

21 February 2024

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the second payment request submitted by Lithuania on 18 December 2023, 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 18 December 2023, Lithuania submitted a request for payment for the first 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 five milestones of the first instalment of the loan support, as set out in Section II 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 contrary. This includes, in relation to milestone 179, the Recovery and Resilience Facility repository system and the related commitments on audit and control that Lithuania undertook in the context of the first payment request to ensure continuous compliance with this milestone and its obligations under the Financing Agreement. Based on the documentation submitted and the controls carried out by the Commission, including a fact-finding mission which took place in January 2024, Lithuania has continued the development of its repository system and has improved the collection and storing of data under Article 22.2.d.i to 22.2.d.iii of the RRF Regulation, including on foreign beneficial owners. Therefore, on the basis of the evidence submitted, the Commission considers that Lithuania has ensured continuous compliance with milestone 179 and its obligations under the Financing Agreement with respect to these commitments.

Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones. Based on the information provided by Lithuania, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all five milestones.

The milestones 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 areas. This includes, among others, reforms to improve the quality and integration of social and employment services, to centralise public procurement and to mobilise public and private finance to meet climate change mitigation and adaptation objectives and promote green financial products.

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.

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

Contents

Loan support.....	3
M58a - B.3.1. Development of Green Financial Products.....	3
M137a - E.3.1. Loans to enterprises to develop green and high value-added technologies for industrial development.....	6
M180a - F.3.1. Improving centralized public procurement	8
M192 - G.3.1.1. Increasing the integration of employment, social and other services.....	12
M194 - G.3.1.2. Strengthening the competences of social workers.....	14

Loan support

Number: 58a	Related Measure: B.3.1. Development of Green Financial Products	
Name of the Milestone: Approval of the Green Finance Action Plan		
Qualitative Indicator: Entry into force of the Order of the Minister of Finance		Time: Q2 2023
Context: <p>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.</p> <p>Milestone 58a concerns the entry into force of the Order of the Minister of Finance approving the Lithuanian Green Finance Action Plan 2023-2026.</p> <p>Milestone 58a is the first step of the implementation of the reform and it will be followed by milestone 58b, related to the establishment and entry into operation of the Green Finance Competence and Knowledge Centre.</p> <p>The reform has a final expected date for implementation of 31 December 2023.</p>		
Evidence provided: <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none">i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;ii. Copy of Order of Minister of Finance of 4 May 2023 No. 1K-173 on the approval of the Lithuanian Green Finance Action Plan (hereinafter referred to as "Order No. 1K-173"), and a link to the publication in the Register of Legal Acts (TAR 2023-05-04, No. 8486);iii. Copy of the Lithuanian Green Finance Action Plan 2023-2026 (accessible under TAR 2023-05-04, No. 8486 or directly under the following link: Green Finance Action Plan) (hereinafter referred to as "GFAP").		
Analysis: <p>The justification and substantiating evidence provided by the Lithuanian authorities covers all constitutive elements of the milestone and measure description.</p> <ul style="list-style-type: none">• Entry into force of the Order of the Minister of Finance approving the Lithuanian Green Finance Action Plan:<ul style="list-style-type: none">○ Order No. 1K-173 was published in the Registry of Legal Acts on 4 May 2023 entered into force one day after its publication, on 5 May 2023.○ The GFAP states on p. 1 that it is approved "by Order of the Minister for Finance of the Republic of Lithuania Order No. 1K-173 of 4 May 2023".• which aims to mobilise public and private finance to meet climate change mitigation and		

adaptation objectives:

- Paragraph 1 (Chapter I) of the GFAP states that “The plan’s actions aim [...] to mobilise public and private finance to achieve climate change mitigation and adaptation objectives”.
- Paragraph 6 (Chapter I) of the GFAP states that “In order to achieve ambitious mitigation and adaptation objectives, private funds must also be mobilised by leveraging more private investment to finance green projects”.
- Order No. 2.6 (Chapter II of the GFAP) of the table states: “Carry out an analysis of ways of leveraging private funds to finance green projects”.
- Order No. 2.7 (Chapter II of the GFAP) of the table states: “Analyse the areas of public activity and identify the potential of sustainable economic activities that could be financed through public-private partnerships.”

- **and to increase Lithuania’s attractiveness for investors in green financial products:**

- Paragraph 1 (Chapter I) of the GFAP states that “The plan’s actions aim [...] to increase Lithuania’s attractiveness for investors investing in green financial products”.
- Order No. 2.3 (Chapter II of the GFAP) of the table has as an objective to “Carry out an analysis of the capital increase of NPI [National Promotional Institutions] to allow NPI to independently attract more private funds to carry out their activities, including the implementation of green projects, and to take decisions in this regard where necessary”.
- Order No. 2.5 (Chapter II of the GFAP) of the table states: “Work with international financial institutions to attract private funds to [National Promotional Institutions] green financial measures”.
- Order No. 2.9 (Chapter II of the GFAP) of the table has as an objective “To identify Member budget costs, reflecting the green expenditure profile and preparing for the issuance of green bonds by the public sector”.
- Order No. 5.2 (Chapter II of the GFAP) of the table states: “once the National Promotional Institutions have taken up the green finance knowledge and competence centre, carry out an analysis of the attractiveness of the Lithuanian jurisdiction to develop sustainable business, prepare proposals in this regard and submit them to the Ministry of Finance”.

- **The action plan shall include the following: establishing a Green Finance Competence and Knowledge Centre;**

- Paragraph 8 (Chapter II) of the GFAP states that the actions of the GFAP are set out in the *table*. Order No. 1 of the table concerns the “Creation and development of a Green Finance Competence and Knowledge Centre” due by the fourth quarter of 2023. The fulfilment indicator of Order No. 1 is the “Establishment of the Green Finance Institute, 2023”.

- **promoting the development of public green finance;**

- Paragraph 8 (Chapter II) of the GFAP states that the actions of the GFAP are set out in the *table*. Order No. 2 of the table concerns “Promoting green finance in the public sector”.
- It contains actions (Order No. 2.1 to Order No. 2.11) to be achieved between the third quarter of 2023 and the second quarter of 2026. Order No. 2.4 and Order 2.5 are to be implemented in a “continuous” manner.
- The fulfilment indicators for the Order No. 2 are “the share of green public budget expenditure, 50 %. Total” and “The share of the value of green public procurement in the value of total public procurement is 100 %. Year 2023”.

- **creating the preconditions for attracting private sector investment to achieve green objectives;**

- Paragraph 8 (Chapter II) of the GFAP states that the actions of the GFAP are set out in the *table*. Order No. 3 of the table concerns “Promoting green finance in the private sector”.
- It contains the following actions (Order No. 3.1 until Order No. 3.6):
- Actions of the GFAP are to “improve transparency by improving corporate sustainability reporting and GHG reporting”, thus laying the legislative and methodological groundwork for the private sector to finance green investments:
 - by supplementing relevant Lithuanian legislation with sustainability reporting requirements (Order No. 3.1).
 - by developing competences in the application of European sustainability reporting standards (Order No. 3.2).
 - by preparing methodological guidance for GHG accounting at the company level, the application of existing international GHG accounting methodologies and the use of GHG calculators created by the Environmental Protection Agency (Order No. 3.3).
- Actions of the GFAP are to “encourage credit institutions to expand green covered bonds programmes” by preparing amendments to the Law on Securitization and Covered Bonds, establishing provisions on the issuance of green covered bonds (Order No. 3.4), thus, creating the preconditions for the financing of green investments.
- Actions of the GFAP are to “apply a partial compensation scheme for the costs of small and medium-sized enterprises related to obtaining credits that meet green or other sustainability criteria and issuing capital market instruments”:
 - by amending relevant legislation to review the implementation conditions and to analyse the possibility of creating more favourable conditions for the issuance of green bonds (Order No. 3.5), and thus, creating the preconditions for the financing of green investments.
 - by amending relevant legislation to create more favourable conditions for interest compensation of green loans for small and medium-sized enterprises (Order No. 3.6), thus improving the conditions to attract the private sector to make green investments.
- The fulfilment indicator for Order No. 3 is the “increase in leveraged private funds for green projects, with an additional EUR 900 million by 2026 at the end of 2026. (EUR 220 million was raised in 2021-2022).”
- **ensuring access to sustainability-related data;**
 - Paragraph 8 (Chapter II) of the GFAP states that the actions of the GFAP are set out in the *table*. Order No. 4 of the table concerns the “Ensuring access to sustainability-related data”.
 - It contains the following actions (Order No. 4.1 and Order No. 4.2):
 - Order No. 4.1 requires the performance of an analysis of data related to sustainability and assess the need for this data.
 - Order No. 4.2 requires the creation and implementation of a database of sustainability, based on results from the analysis of Order No. 4.1.
- **developing competences in green finance and public education.**
 - Paragraph 8 (Chapter II) of the GFAP states that the actions of the GFAP are set out in the *table*. Order No. 5 of the table concerns the “Development of competences in sustainable (green) finance”.

<ul style="list-style-type: none"> ○ It contains the following actions (Order No. 5.3 to Order No. 5.6): <ul style="list-style-type: none"> ○ to prepare a Public Financial Education Plan containing measures for the dissemination of information about green finance (Order No. 5.3). ○ to organise a public education campaign about green finance, on an annual basis (Order No. 5.4). ○ to continually include issues related to green finance in the agendas of EU-Baltic regional cooperation events and bilateral meetings, in order to exchange good examples of practice and promote the development of green finance (Order No. 5.5). ○ to continually cooperate with foreign national promotional institutions to share experiences on sustainability topics (Order No. 5.6).
Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 137a	Related Sub-measure: E.3.1. Loans to enterprises to develop green and high value-added technologies for industrial development		
Name of the Milestone: Guidelines for Defence and Security Industrial Development 2023- 2027			
Qualitative Indicator: Entry into force of Guidelines for Defence and Security Industrial Development 2023-2027			Time: Q2 2023
Context: <p>The objective of this reform is to improve the access to finance of companies for the development of green and high value-added technologies and the competitiveness of the Lithuanian defence and security industry. This is achieved with (i) the adoption of the Guidelines for the Development of the Defence and Security Industry 2023-2027 through Ministerial Order to improve the competitiveness of the Lithuanian defence and security industry, and with (ii) a public investment in a Facility in order to incentivise private investment and improve access to finance in green and high value-added technologies as well as the competitiveness of the Lithuanian defence and security industry.</p> <p>Milestone 137a concerns the adoption and entry into force of Guidelines for the Development of the Defence and Security Industry 2023-2027, by Order of the Ministry of Economy and Innovation of the Republic of Lithuania, to improve the competitiveness of the Lithuanian defence and security industry.</p> <p>Milestone 137a is the first step of the implementation of the reform and it will be followed by milestones and targets 137b, 137c, 137d, 137e, and 137f, related to a public investment in a Facility in order to incentivise private investment and improve access to finance in green and high value-added technologies as well as the competitiveness of the Lithuanian defence and security industry.</p> <p>The reform has a final expected date for implementation of 31 August 2026.</p>			
Evidence provided: <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none">i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;			

- ii. Copy of Order of Minister of Economy and Innovation, Minister of National Defence , Minister of Foreign Affairs, and Minister of Interior of 31 May 2023 No. 4-299/V-447/V-171/1V-331 on the approval of the guidelines for the development of the defence and security industry of the republic of Lithuania in 2023-2027 (hereinafter referred to as "The Guidelines"), and a link to the publication in the Register of Legal Acts ([TAR, 2023-05-31, No. 10728](#)).

Analysis:

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

- **Adoption and entry into force of Guidelines for the Development of the Defence and Security Industry 2023- 2027, by Order of the Ministry of Economy and Innovation of the Republic of Lithuania**
 - The Guidelines, as approved by the Minister of Economy and Innovation, were published in the Registry of Legal Acts on 31 May 2023 and entered into force one day after their publication, on 1 June 2023.
- **to improve the competitiveness of the Lithuanian defence and security industry.**
 - Paragraph 2 of the Guidelines (Chapter I) states that "The aim of the guidelines is to enhance the competitiveness of the defence and security industries [...]".
 - Paragraph 3 of the Guidelines (Chapter I) defines the meaning of the defence and security industry as a set of "activities in the field of defence and security carried out by legal and natural persons of the Republic of Lithuania", which includes the following: "carrying out research and experimental development of products for defence and public security purposes, including controlled dual-use goods, defence and public security products and engaged in the design, development, manufacture and/or provision of maintenance, repair, modernisation and logistics services for their activities using the necessary infrastructure for their activities".
 - To achieve the aim above, the Guidelines identify three main "defence and security industrial development strands" (Paragraph 6, Chapter II):
 - "Promoting the development of the defence and security industry" (Paragraph 6.1);
 - "Enhancing the international competitiveness and resilience of the defence and security industry to illegal political, security and economic interference, creating greater added value and promoting responsible exports in order to ensure the fulfilment of the Republic of Lithuania's national security interests and international obligations, so that exports of defence and security industrial products do not contribute to regional conflicts, internal repression and human rights violations" (Paragraph 6.2), and;
 - "Encouraging small and medium-sized enterprises in the Republic of Lithuania to participate in the activities of the EDF in order to increase the growth of the defence and security industry, international competitiveness and cooperation in the field of defence and security" (Paragraph 6.3).
 - To achieve the aim above, the Guidelines identify three "Defence and security industrial development objectives and priority areas" (Paragraph 9, Chapter II):
 - "Development, production for internal use and export of new internationally competitive products and technologies for defence and security, as well as maintenance, repair and modernisation of products and technologies meeting the needs of the Republic of Lithuania for national defence and public security" (Paragraph 9.1);

<ul style="list-style-type: none"> • “Integration into the EU and NATO Member States’ added value chains in the defence and security industries” (Paragraph 9.2), and; • “Building the host country’s industrial capacity relevant to national defence and security functions, ensuring the functioning of NATO defence capabilities in Lithuania” (Paragraph 9.3). <ul style="list-style-type: none"> ○ To achieve the aim above, the Guidelines envisage 11 “defence and security industrial development measures” (Paragraph 10.1 until 10.11, Chapter III). <ul style="list-style-type: none"> ▪ To implement the measures under Paragraph 10.1 to 10.11 of the Guidelines, “state institutions [...] shall cooperate with associated organizations of the defence and security industry, higher education institutions and other interested institutions” (Paragraph 11, Chapter III). ▪ Paragraphs 12 to 19 of the Guidelines provide, for each responsible State institution according to their competences, a breakdown of the activities (under Paragraph 10.1 to 10.11) and the associated organisations with which they shall cooperate.
Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 180a	Related Sub-measure: F.3.1. Improving centralized public procurement		
Name of the Milestone: Adopting a plan for centralization of public purchasing of health institutions and agencies			
Qualitative Indicator: A plan for centralisation of public purchasing of health institutions and agencies shall be prepared and adopted by the Minister of Health.			Time: Q2 2023
Context: <p>The objective of measure F.3.1 is to make the public procurement system in Lithuania more efficient and increase participation in public procurement tenders by centralising public procurement via the Central Purchasing Organization. This measure foresees two actions: i) to expand the catalogues of items that can be purchased via the Central Purchasing Organization and ii) to adopt a plan for centralization of public procurement of health institutions and agencies.</p> <p>Milestone 180a is linked to the second action within the measure, which foresees the adoption of a plan for centralisation of public procurement of health institutions and agencies with an aim to increase professionalisation of public purchasing, to promote standardisation of public procurement requirements and to ensure economies of scale.</p> <p>Milestone 180a is the first step of the implementation of the reform and it will be followed by milestone 180b related to the extension of the catalogue of the Central Purchasing Organisation.</p> <p>The measure has a final expected date of implementation in Q4 2025.</p>			
Evidence provided: <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none">i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.ii. Copy of the Order of the Ministry of Health of 30 November 2022 No. V-1788 on the			

adoption of the Plan to centralize public purchases (hereafter referred to as “Order No. V-1788”).

- iii. Copy of the Note of the Ministry of Health of the Republic of Lithuania of 1 December 2022 No. 10-5016 informing all the healthcare institutions that are included in the Plan to centralize public purchases and the Ministry of the Economy and Innovation of the Republic of Lithuania about the adoption of the Order No. V-1788 and providing an explanatory note to the Order No. V-1788 (hereafter referred to as “Note No. 10-5016”).

The Lithuanian authorities also provided:

- iv. Copy of the Order No. V-13 of the Ministry of Health of 4 January 2023 on initiation of the first stage of Plan to centralize public purchases for five healthcare institutions (hereafter referred to as “Order No. V-13”)
- v. Copy of the Note No. 10-37 of the Ministry of Health of 5 January 2023 informing five healthcare institutions that are included in the first stage of Plan and the Ministry of the Economy and Innovation of the Republic of Lithuania about the adoption of the Order No. V-1788 (hereafter referred to as “Note No. 10-37”).
- vi. Copy of the Order No. V-243 of the Ministry of Health of 23 February 2023 of the Republic of Lithuania on amendment of the Order No. V-1788 to confirm that shareholders of two institutions included in the first stage of the Plan to centralize public purchases confirmed the participation in the Plan (hereafter referred to as “Order No. V-243”);
- vii. Copy of the Note No. V-13 of the Ministry of Health of 24 February 2023 that contains explanatory note to Order No. V-243 confirm that shareholders of two institutions included in the first stage of the Plan to centralize public purchases confirmed the participation in the Plan (hereafter referred to as “Note No. V-13”);
- viii. Copy of the Order No. V-1042 of the Ministry of Health of 28 September 2023 on initiation of the second stage of Plan to centralize public purchases for eight healthcare institutions (hereafter referred to as “Order No. V-1042”)
- ix. Copy of the Note No. 10-4171 of the Ministry of Health of 12 December 2023 informing eight healthcare institutions that are included in the first stage of Plan and the Ministry of the Economy and Innovation of the Republic of Lithuania about the adoption of the Order No. V-1788 (hereafter referred to as “Note No. 10-4171”);
- x. Copy of the Protocol No. 22-29 of 05 October 2022 of the general meeting of shareholders on the decision to merge the University hospital of Klaipėda, the Palanga rehabilitation hospital and the Klaipėda sailors’ hospital.

Analysis:

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

- **A plan for centralisation of public purchasing of health institutions and agencies shall be prepared and adopted by the Minister of Health.**
 - The Order No. V-1788 was adopted on 30 November 2022 by a decree of the Ministry of Health that specified the plan for centralising public purchases in four stages between 2023 until 2026 except for low-value purchases² (hereafter referred as “the Plan”).
 - To complement the Order No. V-1788, a Note No. 10-5016 was adopted on 1 December 2022 informing all the healthcare institutions that are included in the Plan for centralising public purchases and providing an explanatory note to the Order No. V-1788.
- **The centralization of the public purchasing of health institutions and agencies shall include**

² Low value purchases are defined in the public procurement law of Lithuania, in article 5, sub-part 3, and article 5, sub-part 9.

Purchasing Organizations under the Ministry of Health and Purchasing Organizations where the Ministry of Health jointly with the Municipality Councils, the Vilnius University, the Klaipėda University or the Lithuanian University of Health Sciences are majority shareholders.

The Plan foresees the centralisation of the public purchases, of the following health institutions in four stages:

- In the first stage (to be implemented in 2023), the centralisation covers nine institutions: i) two national hospitals under the Ministry of Health; and ii) seven regional hospitals where the Ministry of Health jointly with the Municipal Councils are majority shareholders;
- In the second stage (to be implemented in 2024), the centralisation covers eight institutions: i) one hospital under the Ministry of Health; ii) seven institutions under the Ministry of Health.
- In the third stage (to be implemented in 2025), the centralisation covers seven institutions: i) four institutions where Ministry of Health jointly with Vilnius University are majority shareholders; ii) two institutions where Ministry of Health jointly with the Lithuanian University of Health Sciences are majority shareholders; iii) one institution where Ministry of Health jointly with Klaipėda University are majority shareholders³;
- In the fourth stage (to be implemented in 2026), the centralisation covers 13 institutions: i) 12 budget institutions under the Ministry of Health and; ii) the National Blood Centre.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 192	Related Sub-measure: G.3.1.1. Increasing the integration of employment, social and other services	
Name of the Milestone: Amendments to the legislation on personalised services provided by the Employment Service and municipalities for unemployed persons and persons registered as persons getting ready for the labour market who are facing challenges to take up work		
Qualitative Indicator: Provisions indicating entry into force of amendments to the legislation		Time: Q3 2022
Context: <p>The objective of measure G.3.1. is to reduce the fragmentation of the planning and delivery of social, employment and other related services as well as to enhance the competences of social workers. The measure comprises two sub-measures: improving the integration of employment, social and other services (sub-measure G.3.1.1.) and strengthening the competences of social workers (sub-measure G.3.1.2.).</p> <p>Milestone 192 is part of sub-measure G.3.1.1., whose objective is to provide integrated employment, social and other services for persons registered as unemployed and persons registered as persons getting ready for the labour market. To this end, milestone 192 foresees the entry into force of the amended legislation stipulating that the Employment Service shall provide personalised services and consultations applying a case management approach to unemployed persons and to those who are facing challenges to take up work and are registered as preparing for the labour market. The legislation shall also provide that municipalities shall implement employment-</p>		

³ Klaipėda University hospital together with two other health institutions in the region were in the process of a merger when the Plan was adopted, it is considered as one legal entity in the context of the plan for centralisation of public purchasing of health institutions and agencies.

promoting programmes applying a case management approach for the aforementioned target groups.

Milestone 192 is the first step of the implementation of sub-measure G.3.1.1., and it will be followed by target 193, related to the approval of the employment-promoting programmes by municipalities.

The sub-measure has a final expected date of implementation of 31 December 2025.

Evidence provided:

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

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.
- ii. Copy of the Law No. XIV-1106 of 19 May, 2022 amending articles No 1, 12, 16, 20, 22, 24, 28, 29, 30, 31, 36, 37, 38, 39(1), 40, 44, 46, 47, 48, 48(1) of the Law on Employment No. XII-2470 and its annex and supplementing the Law on Employment No. XII-2470 with articles No. 39(2), 39(3) and 48(2) (hereinafter referred as “Law No. XIV-1106”) and link to its publication ([TAR, 01/06/2022 No. 11864](#)) The Law No. XIV-1106 came into force on 1 July 2022.
- iii. Copy of the Order No. A1-911 of the Minister of Social Security and Labour of 30 December 2022 “Regarding the amendment of the 23 May 2017 Order of the Minister of Social Security and Labour “Regarding the approval of the description of the procedure for the preparation of employment-promoting programmes and their financing” No. A1-257” (hereinafter referred as “Order No. A1-911”) and link to its publication: ([TAR 30/12/22, No. 27659](#)) The Order No. A1-911 entered into force on 31 December 2022.

Analysis:

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

- **Amendments to the legislation shall enter into force**
 - Article 25 of the Law No. XIV-1106 indicates that the Law containing the amendments entered into force on 1 July 2022.
 - Order No. A1-911 was published in the Registry of Legal Acts on 30 December 2022 and entered into force one day after its publication, on 31 December 2022.
- **stipulating that the Employment Service shall provide personalised services and consultations applying a case management approach to unemployed persons and persons registered as persons getting ready for the labour market who are facing challenges to take up work.**
 - Law No. XIV-1106 sets out the provision of personalised services and consultations applying a case management approach to the persons registered as unemployed with the Employment Service (including persons who are facing challenges to take up work and are, therefore, in need of additional public services to prepare entering the labour market):
 - Article 5 of Law No. XIV-1106 defines the status of “a person getting ready for the labour market” and “an unemployed person” in accordance with the measure description. It also determines the circumstances limiting the employment of the unemployed person (such as, inter alia, lack of motivation to work, responsibility for the care of a family member, alcohol dependency), and the conditions under which the status of “a person getting ready for the labour market” is granted, suspended, revoked.
 - Article 7 of Law No. XIV-1106 determines that persons registered with the Employment Service as “preparing for the labour market” or as “unemployed persons” are offered consultations based on a case management approach. Consultations can be provided by either the Employment Service or external providers hired by the Employment Service. Consultation services include, inter alia, career orientation services, psychological

<p>consultations, entrepreneurship guidance.</p> <ul style="list-style-type: none"> ▪ Article 10 of Law No. XIV-1106 determines that persons registered as unemployed (including persons preparing for the labour market) are provided with personalised employment activity planning services by the Employment Service and offered social services or participation in the employment-promoting programmes by the local municipalities. Individual employment activity plans specify the obligations of the person preparing for the labour market and the Employment Service regarding the provision of labour market services to the individual. Furthermore, Law No. XIV-1106 also determines that the Employment Service informs its clients about social services and employment-promoting programmes offered by local municipalities, and based on individual needs, directs its clients to apply for these services. <ul style="list-style-type: none"> • The legislation shall provide that municipalities, in cooperation with the Employment Service, shall implement employment-promoting programmes applying a case management approach for the aforementioned target group. <ul style="list-style-type: none"> ○ Article 4 of Law No. XIV-1106 determines that people registered at the Employment Service as “unemployed” or “getting ready for the labour market” are offered to participate in the employment promoting programmes, which are prepared and adopted by local municipalities. ○ Article 10 of Law No. XIV-1106 determines that the Employment Service cooperates with local municipalities by informing their clients about the employment-promoting programmes and by offering to participate in these programmes. ○ Order No. A1-911 approves the procedure for the preparation and financing of employment-promoting programmes. It specifies the cooperation principles between municipalities and the Employment Service in setting up employment-promoting programmes. In addition, it lays down that a case management approach is used for unemployed persons and persons registered as persons getting ready for the labour market. Order No. A1-911 includes recommendations for all municipalities starting from 2023 to develop and implement employment-promoting programmes involving the provision of services to individuals on the principle of case management, and recommendations that municipalities should use at least 70% of the funds allocated for the implementation of the employment-promoting programmes to provide public services and to finance the salary of the case manager(s). 	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 194	Related Sub-measure: G.3.1.2. Strengthening the competences of social workers	
Name of the Milestone: Establishment of a centre for improving the professional competences of employees in the field of social services		
Qualitative Indicator: A centre for improving the professional competences of employees in the field of social services established		Time: Q4 2022
Context: The aim of measure G.3.1 is to improve the quality of social and employment services by reducing the fragmentation of the planning and delivery of social, employment and other related services as well as enhancing the competences of social workers. The reform comprises two sub-measures: i) improving the integration of employment, social and other services (G.3.1.1.); ii) strengthening the competences of social workers (G.3.1.2).		

Milestone 194 is part of sub-measure G.3.1.2. and concerns the establishment of a centre for developing professional competences of social service employees to be selected through a public call. The Centre shall organise and conduct regular free trainings, provide methodological assistance, and ensure support to new social services employees in their professional activities.

Milestone 194 is the only milestone of this sub-measure. The sub-measure has a final expected date of implementation of 31 December 2022.

Evidence provided:

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

- i. Summary document duly justifying how the milestone (including all the constitutive elements).
- ii. Law on Social Services No. XIV-1841 of 28 March 2023 amending Articles 14-1, 16, 17, 19-2, 25-2, 30 and 35 of Law No. X-493 of 19 January 2006 of the Republic of Lithuania on social services (hereafter referred to as "Law No. XIV-1841 on Social Services") and link to its publication in the Register of Legal Acts ([TAR 2023-03-30, No. 5736](https://e-legalis.lt/lt/legalis/act/141841))
- iii. Online announcement of the Ministry of Social Security and Labour of the tender "Competition for the selection of Legal Entity or other organisation, their subdivision project for the performance of the functions of the Centre for the Improvement of Professional Competences of Employees in the field of Social Services in 2022-2024" which contains the regulation for the tender and application form in the link provided on the website of Ministry (<https://socmin.lrv.lt/lt/skelbimai/juridinio-asmens-ar-kitos-organizacijos-ju-padalinio-projekto-skirto-socialiniu-paslaugu-srities-darbuotoju-profesiniu-kompetenciju-tobulinimo-centro-funkcijoms-vykdyti-atrankos-2022-2024-metais-konkursas-1>) .
- iv. Copy of the Order of the Minister of Social Security and Labour No. A1-468 of 14 July 2022 approving the provisions for the organisation of a competition for the selection of a legal person or other organisation or an establishment thereof for carrying out the functions of the centre for the development of professional competences of social service workers for the period 2022-2024" (hereafter referred to as "Order No. A1-468 of the Ministry of Social Security and Labour") and link to its publication: ([TAR, 2022-07-14, No. 15414](https://e-legalis.lt/lt/legalis/act/141841))
- v. Copy of the Application Form for the participants of the tender adopted as Annex 1 of the Order of the Minister of Social Security and Labour No A1-468 of 14 July 2022, in link provided: [https://socmin.lrv.lt/uploads/socmin/documents/files/Priedas%2BNr_1%2BFINAL\(1\).docx](https://socmin.lrv.lt/uploads/socmin/documents/files/Priedas%2BNr_1%2BFINAL(1).docx).
- vi. Copy of the Order No. A3-139 of Ministry of Social Security and Labour of 21 September 2022 on the distribution of responsibilities and indicative allocation of funds for 2022-2024 and its Annex (hereafter referred to as "Order A3-139 of Ministry of Social Security and Labour") in the link provided: [https://socmin.lrv.lt/uploads/socmin/documents/files/pdf/Potvarkis%20\(d%C4%97l%20PKT%20C\)%20PDF.pdf](https://socmin.lrv.lt/uploads/socmin/documents/files/pdf/Potvarkis%20(d%C4%97l%20PKT%20C)%20PDF.pdf).
- vii. Copy of the Application form of the winning bidder signed electronically on 15 August 2022.
- viii. Copy of the Summary of expert evaluation of submitted applications of 28 September 2022.
- ix. Copy of the Protocol of the project selection commission on the selection of the winner of 4 October 2022.
- x. Copy of the signed contract with the tender winner No. SDC- of October 2022.
- xi. Copy of the 2022 implementation Report of 3 January 2023 of the Lithuanian Social Workers' Association on the project "Activities of the Centre for the Development of Professional Competences of Workers in Social Services" (thereafter referred to "2022 Implementation Report").
- xii. Copy of the 2023 Implementation Report of 3 July 2023 of the Lithuanian Social Workers' Association on the first six months of 2023 implementation of the project "Activities of the

Centre for the Development of Professional Competences of Workers in Social Services” (thereafter referred to as “2023 Implementation Report”).

Analysis:

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

- **The Centre for the Improvement of Professional Competences of Social Services Employees shall be selected through the public calls for projects procedure.**
 - Law No. X-493 of 19 January 2006 of the Republic of Lithuania on social services has been amended by Law No. XIV-1841 of 28 March 2023. Following this amendment, the law sets out the provisions to select a legal entity or other organisation to organise and/or implement the improvement of the professional competence of employees in the field of social services. In particular, Article 20(2), part 7 of Law No. XIV-1841 on Social Services provides that the Ministry of Social Security and Labour selects a legal entity or other organisation that will organise and/or implement the improvement of the professional competences of employees in the field of social services according to the procedure established by the Minister of Social Security and Labour: *“A legal person or other organisation selected in accordance with the procedure laid down by the Minister for Social Security and Labour shall organise and/or carry out the improvement of the professional competence of workers in the field of social services in accordance with the procedure laid down by the Minister for Social Security and Labour.”*
 - Order No. A1-468 of the Ministry of Social Security and Labour was published in the Registry of Legal Acts on 14 July 2022 and entered into force one day after its publications, on 15 July 2022. It determines the conditions and perimeters of the tender including responsibilities on its organisation, as well as the maximum amounts to be allocated per year, activities to be financed, requirements for tender bidders and obligations for the project implementors, as well as monitoring and audit requirements of the project implementation.
 - The summary of expert evaluation of submitted tender applications of 28 September 2022 and the Protocol of the project selection commission of 4 October 2022 provides information on the tender winner: the Lithuanian Social Workers Association was selected to carry out the functions of the Centre the Improvement of Professional Competences of Social Services Employees. Additionally, Order No. A3-139 of Ministry of Social Security and Labour and its annex of 21 September 2022 confirms the allocation of budgetary funding for 2022, 2023 and 2024. The signed contract with the tender winner of October 2022 defines the provisions for project implementation.
- **The Centre shall organise and conduct**
 - The 2022 Implementation Report and the 2023 Implementation Report provide the list of activities conducted by the Centre for the Improvement of Professional Competences of Social Services Employees (hereafter referred to as ‘the Centre’), namely, trainings, methodology, and activities supporting new social service workers.
- **regular, free trainings:**
 - The 2022 Implementation Report indicates that in 2022 the Centre conducted 50 trainings in which 1,200 participants engaged. The 2022 Implementation Report indicates that the target groups were: heads of social services bodies, social service professionals, and individual care workers. Ten training sessions were provided to heads of social services bodies, while 25 training sessions were carried out for social service professionals, and 15 trainings were on individual care. Out of 50 trainings organised in 2022, 22 were carried out in person. Furthermore, a training quality assessment tool was developed to assess the quality of

trainings in the form of a pre- and post-training survey that was completed by 91% of training participants.

- The 2022 Implementation Report indicates that three training programmes were developed between November and December 2022. Therefore, expert services for the preparation of training programmes were procured in November 2022.
 - The 2023 Implementation Report indicates that, in the first half of 2023, more than 5,300 social workers, individual care workers and top management staff of the social institutions engaged in 99 trainings. ten trainings were for heads of social services institutions. 46 trainings covered social workers and other professionals while there were 41 individual care trainings. Finally, two extra trainings were organised: an open training titled "A climate without violence: safe social services in Lithuania" and the second titled "Sharing good practices in the context of social services: Israel".
 - Furthermore, in 2023, the training quality assessment tool in the form of a post-training survey was updated to assess the quality of training. The overall assessment of training was 4.77 out of 5, implying that the vast majority considered the trainings to be useful or very useful. Out of 99 trainings organised between January and June 2023, seven took place in person. Service contracts have been drawn up and concluded with training providers.
 - The 2023 Implementation Report indicates that 12 programmes were developed, of which 4 were prepared by external experts and 8 by project implementers.
 - All trainings are provided to Lithuanian social workers free of charge. On the website of the Centre it is stated that: "The activities implemented during the project are free of charge for employees in the field of Lithuanian social services" (<https://pktc.lt/apie-mus>).
- **Provide methodological assistance:**
 - The 2023 Implementation Report indicates that expert services were procured to produce a set of methodological material for social services institutions, social services staff for the development of professional competences of social services staff. The methodology is published in an electronic version and is available on Centre's website (<https://pktc.lt/metodine-informacija/metodine-medziaga/praktines-socialiniu-darbuotoju-ir-individualios-prieziuros-darbuotoju-kompetenciju-vertinimo-planavimo-bei-tobulinimo-organizacijose-metodines-rekomendacijos>).
 - The 2023 Implementation Report indicates that two sets of **methodological recommendations** were prepared in 2023: (i) "Understanding domestic violence, intervention and intervention in providing social services for persons with disabilities" and (ii) "Practical application of the intervention method in the work of social workers". The 2023 Implementation Report indicates that methodological recommendations are widely disseminated and made public among social services, on the Centre's website ([Smurto artimoje aplinkoje supratimas, intervencija ir postvencija teikiant socialines paslaugas asmenims su negalia \(2023\) \(pktc.lt\)](#), [Intervizijų metodo praktinis taikymas socialinių darbuotojų darbe \(2023\) \(pktc.lt\)](#)).
 - **and ensure support to new social services employees in their professional activities.**
 - The 2022 Implementation Report indicates that a memo/guide to support new social workers starting their professional activities was prepared in 2022. The memo presents the activities of the Centre aimed at accompanying social workers in their professional activities. The leaflet was made public on social media pages of the Lithuanian Association of Social Workers ([Colorful 3D Illustrative Brand Identity Tips Poster \(lsda.lt\)](#))
 - 2023 Implementation Report indicates that a survey was conducted. It took place from 26 April 2023 to 27 June 2023 with 123 responses received. The objective was to clarify the needs and expectations of new social workers in order to develop further activities of the Centre.

Commission Preliminary Assessment: Satisfactorily fulfilled