

OVERVIEW OF THE IMPLEMENTATION OF EU COUNCIL RECOMMENDATIONS FOR LITHUANIA FOR 2016–2017

Objective	Instruments that are being implemented or are planned	Impact on the objective/ result	Implementation period	Implementation progress 1 March 2017	Responsible institution	
CHAPTER I						
Recommendation 1. Ensure that the deviation from the medium-term budgetary objective is limited to the allowance linked to the systemic pension reform in 2016 and in 2017. Reduce the tax burden on low-income earners by shifting the tax burden to other sources less detrimental to growth and improve tax compliance, in particular in the area of VAT						
1. Ensure that the deviation from the medium-term budgetary objective is limited to the allowance linked to the systemic pension reform in 2016 and in 2017	1.1.	To prepare the projects of the state budget, Compulsory Health Insurance Fund budget and State Social Insurance Fund budget for 2017	The totality of draft budgets shall ensure the compliance with legal acts governing financial discipline of the governmental sector and the allowable deviation from the medium-term objective	Q IV 2016	Implemented. The state budget, the Compulsory Health Insurance Fund budget and the State Social Insurance Fund budget were approved on 22 December 2016	The Ministry of Finance, the Ministry of Social Security and Labour, the Ministry of Health
	1.2.	To evaluate qualitative indicators of areas of public spending when preparing draft state budget and the State Social Insurance Fund budget for 2017, and when planning and allocating appropriations	The aim is to improve qualitative indicators of outcomes in the areas of education, health care and social security without exceeding the set spending limits and complying with budget balance limitations	Q IV 2016	Implemented. The state budget and the State Social Insurance Fund budget were approved on 22 December 2016	The Ministry of Health, the Ministry of Education and Science, the Ministry of Social Security and Labour, the Ministry of Finance
	1.3.	To prepare the procedure for presenting forecasts of the execution of municipal budgets to the Ministry of Finance	Projections of financial results planned for the current year presented by municipalities and prepared by them themselves allow receiving more accurate data on the monitoring of finances of the governmental sector and data necessary for implementing provisions of the Law on the Budget Structure (up until now, the procedure was valid temporarily, thus a permanent legal acts is being prepared	Q IV 2016 – Q I 2017	Implemented. On 22 March 2017, the Government passed a resolution “On the Approval of the Description of the Procedure for Presenting Forecasts of the Execution of Municipal Budgets”	The Ministry of Finance

2. Reduce the tax burden on low income earners by shifting the tax burden to other sources less detrimental to economic growth	2.1.	To draft amendments to legal acts governing tax on environmental pollution from vehicles in light of the conclusion of the conducted research “On Criteria for Setting the Vehicle Tax Amount Substantiating them with Experience of other Countries and Statistical Data, and Proposals for the Taxation of Vehicles in Lithuania Substantiating the Proposed Tariff Amounts and the Planned Results”	The tax on environmental pollution from vehicles would allow shifting the tax burden on the sources less detrimental to economic growth	QII 2017	Not being implemented	The Ministry of Environment, the Ministry of Finance
	2.2.	When preparing draft Law on Financial Indicators of the State Budget and Municipal Budgets for the respective year, to draft and submit proposals regarding the increase of tax-exempt income amount (hereinafter - TEA)	Increased TEA would allow reducing tax burden on low income earners	Q IV 2016	Implemented. Amendments to the Law on Personal Income Tax were adopted on 13 December 2016 whereby: 1) the maximum monthly tax-exempt income amount was increased from EUR 200 to EUR 310; 2) the fixed additional tax-exempt income amount applied for each raised child was increased from EUR 120 to EUR 200; 3) individual tax-exempt income amounts were increased for people with disabilities: from EUR 210 to EUR 320 - for those with lower level of disability and from EUR 270 to EUR 380 - for those with higher level of disability as from 1 January 2017	The Ministry of Finance
3. Improve tax compliance, in particular in the area of VAT	3.1.	To create legal preconditions for limiting cash payments	To reduce the scope of the shadow economy	Q IV 2016	Delayed implementation. On 10 December 2014, the Government submitted to the Parliament a draft Law on Limiting Cash Payments	The Ministry of Finance
	3.2.	To install the tax administration information system (“Smart Tax	Improvement of tax collection, increase of administration effectiveness and reduction of	Q IV 2016	Implemented. The State Tax Inspectorate under the Ministry of Finance of the Republic of	The Ministry of Finance, STI

		Administration System, i.MAS”) based on the latest technological developments: To implement subsystems for electronic invoices, electronic consignment notes, analysis and risk management	taxpayers’ burden. Having installed this system, taxpayers will be obligated to provide the tax administrator with data regarding invoices and consignment notes, the tax administrator will be able to better implement constant taxpayer control procedures to ensure the prevention of tax-related violations, while taxpayers will be able to receive electronic services related to the creation of preliminary VAT returns, the use of electronic consignment notes, electronic accounting services, etc.		Lithuania (hereinafter - STI) installed subsystems for electronic invoices (i.SAF) and electronic consignment notes (i.VAZ), created the Centre of Analysis, Modelling and Risk Management Excellence	
	3.3.	To implement the project of VAT invoices where high-risk taxpayers are obligated to periodically provide the STI with data of VAT invoice registers	The received data will be used to cross-check VAT invoices, to identify risky transactions involving taxpayers suspected of fraud and taxpayers who do not pay taxes	Q IV 2016	Implemented. The VAT invoice project was being implemented till October 2016. Having implemented the measure indicated in subparagraph 3.2 of the overview, currently, all VAT payers are submitting VAT invoice registers to STI	STI
CHAPTER II						
Recommendation 2. Strengthen investment in human capital and address skills shortages, by improving the labour market relevance of education, raising the quality of teaching and adult learning. Reinforce the coverage and effectiveness of active labour market policies. Strengthen the role of social dialogue mechanisms. Improve the performance of the healthcare system by strengthening outpatient care, disease prevention and health promotion. Improve the coverage and adequacy of unemployment benefits and social assistance						
4. Strengthen investment in human capital and address skills shortages, by improving the labour market relevance of education, raising the quality of	4.1.	To implement the project “National governmental institutions for apprenticeship - implementation of work-based learning in Estonia, Latvia and Lithuania for the improvement of practical vocational training (<i>Work Based Learning, WBL-BALT</i>)	Exchange of experience related to the vocational training system reforms between the Baltic states, particularly with regard to practical work-based learning and apprenticeship	Q IV 2016	Implemented. Having implemented the project, the final action plan for the development and implementation of apprenticeship in Lithuania was prepared. Recommendations made in this plan are currently analysed, and they will be considered when drafting new legislation necessary for improving vocational training and developing apprenticeship	The Ministry of Education and Science

teaching and adult learning	4.2.	To update vocational training programmes depending on the need of the economy and the region: to prepare 60 modular vocational training programmes and 10 professional standards	A developed modern vocational training system	Q IV 2016	Delayed implementation. In order to update vocational training programmes depending on the need of the economy and the region, 71 modular vocational training programmes were prepared, approved in sectoral committees and registered in the Register of Studies, Training Programmes and Qualifications. A total of 10 professional standards was drafted and approved in professional committees	The Ministry of Education and Science
	4.3.	To expand services of non-formal education of adults in the implementation of the project according to the European Economic Area scholarship programme “Implementation of Norwegian Experience in the Field of Adult Education in Lithuania”	Services of non-formal education of adults have been developed	Q IV 2016	Implemented. The European Economic Area scholarship programme “Implementation of Norwegian Experience in the Field of Adult Education in Lithuania” was implemented. In 2016, services of non-formal education of adults were expanded: a tender for non-formal education programmes of adults, trainings for non-formal education coordinators established in municipalities were held. Considering the results of the Programme for the International Assessment of Adult Competencies (PIAAC) published in 2016, the following training tools were released: “Methodological tools for main skills” and “Basic adult skills. PIAAC research results. Best practice manual”. They are distributed in trainings for coordinators of non-formal education of adults held by municipalities	The Ministry of Education and Science
	4.4.	To coordinate and encourage the initiatives to create lifelong learning based on partnership between institutions in vocational training institutions and third level education institutions	Non-formal adult education programmes are being implemented	Q II 2017	Under implementation. A tender for financing non-formal adult education programmes in 2016 was held, the aim whereof is to develop cooperation between providers of non-formal adult education services, third level education institutions and employers, and to encourage education and research and science institutions to expand adult education services adapting them to the needs of the society and the labour market. EUR 290 000 was allocated for the tender. 209 applications were submitted for the tender.	The Ministry of Education and Science

					<p>Having performed expert evaluation of applications, 36 applications were selected for financing.</p> <p>The Programme for the Development of Non-Formal Adult Education and Lifelong Learning for 2016-2023 aimed at the creation and development of the system of non-formal adult education and lifelong learning was approved by Resolution of the Government of 6 April 2016.</p> <p>The plan is to publish a tender for non-formal adult education programmes in 2017, allocating EUR 290 000 therefor. Local resources of local governments are planned to be included in financing</p>	
4.5.	To improve competencies of adult education programme coordinators by implementing the project “Implementation of Adult Learning Agenda for 2015–2017”	Interinstitutional cooperation in the area of adult lifelong learning is being coordinated	Q III 2017	Under implementation. The implementation of the EC project “National Coordination of the Adult Education Action Plan” was started according to the European Adult Learning Agenda 2015-2017, at the time of which coordinators of adult education programmes were appointed in all municipalities	The Ministry of Education and Science	
4.6.	To approve regulations of the education management information system (EMIS) necessary in the creation and development of the system for monitoring employment and career of third level education graduates	EMIS regulations will form a legal basis for collecting, storing and providing data and information necessary for educational entities to analyse and assess the employment of Lithuanian population covering the areas of economy, education and labour market, their state, change and processes from various perspectives, and to forecast future trends and make data-based decisions	Q I 2017	Implemented. The Government approved the EMIS regulations by its Resolution of 16 November 2016. Technical description of EMIS regulations (specification) will be approved by 1 October 2017. The EU Fund Management Committee approved the project of the Centre for Education Information Technology the implementation whereof will integrate the registers necessary for the EMIS. These works are necessary to be able to calculate indicators of the national human resource monitoring system. Some indicators are expected to be calculated in 2017.	The Ministry of Education and Science	
4.7.	To link studies and training programmes to profession groups in the Lithuanian Classification of	Conditions were created for determining if people are working in jobs relevant to their qualification	Q III 2016	Implemented. Links of studies and training programmes to profession groups in the Lithuanian Classification of Occupations, which will allow	The Ministry of Economy	

		Occupations			determining if labour market participants are working in jobs or engaging in professional activities relevant to their qualification, were prepared	
	4.8.	To start implementing the 2014-2020 EU Fund investment action programme measures “Kompetencijos LT” (Competencies LT), “Žmogiškieji ištekliai INVEST LT+” (Human Resources INVEST LT+), “Kompetencijų vaučeris” (Competence Voucher), “Pameistrystė ir kvalifikacijos tobulinimas darbo vietoje” (Work-based Apprenticeship and Qualification Trainings, “Inomokymai” (Ino-Training)	Opportunities were created for employees of companies, especially small ones, to develop their qualification, technological skills and to acquire new competencies	Q II 2017	Implemented. 47 projects are being implemented under the Action Programme measure “Human resources INVEST LT+”. In the implementation of the measures “Competencies LT” and “Work-based apprenticeship and qualification trainings”, project applications are being assessed; financing was allocated for 1 project under the measure “Ino-Training” by Order of the Minister of Economy of the Republic of Lithuania. The plan is to announce a call under the measure “Competence voucher” in QI 2017	The Ministry of Economy
	4.9.	To implement requirements for pre-primary and pre-school education content documents - Description of Achievements of Children Studying under Pre-School Education Programmes and general programme of pre-primary education. To improve the content of primary and secondary education.	Better quality of education and learning results. In the implementation of the general Lithuanian language programme of the primary education and the general Lithuanian Language and Literature programme, linguistic literacy of 1-10 grade students will improve	Q III 2017	Implemented. The implementation of uniform general Lithuanian language primary and secondary education programmes was started in order to ensure uniform possibilities to learn the Lithuanian language. The primary education programme focuses more on practicing writing and improving reading skills. Analysis of the content of pre-primary, pre-school and primary education was conducted, guidelines for content update were drafted. A project for integrating information and communications technology programme in the primary education was prepared	The Ministry of Education and Science
5. Reinforce the coverage and effectiveness of	5.1.	To implement active labour market policy (hereinafter - ALMP) projects:				
		“Support for employment	To help long-term unemployed and	Q II 2017	Implemented.	The Ministry

active labour market policies		of long-term unemployed”	persons who were out of the labour market for a long time to register with territorial labour exchanges, to acquire or improve qualification, to acquire competencies and the missing labour skills in the workplace directly, and to integrate in the labour market		Having allocated additional financing, project implementation will be extended till the end of 2017. The plan is to additionally send about 2.7 thousand long-term unemployed to project activities (professional development, support for acquisition of labour skills and subsidized employment)	of Social Security and Labour , the Labour Exchange
		“Improving competences of unskilled persons”	To increase motivation of unskilled unemployed to find employment, to help them acquire or improve qualification, or acquire competencies and the missing labour skills directly in the workplace, to integrate in the labour market and to entrench therein	Q III 2017	Under implementation. Having allocated additional financing, project implementation will be extended till the end of 2017. The plan is to additionally send about 1.5 thousand unskilled unemployed to project activities (professional development and support for acquisition of labour skills)	The Ministry of Social Security and Labour , the Labour Exchange
		“Support for older unemployed”	To help the unemployed who are older than 54 years of age to acquire or improve qualification, and/or to acquire competencies and the missing labour skills directly in the workplace, to integrate in the labour market and to entrench therein	Q III 2017	Under implementation. 11.9 thousand unemployed older than 54 years of age were sent to project activities during the period from January 2015 till 31 March 2017, of which 4.7 thousand persons were sent to professional trainings, 7.1 thousand were employed by subsidizing and 116 persons were compensated expenses for travelling to work	The Ministry of Social Security and Labour , the Labour Exchange
6. Strengthen the role of social dialogue mechanisms	6.1.	To implement measures of the 2016 - 2017 Action Plan for Strengthening the Role of Social Dialogue in Lithuania 2016–2020	The role of social dialogue mechanisms has been expanded and enhanced in order to develop social partnership skills of social partners - employers and trade unions; the quality of resolution of individual and collective labour disputes has been improved; the society is informed and educated on labour relations regulation issues, the implementation of principles of non-discrimination has been promoted; the aim is to enhance democratic governance of the country by way of consultations of state institutions with organized groups of society having different interests, contributing to the development of sustainable society	Q IV 2016	Delayed implementation. Implementation is delayed due to delayed completion of the application and its submission to the European Social Fund Agency	The Ministry of Social Security and Labour

7. Improve the performance of the healthcare system by strengthening outpatient care, disease prevention and health promotion	7.1.	To prepare and implement the plan for the fourth stage of the development of health system and hospital network consolidation	Efficient functioning of the national system of health care institutions	Q IV 2017	Under implementation. Results of implementation: - Reduced number of active treatment beds; - Increased number of nursing beds. Description of the Requirements for Continuous (Long-Term) Active Treatment Service Provision was drafted and approved by Order of the Minister of Health of 20 July 2016. It lays down the requirements for personal health care institutions providing the service of active continuous treatment and the procedure of provision of and payment for this service	The Ministry of Health	
	7.2.	To create the model of more efficient and accurate monitoring of indicators of health inequalities	The developed model will allow for faster measurement and uniform interpretation of the scope of inequalities, and a better targeted selection of interventions to reduce them in problem areas	Q III 2016	Implemented. The Model for Monitoring Health Inequality Indicators was drafted, listing the most relevant indicators reflecting health inequalities, describing the basis for choosing them, principles and assessment of the indicator analysis, and recommendations for the dissemination of results	The Ministry of Health	
	7.3.	To create a model for the assessment of outcomes of health conditions	Preconditions for an objective assessment of health system activities were created based on the final health system performance results	Q IV 2016	Implemented. The model for the assessment of outcomes of health conditions was drafted, which covers the assessment of one of the outcome of health conditions - death. It describes the sequence of actions, which should be followed in order to reduce the number of errors when completing medical death certificates and thus improve their quality. Correct mortality statistics is important in order to assess performance results of the health system when forming health policy and setting disease prevention priorities	The Ministry of Health	
	7.4.	To implement corruption prevention measures in the health system:					
		To draft measures for reducing and eliminating unofficial payments in the health care sector		The action plan listing the measures reducing and eliminating preconditions for unofficial payments in the health care sector was prepared	Q IV 2016	Delayed implementation. A draft plan of measures for eliminating (reducing) unofficial payments in the health care system for 2016–2019 was prepared	The Ministry of Health
		To implement anti-		Personal health care institutions are	Q I 2017	Implemented.	The Ministry

	corruption “clean hands” initiative in institutions of the Lithuanian national health system	annually grouped according to the set corruption indices to transparent establishments and institutions, candidate establishments and institutions to receive the name of a transparent health care institution, and establishments and institutions with a strong likelihood of corruption manifestations		The assessment is made in Half I of each year according to the schedule approved by the Minister of Health	of Health
	To develop the resilience (intolerance) of healthcare workers to corruption	Health care system employees will be trained to evade corruption manifestations and will acquire resilience to corruption. The plan is to have 50 percent of health care institution employees tolerating corruption (percentage in the total number of medical staff of health care system) in 2016, 45 percent - in 2017, 40 percent - in 2018 and 35 percent - in 2019	Q III 2017	Suspended implementation. For objective reasons, in order to ensure the transparency, rationality and efficiency of the use of funds planned for the implementation of the measure, the measure implementation process was suspended. Currently, methods of proper implementation of these measures (alternatives) are being considered	The Ministry of Health
	To perform social advertising of corruption prevention in the health care system	The public will be taught to avoid corruption manifestations, developing their resilience to corruption	Q III 2017	Suspended implementation. For objective reasons, in order to ensure the transparency, rationality and efficiency of the use of funds planned for the implementation of the measure, the measure implementation process was suspended. Currently, methods of proper implementation of these measures (alternatives) are being considered	The Ministry of Health
7.5.	To increase the efficiency of health promotion measures for children and young people	Public health care system results are improved in order to ensure better availability and quality of public health care services in the Lithuanian education institutions	Q I 2017	Implemented. In the performance of the measure “Improving the Provision of Health Care Services in Schools and Pre-Schools” of the 2009–2014 Norwegian Financial Mechanism Programme “Initiatives Aimed at Public Health”, 544 medical offices were renovated (repaired and/or supplied with the missing instruments) by 1 March 2017. Modern visual methodological teaching aids for shaping healthy lifestyle skills and preventing addictions were purchased	The Ministry of Health

	7.6.	To ensure quality and modern qualification of health care specialists and teaching of the society aimed at shaping healthy lifestyle skills	Public health care system results are being improved in order to ensure quality and modern refresher trainings of health care specialists and more efficient training of the society aimed at shaping healthy lifestyle skills	Q III 2017	Under implementation. An application is being drawn up for financing expenses of the setup of thematic medical offices, acquisition of the necessary equipment and instruments, and trainings of specialists who will work in the offices from EU structural funds	The Ministry of Health
	7.7.	To develop activities for preserving and strengthening public health, to implement disease prevention projects, to organize social advertising and research	Public health care system results are improved in order to improve the services of public health protection and promotion	Q III 2017	Under implementation. Funds from the State Public Health Promotion Fund (hereinafter - the Fund) established on 1 January 2016 will be used to develop activities of public health preservation and promotion, implementing disease prevention projects, arranging social advertising and research. The Government allocates a fixed percentage of actual revenues received for the sold beverages. 0.5 percent of revenues from alcohol excise duty (EUR 1.285 million) was allocated for Fund activities in 2016. Also a decision was made in 2016 to use the Fund for financing 36 projects, allocating EUR 1.267 million therefor	The Ministry of Health
8. Improve the coverage and adequacy of unemployment benefits and social assistance	8.1.	To improve legal regulation of cash social assistance to the deprived - to expand the list of circumstances in presence whereof the scheme of proportionate reduction of cash social assistance does not apply	Adequacy of cash social assistance was ensured, i.e. deprived residents are guaranteed a state assistance when persons cannot find employment for objective reasons	Q IV 2016	Implemented. Amendments to Cash Social Assistance to the Deprived were adopted on 20 September 2016, establishing that proportionate reduction of social assistance amount shall apply solely to working-age people who have work capacity but are unemployed (and self-unemployed), also expanding the list of circumstances in presence whereof the scheme of proportionate reduction of cash social assistance shall not apply, creating more favourable conditions to receive a share of additional social assistance having found employment, etc.	The Ministry of Social Security and Labour
CHAPTER III						
Recommendation 3. Take measures to strengthen productivity and improve the adoption and absorption of new technology across the economy. Improve the coordination of innovation policies and encourage private investment, <i>inter alia</i>, by developing alternative means of financing						
9. Take measures to strengthen productivity and	9.1.	To examine the opportunities of development of the financial technology	Opportunities for the financial technology sector to develop in Lithuania were identified, also making proposals regarding	Q IV 2016	Delayed implementation. Proposals for the development of <i>FinTech</i> industry were drafted. The plan is to present proposals to the Government	The Ministry of Finance

improve the adoption and absorption of new technology across the economy		(hereinafter – <i>FinTech</i>) industry in Lithuania (among all other things necessary to amend legislation) and to submit proposals to the Government regarding the <i>FinTech</i> industry development in Lithuania by 20 November 2016	legislation necessary therefor, subsidized research, promotion of cooperation between companies working in <i>FinTech</i> field, financial institutions, state and science institutions, their exchange of knowledge, and presentation of Lithuania as a country where <i>FinTech</i> industry can successfully develop			
	9.2.	To implement the project <i>InoSpurtas</i> of the measure “Inogeb” of the Action Programme	Companies will be encouraged to take advantage of the income tax incentive for research and development (hereinafter - R&D) more intensively: the provision of consultations on income tax incentives for R&D and documentation will be started, also providing expert conclusions on the attribution of activities conducted by economic entities to R&D. Innovation brokerage activities are being implemented. By searching for technological solutions, innovation agents will help companies speed up the creation and implementation of innovation and will shorten the process “idea-prototype”	Q IV 2016	Delayed implementation. The assessment of the application of the project “Innovation Consultancy and Support Services for Business” (“Inospurtas”) was completed, and an order to allocate financing as well as a project financing and administration agreement are being prepared	The Ministry of Economy, Agency for Science, Innovation and Technology
	9.3.	To invest in the search of export markets and international contacts in the implementation of the measure “Verslo klasteris LT” (Business Cluster LT) of the Action Programme	It is easier for companies to enter the international market; that way, they become more competitive, and it is easier to start using new technologies and modernize technologic processes. The aim is to achieve that the change (in percent) in the number of companies taking part in clusters and cases of industrial cooperation accounted for 20 percent (compared to the data of 2015)	Q III 2017	Under implementation. The call was published on 6 May 2016. Financing of EUR 2.98 million was allocated for 11 projects	The Ministry of Economy
	9.4.	To implement measures “DPT pramonei LT+”	The measure “DPT pramonei LT+” is aimed at promoting the	Q III 2016	Under implementation. Upon the expiry of the 1 st call under the	The Ministry of Economy

		(HIT Industry LT+) and “Eco-inovacijos LT+” (Eco-Innovation LT+) of the Action Programme	transformation of traditional industry: to install technologies important to industry innovation and the growth of the entire economy - enabling technologies (hereinafter - ET) in production processes of micro, small and medium-sized enterprises (hereinafter - SME). The plan is to achieve in 2017 that the share of the entire processing industry produce structure made up of the produce of advanced (high) and medium-advanced technology accounted for 18.5 percent. The measure “Eco-inovacijos LT+” is aimed at encouraging SME to install technologic eco-innovations in order to reduce adverse climate change and greenhouse conditions		measure “DPT pramonei LT+”, financing of EUR 5.89 million was allocated for 8 projects. On 7 March 2017, the 2 nd call under the measure “DPT pramonei LT+” was published in the amount of EUR 26 535 472 and valid till 21 June 2017. Upon the expiry of the 1 st call under the measure “Eco-inovacijos LT+”, financing of EUR 4.54 million was allocated for 8 projects. The plan is to publish the 2 nd call in Q II of 2017	
10. Improve the coordination of innovation policies and encourage private investment, <i>inter alia</i> , by developing alternative means of financing	10.1.	To regulate pooled financing activity in Lithuania	The Law will ensure a greater legal clarity and protection of investors’ interests. The pooled financing will supplement bank financing and will allow those, who are in search for additional funds (including SME), to easier and simpler start cooperating with potential investors. Persons will be able to borrow for various purposes via the pooled financing platforms, including financing of business, professional science, exploratory and other needs (except for consumption)	Q IV 2016	Implemented. The Law on Pooled Financing was adopted on 3 November 2016	The Ministry of Finance
	10.2.	To regulate criteria of non-public offering of securities of private limited liability companies (hereinafter - PLLC)	Conditions were set for when PLLC can offer their shares, and this shall not be considered a public securities offering. The proposed regulation will create clear legal conditions for PLLC to attract funds in the form of capital at a relatively low cost, and will encourage to share business risk and	Q III 2017	Implemented. Draft amendment to the Law on Companies, which lays down the conditions when a PLLC offering shall not be considered a public securities offering, was prepared and submitted to the Government. On 8 March 2016 it was presented to the Parliament	The Ministry of Economy

			gain additional experience and knowledge in the performance of the planned activities of the company			
			Separation of public and non-public offering of units or shares, or a proposal to make a contribution was waived. Waiving the division of an offering into public and non-public would provide market participants with legal clarity and thus encourage more efficient operation of collective investment undertakings designated for informed investors	Q III 2017	Under implementation. A draft Law Amending the Law on Collective Investment Undertakings Designated for Informed Investors was prepared, and is being approved with institutions	The Ministry of Finance
10.3.	To improve regulation of collective investment undertakings enshrined in Lithuanian legislation adjusting legal regulation of partnerships	Competitive legal reduction of general and limited partnerships was created, increasing their appeal to investment, in order to provide businesses with more financing opportunities and create more favourable conditions for investing in Lithuania, especially relevant for venture capital fund activities		Q III 2017	Under implementation. A draft amendment to the Law on Partnerships (new version) was drafted and presented to the Parliament on 15 September 2016	The Ministry of Economy
10.4.	To regulate the activities of the disbursement of a credit related to real estate in Lithuania	Uniform operating conditions for credit grantors and credit intermediaries operating in the market were set, enhancing competition between them, improving availability of credit services and their development, and ensuring the protection of rights and interests of borrowers (consumers)		Q IV 2016	Implemented. The Law on Credit Related to Real Estate of the Republic of Lithuania was adopted on 10 November 2016	The Ministry of Finance
10.5.	To initiate amendments to legal acts for better coordination of innovation policy	The Research, Development and Innovation Council will be granted a greater role in the coordination of innovation policy for the decisions to be considered and discussed following the “bottom-up” principle, and proposals regarding decisions to be made following evidence-based and reasoned discussion at the top level in the Research, Development		Q III 2017	Under implementation. On 16 November 2016, the Government made a decision whereby the Office of the Government shall take over the rights and duties of the owner of the Research and Higher Education Monitoring and Analysis Centre (hereinafter - MOSTA). Since now on, MOSTA shall conduct the functions of the Government’s Commission - the Secretariat of Research,	The Ministry of Economy, the Ministry of Education and Science

			and Innovation Council		Development and Innovation Strategic Council, which will create better possibilities for inter-institutional and inter-departmental platform to substantiate the research and education policy with data and evidence received in application of the methods of monitoring and analysis	
10.6.	To start implementing risk capital measures:					
	“Ko-investicinis fondas I”(Co-Investment Funds I) and “Ko-investicinis fondas II” (Co-Investment Fund II) financed by the European Regional Development Fund	These measures will be aimed at promoting investment in innovative ideas of innovative companies first of all, in order to help these companies reduce the risk of the start of business and to speed up their successful growth. Private investors will be investment initiators able to continuously submit proposals to the co-investment fund manager regarding co-investments in promising companies. The measure will also contribute to the development of alternative market (First North) thus creating conditions for companies to prepare or enter the regulated securities market	Q IV 2016	Implemented. State assistance schemes for the measures were approved. The measures will be managed by UAB Investicijų ir Verslo Garantijos (Invega“); the parent company UAB Kofinansavimas was established for implementing these measures. Currently the recruitment procedure for members of the Board of UAB Kofinansavimas is held	The Ministry of Economy	
	“Plėtros fondas I, finansuojamas iš Europos regioninės plėtros fondo” (“Development Fund I Financed by the European Regional Development Fund”) and “Plėtros fondas II, finansuojamas iš Europos regioninės plėtros fondo” (“Development Fund II Financed by the European Regional	Fund managers established under these new venture capital measures will invest in the share capital of micro, small and medium-sized enterprises or in quasi-share capital with enterprises being in the development stage	Q I 2017	Implemented. State assistance schemes for measures were approved On 25 January 2017, a call for the selection of fund managers was published. The call was valid till 22 March 2017	The Ministry of Economy	

		Development Fund”)				
		“Bendrai su verslo angelais finansuojantis fondas, finansuojamas iš Europos regioninės plėtros fondo”(“Fund Co-funding with Business Angels Financed from the Regional Development Fund”)	Under this measure, the manager of the established fund will invest together with private investors (hereinafter - Business angels) in SME share capital or quasi-share capital	Q I 2017	Implemented. On 25 January 2017, a call was published for selecting the fund manager. The call was valid till 22 March 2017.	The Ministry of Economy
		“Ankstyvosios stadijos ir plėtros fondas” (“Early Stage and Development Fund”)	The manager of the fund established under this measure will invest in companies in early development stage and will seek to reduce the gap between research and business. The majority of investments will be allocated through this measure for companies operating in the fields of smart specialization	Q I 2017	Implemented. UAB Robos Capital was selected to be the manager of this venture capital fund, which currently seeks to attract private funds to the Fund	The Ministry of Economy
		“Ankstyvosios stadijos ir plėtros fondas I, finansuojamas iš Europos regioninės plėtros fondo”(“Early Stage and Development Fund I Financed by the European Regional Development Fund”)	The manager of the fund established under this measure will invest in share capital or quasi-share capital of SME with companies being in early development stage. The measure will encourage the transfer of ideas created in research and education institutions to business (commercialization)	Q III 2016	Implemented. A call for selection of a fund manager was published on 25 January 2017. The call was valid till 22 March 2017	The Ministry of Economy
	10.7.	To continue the implementation of the joint Action Programme measure “Intelektas. Bendri mokslo–verslo projektai” (“Intellect. Common research-business projects”) starting implementing the measure “Common Research-Business Projects” administered	Enhanced cooperation between research and education institutions and businesses in the performance of common R&D projects	Q IV 2016	Implemented. Upon the expiry of the 1 st call for the measure, on 13 February 2017, financing was allocated for 98 projects by a common order of the Minister of Economy of the Republic of Lithuania and the Minister of Education and Science of the Republic of Lithuania. The total sum of financing is EUR 38.71 million. The drafting of the description of financing conditions of projects under the 2 nd call for the measure was started	The Ministry of Education and Science, the Ministry of Economy

		by the Ministry of Education and Science of the Republic of Lithuania				
10.8.	To start implementing the Action Programme measure “Promoting Commercialization and Internationalization of R&D Results”	Ideas of scientists and other researchers and students working and/or studying in research and education institutions to create and enable commercial spin-offs were supported. Market-oriented research-business projects implemented via cross-border network were supported	Q IV 2016	Delayed implementation. Selection criteria of projects of this activity were approved in 2016, also drafting a description of project financing conditions. The plan is to approve the description of the project financing conditions in QI of 2017 and to publish the first call for applications in QII of 2017	The Ministry of Education and Science	
10.9.	To start implementing the Action Programme measures “Development of Centres of Excellence” and “Promoting Activities of Centres of Excellence and Centres of Innovation and Technology Transfer”	Exclusive competencies of research and education institutions of certain R&D areas were enhanced - researchers and students are supplied with equipment and instruments for engaging in experimental development. Knowledge and technology transfer divisions are established and enhanced in research and education institutions, also improving competencies of research managers	Q IV 2016	Delayed implementation. In the implementation of the measure “Development of Centres of Excellence”: 1. A draft description of project financing conditions was drafted and approved with the implementing authority (public institution Central Project Management Agency). 2. Selection criteria of projects of this activity are changed in order to establish that the project applicant (a research and education institution) shall have to allocate at least 50 percent of own funds for the project. In the implementation of the measure “Promoting Activities of Centres of Excellence and Centres of Innovation and Technology Transfer”: 1. A description of the financing conditions of the activity “Promoting Activities of Centres of Innovation and Technology Transfer” of this measure was approved by Order of the Minister of Education and Science of 22 February 2017. The plan is to announce a call for applications in Q IV 2017. 2. The description of financing conditions of projects of the activity “Promoting	The Ministry of Education and Science	

					Activities of Centres of Excellence” of the measure is being approved with the Ministry of Finance	
	10.10.	To implement the Action Programme measure “Venture Capital for R&D Activities”	Private investment was attracted for conducting R&D activities and commercializing their results, cooperation between research and business was enhanced	Q III 2017	Under implementation. Currently the Ministry of Finance is conducting <i>ex ante</i> evaluation of the measure “Venture capital for R&D activities” for the expedience of the venture capital measure, and should present the findings of the evaluation in Q III 2017	The Ministry of Education and Science