Green Finance Institute (hereinafter referred to as “Quarterly Report”). | Quarterly Report of the Green finance institute, setting out the main results of the Green finance institute’s activities, including information regarding the stakeholders’ survey performed. |
| 6 | Copy of Stakeholder survey of 14 December 2023 on the need for a consultation on green/sustainable finance in Lithuania (hereinafter referred to as “questionnaire”). | Stakeholder survey – ecosystem development exercise launched (survey sent to stakeholders). |
| 7 | Copy of Order of Minister of Finance No 1K-238 of 12 July 2024 amending Order No 1K-248 of 2 July 2022 on the change of title of the limited liability company “investment and business guarantee” (hereinafter referred to as “Order No 1K-238”). | Order evidencing that INVEGA have formally changed its title/name to ILTE. |

3. Analysis:

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

A Green Finance Competence and Knowledge Centre shall be established within the structure of INVEGA

It should be noted that following the establishment of the Green Finance Competence and Knowledge Centre, INVEGA has changed its title to ILTE, following the entry into force of Order No 1K-238. To ensure consistency with the evidence submitted by the Lithuanian authorities, the title of INVEGA will be maintained for the purpose of this assessment.

In order to establish the Green Finance Competence and Knowledge Centre within the structure of INVEGA, the Law on the National Development Institution needed to be amended to reflect the additional tasks it is entrusted with. Amendment No. XIV-2078 was adopted on 20 June 2023 and entered into force on 28 June 2023 (according to the Registry of Legal Acts). To that effect, Article 2 of Amendment No. XIV-2078 of the Law on the National Development Institution replaces Article 1(2). It states that “this law regulates the designation, activities, management, financing and

supervision of the National Development Institution [...]”. As part of this amendment, Article 4 (amending Article 6 of the Law) includes the competencies linked to the Green Finance Competence and Knowledge Centre, which are to be taken-up by INVEGA (see in detail below).

Subsequently, the Regulation of INVEGA was amended and now states under Paragraph 23.2 that the functions laid out in Articles 6 paragraphs 7 to 11 of the Law on the National Development Institution (or Article 4 of Amendment No. XIV-2078) are to be performed by the Institute of Green Finance. In this instance, the Institute of Green Finance should be understood as the Green Finance Competence and Knowledge Centre. This is evidenced by the fact that the institute’s website (link here: <https://invega.lt/apie-mus/zaliuju-finansu-institutas/357#naujienos>) states that “The Green Finance Institute is the first such knowledge and competence centre in Lithuania and the Baltic States”. Moreover, according to the Strategic Plan of INVEGA (page 16), “the Green Finance Institute was established as a structured unit of INVEGA under the direct authority of the CEO of the company and independent from the activities of other units of INVEGA”. This is also reflected under the published organisational structure of INVEGA, where the Green Finance Institute is established under the supervision of the Chief Executive Officer.

contribute to the development of a sustainable labelling ecosystem in Lithuania on the basis of international practices,

INVEGA is to “develop a sustainable labelling ecosystem”, according to Article 4(2) of Amendment No. XIV-2078, which supplements Article 6(1) of the law with sub-paragraph 8.

Moreover, according to the Strategic Plan of INVEGA (last two paragraphs of section “3.1. Analysis of internal factors”, sub-section “supporting business processes”, page 20), the Green Finance Institute will “coordinate and promote the development of the green finance ecosystem in Lithuania in cooperation with national and foreign strategic partners”. It will also act as “developer of the green finance ecosystem, the Green Finance Institute will help identify areas that require additional green finance or where there is a shortage of products.”

ensure the dissemination of relevant sustainability-related information,

INVEGA is to “provide proposals and expert (technical and methodological) assistance to state and municipal authorities and bodies in the field of sustainable (green) finance and on the necessary solutions to improve the investment environment and the availability of funding to the entities implementing the projects”, according to Article 4(1) of Amendment No. XIV-2078, which replaces sub-paragraph 7 of Article 6(1) of the Law.

Additionally, INVEGA is to “initiate and submit proposals for research on sustainable (green) finance, education and information activities”, according to Article 4(3) of Amendment No. XIV-2078, which supplements Article 6(1) of the Law with sub-paragraph 9.

Furthermore, in the foreword of the Quarterly Report, the Head of the Green Finance Institute stated that the institute has “created a regulatory map and published answers to the most frequently asked questions on sustainable finance on our website. All this information will be kept up to date as part of our commitment to promote the development of the green finance ecosystem and the involvement of all stakeholders” (fourth paragraph). The Quarterly Report also provides news on legislative changes as well as other relevant publications in the European Union (page 6-11) and in Lithuania (page 12) regarding the field of sustainability.

coordinate cooperation between the public and private sectors and academia and promote Lithuania in the field of sustainable finance.

INVEGA is to “coordinate public-private cooperation in the field of sustainable (green) finance”, according to Article 4(3) of Amendment No. XIV-2078, which supplements Article 6(1) of the law with sub-paragraph 10.

Moreover, INVEGA is to “promote Lithuania in the field of sustainable (green) finance”, according to Article 4(3) of Amendment No. XIV-2078, which supplements Article 6(1) of the law with sub-paragraph 11.

Furthermore, in the foreword of the Quarterly Report, the Head of the Green Finance Institute stated that “To promote the development of the green finance ecosystem, the active exchange of information and stakeholder engagement, we have already set up the Sustainable Finance Forum on 23 April and call for its active involvement” (fifth paragraph).

For this, and to help identify the most pressing issues and priority areas in Lithuania, The Green Finance Institute sent a questionnaire to stakeholders on 13 December 2023, for which replies were to be provided by 12 January 2024. The results of the questionnaire are found in the Quarterly Report (pages 16-19). More specifically, a summary of the replies from the public sector and the private sector is found on page 17, while an overview of the survey on higher education institutions is found on pages 18 and 19.

[A Green Finance Competence and Knowledge Centre shall] enter into operation.

The website of the Green Finance Institute shares the objectives, activities and news related to the operations of the Green Finance Institute (link here: <https://invega.lt/apie-mus/zaliuju-finansu-institutas/357#naujienos>). The website further states that “The Green Finance Institute is the first such knowledge and competence centre in Lithuania and the Baltic States”.

Additionally, on 30 April 2024, the Green Finance Institute issued a Quarterly Report setting out the main results of the Green Finance Institute’s activities since the start of its activities in 2023, thus indicating that it has entered into operation.

4. Commission Preliminary Assessment: satisfactorily fulfilled.

Number and name of the Target: 180c Capital transfer from the Lithuanian Government to INVEGA

Related Measure: C6.F-3-2- F-3-2- Capitalisation and financial resilience of the National Promotional Institution

Quantitative Indicator: EUR

Baseline: 0

Target: 150 000 000

Time: Q2 2024

1. Context:

This measure consists of a public investment to increase the capitalisation of INVEGA (National Promotional Institution) through an equity injection in order to improve access to finance in Lithuania. The investment provides INVEGA with additional equity of EUR 150 000 000. As part of the investment, INVEGA must adopt a new investment policy, including covering the use of the additional equity in line with the RRF objectives and eligibility criteria.

Target 180c requires Lithuania to transfer EUR 150 000 000 to INVEGA to increase its capitalisation.

Target 180c is the first step of the implementation of the investment. It will be followed by milestone 180d, related to the adoption of the investment policy for INVEGA. The investment has a final expected date for implementation on 31 August 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Resolution of 29 May 2024 No. 420 of the Government of the Republic of Lithuania “On the investment of state assets and increase in the authorised capital of the Private Limited Liability Company Investicijų ir verslo garantijos” (hereinafter referred to as “Resolution No. 420”), and link to the publication in the Register of Legal Acts (TAR 2024-05-31, No. 9882). | This legal act mandates the transfer of financial assets (cash) belonging to the State – EUR 149 999 990,40 – as an additional State contribution to increase the authorised capital of the Private Limited Liability Company “Investicijų ir verslo garantijos” (hereinafter – INVEGA), as set out in the description of the indicator. This legal act also stipulates that the Ministry of Finance of the Republic of Lithuania, as the manager of the Company’s shares owned by the State, will take a decision to increase the Company’s authorised capital by EUR 149 999 990,40 by issuing 517 920 ordinary registered dematerialised shares, each with a nominal value of EUR 289,62 and a total nominal value of EUR 149 999 990,40. |
| 2 | The Order of the Minister of Finance of the Republic of Lithuania of 13 June 2024 No. 1K-205 “On Increasing the Authorised Capital of | This legal act increases the authorised capital of INVEGA from EUR 53 438 075,82 to EUR 203 438 066,22 by issuing 517 920 new |

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|---|---|--|
| | the Private Limited Liability Company Investicijų ir verslo garantijos” and amending Order of the Minister of Finance of 4 July 2022 No. 1K-248 “On the Approval of the Articles of Association of the Private Limited Liability Company Investicijų ir verslo garantijos” (hereinafter referred to as “Order No. 1K-205”). | ordinary registered dematerialised shares with a nominal value of EUR 289,62 each. It also stipulates that INVEGA shall use its own funds and borrowed funds for the implementation of incentive financial instruments by the decision of INVEGA’s Management Board. |
| 3 | Copy of Form of State Treasury payments for payment applications – VBAMS MOK-03 of 1 July 2024 (hereinafter referred to as “copy of the payment from the Treasury”) | The proof of transfer – a copy of the payment from the Treasury, confirming that the amount of EUR 149 999 990,40 has been transferred to INVEGA. |
| 4 | Copy of Order of Minister of Finance No 1K-238 of 12 July 2024 amending Order No 1K-248 of 2 July 2022 on the change of title of the limited liability company “investment and business guarantee” (hereinafter referred to as “Order No 1K-238”). | Order evidencing that INVEGA have formally changed its title/name to ILTE. |

3. Analysis:

The justification and substantiating evidence provided by the Lithuania authorities cover all constitutive elements of the target.

Lithuania shall transfer EUR 150 000 000 to INVEGA to increase its capitalisation.

The copy of the payment from the Treasury of 1 July 2024 shows that on 28 June 2024 a payment was made (column 1 of the table) to the private joint stock company “Investment and Business Guarantees” (or INVEGA) (column 4 of the table) for an amount of EUR 149 999 990,40 (column 11 of the table).

Article 1 of Resolution No. 420 states that EUR 149 999 990,40 are transferred from the Recovery and Resilience Facility loan funds allocated to Lithuania to INVEGA as a State contribution to increase the authorised capital. This increase is to be used for the implementation of measure F.3.2.1 of the Annex to the Council Implementing Decision of 20 July 2021 on the approval of the assessment of the recovery and resilience plan for Lithuania.

Furthermore, in line with the description of the measure, **this measure shall consist of a public investment to increase the capitalisation of INVEGA (National Promotional Institution) through an equity injection in order to improve access to finance in Lithuania. The investment shall provide INVEGA with additional equity of EUR 150 000 000.**

Resolution No. 420 (“On the investment of state assets and the increase in the authorized capital of the closed joint-stock company ‘Investment and Business Guarantee’”) was adopted on 29 May 2024 and entered into force on 1 June 2024, one day after its publication in the Registry of Legal Acts.

Article 2 of Resolution No. 420 authorises the Ministry of Finance (as a shareholder of INVEGA) to adopt a decision to increase the share capital of INVEGA by EUR 149 999 990,40 by issuing 517 920 ordinary intangible shares, each with a nominal value of EUR 289,62. The article further states that the increased capital may only be used for INVEGA’s financing activities, unless it is agreed otherwise with the European Commission. Therefore, the capital injection will lead to improved access to finance in Lithuania.

Order No. 1K-205 is the decision of the Ministry of Finance referred to in Article 2 of Resolution No. 420. Paragraph 1 of Order No. 1K-205 increases the capital of INVEGA from EUR 53 438 075,82 to EUR 203 438 066,22 by issuing 517 920 new ordinary nominal shares of EUR 289,62 each. The issuance of new shares leads to an increase in INVEGA's equity, thanks to the capital injection. Paragraph 3.3 of Order No. 1K-205 amends paragraph 17 of INVEGA's statute to confirm that as a result of the injection "the authorised capital of INVEGA is divided into 702 431 [...] ordinary intangible shares".

Paragraph 3.1. of Order No. 1K-205 adds point 13¹ to the statute of INVEGA the requirement that "INVEGA shall use its own and borrowed funds for the implementation of promotional financial instruments upon a decision of the Governing Board of INVEGA".

The Council Implementing Decision required that Lithuania shall transfer EUR 150 000 000 to INVEGA to increase its capitalisation. Lithuania has transferred EUR 149 999 990,40 to INVEGA, due to the fact that no fractional shares could be issued. Whilst this constitutes a minimal numerical deviation of 0.000006% from the requirement of the Council Implementing Decision, the overall objective of this target is considered met notwithstanding this minimal deviation. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

Furthermore, it should be noted that following the capital transfer from the Lithuanian Government to INVEGA, INVEGA has changed its title to ILTE, following the entry into force of Order No 1K-238. However, for the purpose of the assessment, the name of INVEGA has been maintained in the analysis.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 204 Funding Agreement (or an amendment to an existing Fund of Funds Agreement)

Related Measure: C8.H-3-1- H-3-1- Support for RES plants (solar and wind onshore)

Qualitative Indicator: Entry into force of the Funding Agreement (or an amendment to an existing Fund of Funds Agreement)

Time: Q4 2023

1. Context:

This investment (H.3.1.) consists of a public investment in the Energy Efficiency Fund (the Facility), in order to incentivise private investment and improve access to finance in the Lithuanian renewable energy sector. The Facility shall provide loans directly to the private sector, as well as to public sector entities engaged in similar activities. The Facility shall be managed by INVEGA as the Implementing Partner, to provide direct loans to private entities (including public entities competing in the same call) to finance their investments into renewable energy power plants (wind and solar).

Milestone 204 concerns the entry into force of the Funding Agreement (or an amendment to an existing Fund of Funds Agreement) and is the first step of the implementation of the investment. It will be followed by milestone 205, related to the publication of a call for applications by the National Promotional Institution, followed by targets 206 and 207 related to the legal agreements signed with final beneficiaries, and milestone 208 related to the completion of the RRF investment transfers for the Facility. The measure has a final expected date for implementation of 31 August 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary Document | |
| 2 | Copy of Agreement No 10 of 17 September 2024 amending agreement No 1S-12/2015/19-10/8-5 of 18 February 2015 on the establishment and financing of the Energy Efficiency Fund financed by the European Regional Development Fund, signed by ILTE (formerly known as "INVEGA"), the Ministry of Energy, and Ministry of Finance (hereinafter referred to as "the Funding Agreement") | Amendment of the funding agreement. |
| 3 | Copy of Order of the Minister of Finance of 22 June 2022 No. 1K-237 on the implementation of the European Union Funds Investment Programme for 2021-2027 and the Recovery and Resilience Plan "Next Generation Lithuania" (hereinafter referred to as "Order No. 1K-237"). Link to the publication in the Register of Legal Acts: 1K-237 On the European Union Funds Investment Programme for 2021-2027 and the Recovery and Resilience... (e-tar.lt) | Order setting out the rules on implementation of the European Union Funds, including the Recovery and Resilience Facility in Lithuania. |

| | | |
|---|---|--|
| 4 | Copy of Order of the Director General of ILTE UAB No B-244 of 14 October 2024 on anti-tax avoidance procedure (hereinafter referred to as "Order No B-244"). | Order determining the assessment criteria for the compliance of a client in receiving a loan from a financial instrument |
| 5 | Copy of Decision of the board of Directors of 19 January 2024 (minutes no 004) on the anti-corruption policy (hereinafter referred to as "ILTE's Board Decision of 19 January 2024"). Link to its publication: https://ilte.lt/doclib/uj30irftomk966jbpu7fxs1ksxke5nzp | Decision setting out ILTE's internal control policy, including corruption detection. |
| 6 | Copy of Decision of the board of Directors of 26 August 2024 (minutes no 013) on the interest management policy (hereinafter referred to as "ILTE's Board Decision of 26 August 2024"). Link to its publication: https://ilte.lt/doclib/e8iuh4lwrosf5y57hngcf5qyruk7qmx | Decision setting out ILTE's internal management policy. |
| 7 | Copy of Decision of the board of Directors of 25 August 2022 (minutes no 033) on the internal control policy (hereinafter referred to as "ILTE's Board Decision of 25 August 2022"). Link to its publication: https://ilte.lt/data/public/uploads/2023/03/2022-08-25-vks-politika.pdf | Decision setting out ILTE's internal control policy. |
| 8 | Copy of Order of Minister of Finance No 1K-238 of 12 July 2024 amending Order No 1K-248 of 2 July 2022 on the change of title of the limited liability company "investment and business guarantee" (hereinafter referred to as "Order No 1K-238"). | Order evidencing that INVEGA have formally changed its title/name to ILTE. |

3. Analysis:

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

Entry into force of the Funding Agreement (or an amendment to an existing Fund of Funds Agreement).

- Article 2 of the Funding Agreement (page 2 – evidence No. 2 above) states that the "Agreement shall be signed by electronic signatures, shall enter into force upon signature by all Parties and shall remain in force until the Parties fulfil their obligations under this Agreement or the Agreement has been terminated".
- As a result, the Funding Agreement, amending the agreement No 1S-12/2015/19-10/8-5 establishing and financing the Energy Efficiency Fund (ENEF), entered into force on 17 September 2024, following the signature of the UAB ILTE (formerly known as INVEGA) on 16 September 2024, the signature of the Ministry of Finance on 16 September 2024, and the signature of the Ministry of Energy on 16 September 2024 (see the "detailed metadata" table at the end of the document).

Furthermore, in line with the description of the measure, **this measure shall consist of a public investment in the Energy Efficiency Fund (the Facility), in order to incentivise private investment and improve access to finance in the Lithuanian renewable energy sector.**

- Annex A of the Funding Agreement (see “1. Introduction”, ninth paragraph) states that “In order to improve access to finance and encourage private investment in the renewable energy sector in Lithuania and to contribute to the development of Renewable Energy Sources (RES) generation capacity, it was decided that ENEF develops a new Financial Instrument, financed by public investment: RRF loans and Lithuanian State Budget funds (the ‘Financial Instrument for RES legal entities’).”

The Facility shall provide loans directly to the private sector, as well as to public sector entities engaged in similar activities.

- Annex A of the Funding Agreement (see “1. Introduction”) states that “The financial instruments will directly provide loans [...] for investments by private legal entities, including public legal entities, in installations for the production of electricity from RES, thus contributing to the achievement of ambitious RES development objectives in Lithuania.”

On the basis of the RRF investment, the Facility aims at initially providing at least EUR 549 130 737 of financing.

- Under Chapter VI of the Funding Agreement (“financing of ENEF”), paragraph 6.1.3 states that “EUR 549 130 737 (five hundred forty-nine million, one hundred and thirty thousand seven hundred and thirty-seven)” of RRF loan funds are attributed to the Energy Efficiency Fund.
- Additionally, Table 1 (“financial instruments and amounts of funds allocated to them”) of Annex A states under point 7 that the “Financial instrument for RES legal entities” has for source of financing “RRF loan funds” and has been attributed EUR 549 130 737 as “amount of funds allocated to the financial instrument, EUR”.

The Facility shall be managed by INVEGA as the Implementing Partner.

- According to Chapter I (“Definitions and Abbreviations”), the ENEF manager is defined as “ILTE”, formerly known as INVEGA, which has been renamed as such following Order No 1K-238. For the purpose of this assessment, the name of the implementing partner will be “ILTE (formerly known as INVEGA)”.

The Facility shall include the following product line: Direct loans to private entities (including public entities competing in the same call) to finance their investments into renewable energy power plants (wind and solar).

- Under point 5.4.1. of Annex A, on the financial instrument for RES legal entities, the main terms of the Facility under the Recovery and Resilience Plan are set out in Table 7:
 - Point 1 of the table states that the end recipients are “private and public legal entities”.
 - Point 2 defines the activities concerned, for which final beneficiaries are granted loans, as follows: “installation, construction and purchase of a solar/wind power plant and its integration into energy grids”.

In order to implement the investment into the Facility, Lithuania and INVEGA shall sign a Funding Agreement [...]

- The Funding Agreement was signed by UAB ILTE (formerly known as INVEGA) on 16 September 2024, by the Ministry of Finance on 16 September 2024, and by the Ministry of Energy on 16 September 2024 (see the “detailed metadata” table at the end of the document).

[...] Funding Agreement (or an amendment to an existing Fund of Funds Agreement) that shall include the following content:

1. Description of the decision-making process of the Facility: The final investment decision of the Facility shall be taken by a Credit Committee, INVEGA’s Management Board or other relevant equivalent governing body and approved by a majority of votes from members who are independent from the government.

Under Chapter IV of the Funding Agreement, on the management of the ENEF, the ENEF manager is required to perform the following tasks (paragraph 4.1):

- Paragraph 4.1.2: “implement the Investment strategy”
- Paragraph 4.1.3: “select final beneficiaries’ projects financed by ENEF, sign contracts with final beneficiaries, pay ENEF funds undersigned agreements with final beneficiaries, administer the loans granted, monitor and control the implementation of final beneficiaries’ projects;”

Moreover, according to Paragraph 4.15, “decisions on the granting of funding from ENEF funds (including RRF loan funds) shall be taken by the ENEF manager in accordance with the procedure laid down in the articles of association and internal procedures of the ENEF manager. The ENEF manager shall ensure that, when final decisions are taken in the governing body of the ENEF manager, a majority of the votes belong to members who are independent of the State authorities and/or the authorities representing the State”. Therefore, for a final decision to be taken on the granting loans, ILTE (formerly INVEGA) is to ensure that the majority of votes within its governing body are from members who are independent from the government.

2. Key requirements of the associated investment strategy, which shall include:

Annex A to the Funding Agreement contains the investment strategy.

a. The description of the financial product and eligible final beneficiaries.

- Under point 5.4.1. of Annex A of the amendment to the Funding Agreement, on the financial instrument for RES legal entities, the main terms of the Facility under the Recovery and Resilience Plan are set out in Table 7:
 - Point 1 of the table states that the end recipients may be “private and public legal entities”.
 - Point 2 lists the activities concerned, for which final eligible beneficiaries are granted loans, as follows: “installation, construction and purchase of a solar/wind power plant and its integration into energy grids”

- The Facility shall provide preferential loans (see point 3), with a maximum annual interest rate of 3% (see point 4), for a maximum period of 20 years (see point 5).

b. The requirement that all investments supported are financially viable.

- Under point 5.4.1. of Annex A, on the financial instrument for RES legal entities, the main terms of the Facility under the Recovery and Resilience Plan are set out in Table 7:
 - Point 12 requires that the “project must be considered economically viable and financially viable. The assessment of the level of risk and the feasibility and financial viability of the end beneficiary’s project shall be carried out by the ENEF manager in accordance with internal procedures.”

c. The requirement to comply with the ‘Do no significant harm’ (DNSH) principle as set out in the DNSH Technical Guidance (2021/C58/01).

- Under point 5.4.1. of Annex A, on the financial instrument for RES legal entities, the main terms of the Facility under the Recovery and Resilience Plan are set out in Table 7:
 - Point 8 requires that the “project must comply with the ‘do no significant harm’ principle within the meaning of article 17 of Regulation (EU) 2020/852 [...], taking into account the technical guidance on the application of the ‘do no significant harm’ principle under the Recovery and Resilience Facility Regulation, adopted by Commission Notice 2021/C58/01 of 18 February 2021”.

d. The requirement that final beneficiaries of the Facility shall not receive support from other Union instruments to cover the same cost.

- Under Chapter IX of the Funding Agreement, paragraph 9.2.8. states that ILTE (formerly known as INVEGA) shall “ensure that ENEF does not provide funding for the same costs of the final beneficiary’s project covered from EU funds, other EU financial support instruments and/or national funds, thereby ensuring that the final beneficiary’s project is not financed by ENEF for more than 100%”.

3. The amount covered by the Funding Agreement (or an amendment to an existing Fund of Funds Agreement), the fee structure for the Implementing Partner and the requirement to reinvest any reflows according to the investment strategy of the Facility unless they are used to service loan repayments of the Recovery and Resilience Facility.

- Table 1 (“financial instruments and amounts of funds allocated to them”) of Annex A states under point 7 that the “Financial instrument for RES legal entities” has as a source of financing “RRF loan funds” and has been attributed EUR 549 130 737 as “amount of funds allocated to the financial instrument, EUR”. Additionally, the “amount of funds allocated to the management fee shall not exceed” EUR 38 439 179,13.
- The calculation and payment of management fees is found under Annex G on the “Calculation and payment of management fees”:
 - More specifically, point 2.2. states: “The management fee paid to the ENEF manager for the management of the financial instruments financed by [...] the RRF loan [...] for the period from the amendment of the ENEF agreement [...] shall consist of two components until 31 December 2029”:

- ‘Fixed component’ means an annual amount of 0.5% calculated on the amount allocated to the Financial Instrument; and
 - the result-related part of the Management Fee is an annual 0.25% calculated on the amount borrowed to final recipients that have not been reimbursed by the Final Beneficiaries to ENEF.
 - Furthermore, “as of 1 January 2030, an annual management fee of 0.75% shall be paid to the ENEF manager on the amount that has not been reimbursed by the final beneficiaries to the ENEF, financed from the refunds.”
- Additionally, the Funding Agreement states that RRF loan repayments shall be used for (paragraph 4.10):
 - either the “the same or other ENEF financial instruments implemented under the same policy objectives (including the payment of the Management Fee) to the extent that the conditions set out in points 4.10.2 and 4.11 do not need to be met;” (paragraph 4.10.1 of Chapter IV);
 - or the “repayment of the part of the State loan taken out under the RRF loan agreement between the European Commission and the Republic of Lithuania paid into ENEF” (paragraph 4.10.2 of Chapter IV).

Otherwise “the share of interest and other income or other profits on the RRF loan funds transferred to the ENEF manager and on the proceeds of the RRF loan disbursed to final beneficiaries shall be used for the payment of interest up to a maximum of 3 % of the annual interest on the outstanding State loan.” (paragraph 4.11 of Chapter IV)

4. Monitoring, audit, and control requirements, including:

a. The description of the main principles of the Implementing Partner’s monitoring system to report on the investment mobilized.

- Annex B to the Funding Agreement contains the “implementation monitoring”.
 - Point 1.1 of this annex defines monitoring as “a regular process by which financial and non-financial information and data relating to the ENEF are collected and analysed in order to verify and assess the functioning of the ENEF, compare its functioning and progress with the objectives, targets, budget set, and assess its compliance with legal and contractual requirements.”
- The main objectives, as set out in point 2, are as follows:
 - Point 2.1: “During the monitoring process, the Ministry [and] the Supervisory Committee shall obtain substantiated data from the ENEF manager to confirm that”:
 - The ENEF is managed in accordance with the requirements of existing EU and Lithuanian legislation (see 2.1.1.)
 - the objectives of the ENEF and the conditions laid down in the Funding Agreement are met; (see 2.1.1.2.)

- all relevant information on the management and implementation of the ENEF (including information on State Aid, where applicable) are collected and stored (see 2.1.3.)
- According to the general principles (see point 3 of Annex B), the monitoring process should ensure that “there is no risk of non-implementation of the Investment Strategy during the monitoring process”. This should be ensured by “using appropriate tools, and assessing progress to detect deviations from the Investment Strategy, so that measures can be taken to remedy the situation where necessary”.
- On the basis of the above, under the common guidelines for monitoring (point 4 of Annex B), “The ENEF manager undertakes to respond to the increased risks of non-achievement of the indicators and to inform the Ministries, SC without delay” (point 4.2) and undertakes to “make every effort to achieve the indicators set out in the Investment Strategy and is responsible for reporting on the indicator values achieved. The ENEF manager shall report on the achievement of the indicators through annual reports” (point 4.4 of Annex B).
- As such, the monitoring measure to be implemented by the ENEF manager (see point 5 of Annex B) is “expected to include documentary checks and, reporting, sample checks at the sites of final beneficiary’s projects”. The ENEF manager further “undertakes to inform the Supervisory Committee of the ENEF’s monitoring procedures, the monitoring process and the information flows, as appropriate” (see point 5 of Annex B)

b. The description of the main principles of the Implementing Partner’s procedures that aim to ensure the prevention, detection and correction of fraud, corruption, and conflicts of interests in the Implementing Partner’s activities.

- Paragraph 28 of the Preamble to the Funding Agreement states that the financial instruments of the ENEF are implemented according to the rules for the Implementation of Financial Instruments approved by the Order No. 1K-237 and according to the requirements of the Recovery and Resilience Plan.
- Paragraph 9.2.1. states that the ENEF manager undertakes to “ensure the efficient administration and management of the ENEF in accordance with the principle of sound financial management, in accordance with relevant professional standards and in accordance with the Investment Strategy, the Rules on Financial Instruments, the provisions of other EU and Lithuanian legislation and the Funding Agreement;”
- Under Annex D, on Audit and Control, point 2.1.4. contains the main principles of ILTE’s (formerly known as INVEGA) procedures that aim to ensure the prevention, detection and correction of fraud, corruption, and conflict of interests in their activities. As such, it states that “The management and control system of the ENEF manager shall consist of”:
 - (Point 2.1.4.1.) “the distribution and separation of management and control processes and functions”.
 - (Point 2.1.4.2.) “procedures to ensure the correctness and regularity of the expenditure incurred”.
 - (Point 2.1.4.3.) “computerised accounting systems for monitoring and reporting, storing and transmitting information on financial data and data on indicators”.

- (Point 2.1.4.4.) “procedures for ensuring an audit trail”.
- (point 2.1.4.5.) “management measures for the prevention of non-conformities, violations, including fraud, money laundering, corruption and/or conflicts of public and private interests, established in [...] the procedures governing the recovery of improperly paid funds together with interest, as determined by the legal acts of the ENEF manager and the Republic of Lithuania.” These measures are complemented by the provisions on internal controls set out in point 2.1.5. of Annex D as detailed below.
- To ensure adequate compliance control in terms of (inter alia) fraud, corruption and conflict of interest, ILTE (formerly known as INVEGA) follows a three-track model to ensure the prevention, identification, and correction of non-conformities (see paragraph 55 of ILTE’s Board Decision of 25 August 2022):
 - First line (paragraph 55.1) – ILTE’s (formerly known as INVEGA) staff is responsible for the day-to-day application of external and internal compliance requirements: identification of non-conformities, reporting of non-compliances to compliance staff, addressing non-conformities and preventive controls;
 - The second line (paragraph 55.2) is the Risk Management and Compliance Department, compliance officer and compliance function. The implementation of the compliance function is to be coordinated and controlled by the compliance officer. The compliance function performs an analysis of possible non-compliances; monitoring, providing advice, guidance, training for first line staff, carrying out checks, analysing and monitoring the elimination of non-compliances, and preparing risk management reports.
 - The third line (paragraph 55.3) is the Internal Audit Service, which assesses the effectiveness of the compliance management process and the management of non-compliance risks.
- In addition, Order B-244 states under paragraph 6 that, during the assessment of a client, the responsible employee of ILTE (formerly known as INVEGA) must assess the client’s compliance with a set of criteria, including the requirement that in the 5 years leading up to the request for a loan, “the borrower, [...] or a person having powers of representation, decision-making or control over the borrower, has not been convicted by a final court decision or a final administrative decision, and has no criminal record that has not been expunged or been quashed for” fraud (paragraph 6.6.2.), corruption (paragraph 6.6.3.), and other criminal offenses. If the client’s assessment identifies non-compliance with the above criteria, ILTE (formerly known as INVEGA) cannot enter in a business relationship with said client (Paragraph 12 of Order B-244 – Chapter IV).
- Furthermore, to ensure the prevention and detection of conflict of interest, ILTE’s Board Decision of 26 August 2024 sets out key measures (see paragraph 15 of Chapter VI), requiring the disclosure of information by interested parties about potential conflict of interests (paragraph 15.1), the declaration of private interests (paragraph 15.2), and a control and monitoring framework of the declarations of public and private interests of ILTE’s (formerly known as INVEGA) staff (paragraph 15.3).

- Furthermore, to ensure the correction of conflict of interest, ILTE's Board Decision of 26 August 2024 states under paragraph 16 of Chapter VII that "In the event of a conflict of interest or of circumstances which may give rise to a conflict of interest or its appearance, the person concerned shall be required, in writing and in accordance with the procedure laid down in the internal documents of ILTE (formerly known as INVEGA), to inform immediately the relevant colleagues, the sole management body or persons authorised by the single management body, as well as other persons who jointly perform official duties of such a situation, and, if the conflict of interest has been confirmed, to express his or her disqualification and not to participate in any form in the deliberation and decision-making process leading to the conflict of interest."

c. The obligation to verify the eligibility of every operation in accordance with the requirements laid out in the Funding Agreement (or an amendment to an existing Fund of Funds Agreement) before committing to finance an operation

- Under Chapter IX of the Funding agreement, paragraph 9.2.2. states that the manager of the ENEF shall ensure "that the contribution to ENEF is used as eligible costs, as provided for in the provisions of each Financial Instrument, [...], that the eligible costs are declared to the ministries in accordance with the procedure laid down by law and that the indicators set out in the Investment Strategy are achieved. Where financing for final beneficiaries is provided from the 2021-2027 contribution and/or from the RRF loan contribution, the eligible costs must comply with the eligibility requirements laid down in the Rules on Financial Instruments 2021-2027 (including the requirements set out in Annex A to the Agreement [...])". Therefore, ILTE (formerly known as INVEGA) must verify that (i) the loans are used to finance eligible costs (ii), indicators set out in the investment strategy are achieved, (iii) in the case of the investment financed using RRF loans, the costs financed comply with the requirements laid down in the investment strategy.

d. The obligation of carrying out risk-based ex-post checks in accordance with an internal checks plan of INVEGA. These checks shall verify:

i) that the control systems in INVEGA are effective, including the detection of fraud, corruption, and conflict of interests;

- Under Annex D, point 2.1.5. states that "The ENEF manager undertakes once a year to carry out assessments of the effectiveness of the control system, including [...] detection of conflicts of interest and to analyse the results thereof, to ensure that irregularities are properly investigated and corrected and to inform the relevant responsible persons and authorities, as laid down in the regulatory acts and in the ENEF manager's internal documents."
 - This assessment relates to the second line of ILTE's (formerly known as INVEGA) compliance control system (see paragraph 55.2 of ILTE's Board Decision of 25 August 2022). This control is "carried out using a risk-based approach, which allocates resources and controls that are adequate for the risks of non-compliance in a given area and focuses primarily on critical and priority areas" (see Paragraph 56). These controls include a control of the operational risk management (paragraph 56.1), inspections (on-the-spot checks, documentary checks) at the level of implementation of the measures (paragraph 56.2), management of irregularities (paragraph 56.3), area-specific audits (paragraph 56.4), periodic monitoring of the

review of internal legislation (paragraph 56.5), and surveys as well as studies (paragraph 56.6).

- Moreover, according to ILTE’s Board Decision of 19 January 2024, (paragraph 6.2.) ILTE (formerly known as INVEGA) is to perform a “Regular assessment of the risk of the occurrence of corruption offences and the selection and implementation of appropriate prevention measures”. ILTE (formerly known as INVEGA) manages corruption risks in its business processes, identifies them and takes measures to mitigate (eliminate) those risks. ILTE (formerly known as INVEGA) aims to identify corruption risks on a preventive basis, i.e. before they materialise, by putting in place preventive corruption risk management tools to prevent or reduce the identified risks to acceptable levels.
- Furthermore, according to ILTE’s Board Decision of 26 August 2024, (paragraph 37) “In the course of corruption prevention activities, a corruption risk analysis must be carried out every year, the areas of possible manifestation of corruption must be assessed, and in accordance with the external and internal documents regulating how the fight against corruption is to be carried out in ILTE (formerly known as INVEGA), a plan of anti-corruption measures must be drawn up, which sets out the measures for carrying out the prevention of corruption, the responsible employees (departments), the deadlines for the implementation of measures, the expected results.”

ii) compliance with the DNSH principle and the State Aid rules; and

- Under Annex D, point 2.1.6. states that “The ENEF manager commits once a year to carry out risk-based ex-post sample checks of the financial instrument financed by the RRF loan, in accordance with the internal verification plan, to verify:”
 - “whether the final beneficiary complies with the Do-No-Significant Harm principle within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the technical guidance on the application of the ‘do no significant harm’ principle under the Recovery and Resilience Facility Regulation and State aid rules (if applicable) approved by Commission Notice 2021/C 58/01 of 18 February 2021;” (point 2.1.6.1. of Annex D), and;
 - “whether decisions have been taken to finance from the RRF loan only those final beneficiaries’ projects that meet the requirements set out in the State aid or Financial Instrument scheme approved by the Minister for Energy and the description of the Financial Instrument.” (Point 2.1.6.3. of Annex D), and;
 - “whether the final beneficiary complies with the conditions set out in the Agreement and the legality of the payments made to the final beneficiary.” (Point 2.1.6.4. of Annex D)

iii) that the requirement that final beneficiaries of the Facility have not received support from other Union instruments to cover the same cost is respected. The audits shall also verify the legality of the transactions and that the conditions of the applicable Funding Agreement (or an amendment to an existing Fund of Funds Agreement) are being respected.

- Under Annex D, point 2.1.6. states that “The ENEF manager commits once a year to carry out risk-based ex-post sample checks of the financial instrument financed by the RRF loan, in accordance with the internal verification plan, to verify:”

- “whether the final beneficiary complies with the requirement that EU funds and/or other EU financial support instruments or national funds do not finance the same costs, i.e. the ENEF manager undertakes to verify that the final beneficiary’s project is not financed by EU funds and/or other EU financial support instruments or national funds for more than 100 % of the value of the final beneficiary’s project;” (point 2.1.6.2. of Annex D), and;
- “whether the final beneficiary complies with the conditions set out in the Agreement and the legality of the payments made to the final beneficiary.” (Point 2.1.6.4. of Annex D), thus ensuring the legality of the transactions and the conditions of the funding agreement are being respected.

5. Reporting requirements for climate investments for the Facility. Final beneficiaries associated to specific projects shall be required to provide a justification of the selected intervention field for each project supported, together with a description of the project, for the purpose of the computation of the climate contribution. The implementing partner shall also be required to provide to the Member State a semi-annual report on the implementation of each project/activity.

- Under point 5.4.1. of Annex A, on the financial instrument for RES legal entities, the main terms of the Facility under the Recovery and Resilience Plan are set out in Table 6:
 - Point 11 requires that the “For each funded final beneficiary’s project, the final beneficiary must provide a justification for the selected intervention field and a description of the final beneficiary’s project in order to calculate the contribution to climate change.”
- Additionally, as stated under point 3.1.2 of Annex C, when implementing the financial instruments financed by the RRF loan and/or the 2021-2027 EU funds, the ENEF manager is to provide “a biannual activity report as referred to in Chapter X of the Financial Instruments Rules 2021-2027;”. Meanwhile, paragraph 60 of Chapter X (Order No. 1K-237 – see third document of the Order) states that ILTE (formerly known as INVEGA) is to submit an activity report to the CPMA (administering authority) at least two times a year (by 15 January and 15 July), if the project is financed by EU funds or the Recovery and Resilience Facility.
 - In this instance, considering that the financial instrument finances only one activity (the investments into renewable energy power plants (wind and solar)), it is understood that the report is to be provided at the level of the instrument.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 205 - Publication of call for applications by National Promotional Institution

Related Measure: H-3-1- H-3-1- Support for RES plants (solar and wind onshore)

Qualitative Indicator: Publication of call

Time: Q3 2024

1. Context:

This investment (H.3.1.) consists of a public investment in the Energy Efficiency Fund (the Facility), in order to incentivise private investment and improve access to finance in the Lithuanian renewable energy sector. The Facility shall provide loans directly to the private sector, as well as to public sector entities engaged in similar activities. The Facility shall be managed by INVEGA as the Implementing Partner, to provide direct loans to private entities (including public entities competing in the same call) to finance their investments into renewable energy power plants (wind and solar).

Milestone 205 concerns the launch of a call for private entities (including public entities competing in the same call) to submit applications for loans.

Milestone 205 is the second step of the implementation of the investment and it follows the completion of milestone 204 related to entry into force of the Funding Agreement (or an amendment to an existing Fund or Funds Agreement). It will be followed by targets 206 and 207 related to the legal agreements signed with final beneficiaries, and milestone 208 related to the completion of the RRF investment transfers for the Facility. The measure has a final expected date for implementation of 31 August 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was fulfilled. |
| 2 | Order of Director of INVEGA of 27 March 2024 No. B-57 describing the financial instrument "RES loans to public and private entities" | Description of the financial instrument |
| 3 | Link to the call launched 28 March 2024: https://invega.lt/naujienos/47/kvieciame-teikti-paraiskas-pagal-finansine-priemone-aei-paskolos-juridiniams-asmenims:1704 | Link to the published call, which can be accessed by applicants to request financing for their projects. |
| 4 | Copy of Order of Minister of Finance No 1K-238 of 12 July 2024 amending Order No 1K-248 of 2 July 2022 on the change of title of the limited liability company "investment and business guarantee" (hereinafter referred to as "Order No 1K-238"). | Order evidencing that INVEGA have formally changed its title/name to ILTE. |

3. Analysis:

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

INVEGA shall launch a call for private entities (including public entities competing in the same call) to submit applications for loans in line with the requirements specified in the description of the measure.

On 28 March 2024, a call to submit applications to receive a loan from the financial instrument “Renewable Energy Sources (RES) to legal entities” was published on the website of INVEGA (link here: <https://invega.lt/naujienos/47/kvieciame-teikti-paraiskas-pagal-finansine-priemone-aei-paskolos-juridiniams-asmenims:1704>). The website specifies that loans will be provided to prosumers or to legal entities seeking to become prosumers with the objective to finance the installation or purchase of solar and/or wind power plants.

The call specifies that applications can be submitted from 28 March 2023 at 13:00 and that contracts for granting a loan can be signed no later than 30 June 2026.

The conditions for the implementation of the financial instrument are determined by the description of the financial instrument (link here: <https://invega.lt/doclib/cpfv4bslpb679523a56kwn1wh168f8dy>), as approved by Order of the Director-General of INVEGA of 27 March 2024 No. B-57.

Paragraph 6 of Chapter I of Order No. B-57 states that the “submission, evaluation, conclusion or refusal of the Loan Agreement are governed by INVEGA’s Direct Loan Application and Application Procedure, which is publicly available on INVEGA’s website”.

It should be noted that following the publication of the call for applications, INVEGA has changed its title to ILTE, following the entry into force of Order No 1K-238.

Furthermore, in line with the description of the measure, **the Facility shall provide loans directly to the private sector, as well as to public sector entities engaged in similar activities and, the Facility shall include the following product line: Direct loans to private entities (including public entities competing in the same call) to finance their investments into renewable energy power plants (wind and solar).**

Section 1 (“eligibility conditions of the borrower”) of Chapter II of Order No. B-57 contains the list of criteria an applicant must fulfil to be eligible for a loan.

- Paragraph 1.1. of Section 1 states that “loans may be granted to prosumers or persons seeking to become prosumers or to producers [...] intending to produce electricity from wind and solar renewable sources in installations [...] to consume electricity for their own use and farm needs, which are companies, institutions and organisations of all kinds and forms of ownership established in accordance with the procedure laid down by the laws of the Republic of Lithuania”. This includes:
 - Private legal persons (paragraph 1.1.1.): Small and Medium-sized Enterprises or large enterprises (paragraph 1.1.1.a); state-owned companies (paragraph 1.1.1.b); municipal-owned companies (paragraph 1.1.1.c), and; other private legal persons (paragraph 1.1.1.d).
 - Public legal persons (paragraph 1.1.2.): State and municipal enterprises (paragraph 1.1.2.a); public bodies (paragraph 1.1.2.b); municipalities (paragraph 1.1.2.c); other public legal entities meeting the criteria laid down for non-profit entities (paragraph 1.1.2.d).
- Paragraph 1.2. of Section 1 contains the “eligibility conditions common to all borrowers”.

Section 5 (“Loan purpose”) of Chapter II of Order No. B-57 specifies under paragraph 5.1. that the “loan shall be granted for the construction and/or installation of a solar and/or wind power plant for a project by a prosumer or to become a prosumer and/or producer authorised to generate zero power into the grid”.

Furthermore, in line with the description of the measure, **on the basis of the RRF investment, the Facility aims at initially providing at least EUR 549 130 737 of financing.**

Paragraph 4 of Chapter I of Order No. B-57 states that the financial instrument is to be implemented from the Energy Efficiency Fund with an amount of EUR 571 693 000 (including management fees), of which EUR 549 130 737 are financed from RRF funds.

4. Commission Preliminary Assessment: Satisfactorily fulfilled