

RESOLUTION

ON THE PROGRAMME OF THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA FOR 2000-2004

9 November 2000, No, IX-20

Vilnius

The Seimas of the Republic of Lithuania, having considered the Programme of the Government of the Republic of Lithuania for 2000-2004 and having regard to paragraph 7 of Article 67 and sub-paragraph of Article 92 of the Constitution of the Republic of Lithuania, resolves:

Article 1

To approve the Programme of the Government of the Republic of Lithuania for 2000-2004 submitted by Prime Minister Rolandas PAKSAS for approval.

Article 2

The Resolution shall enter into force from the date of its adoption.

SPEAKER OF THE SEIMAS
OF THE REPUBLIC OF LITHUANIA

ARTŪRAS PAULASKAS

**PROGRAMME
OF THE GOVERNMENT
OF THE REPUBLIC OF LITHUANIA**

FOR 2000-2004

VILNIUS, 2000

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1. PERSONAL SAFETY AND LEGAL SYSTEM

The primary function of the state, among many others, is to guarantee the inalienable rights and freedoms of the individual, and the security of personal property, including home and business security. The successful exercise of this function is heavily dependent on the adequate development of its forms resting on the reinforcement of the principles of the constitutional state, i.e. supremacy of the law, inviolability of individual rights and personal freedoms, separation of powers, mutual responsibility of citizens and the state and, last but not least, democracy. The development of the role of conventional forms in exercising the functions of the state, establishment of the adequate relationship between the legal system and legislation thereby facilitating greater accessibility and transparency in legal documents as well as their compatibility and proper application constitute essential prerequisites that assist the safeguarding of personal safety and the coherent development of the legal system.

Legislation on the Safeguarding of Human Rights

The redundant and petty provisions of legal regulations shall be ruled out wherever possible and the freedom of contract for legal entities shall remain intact.

Legislation shall not be passed in a desultory and hasty manner. The development and deliberation of any legislative act shall rest on its major principles and goals.

The preliminary and independent expertise of basic draft legislation shall be guaranteed.

The impact of every new legislative act submitted for parliament approval shall be assessed in real terms as well as in relation to the legal system, and shall be will be made freely and publicly available.

The major objective is the consolidation of legislation, codification of separate branches of law and preservation of the subject matter stability of codified laws.

Legislation in force shall be systematically arranged into the uniform code of laws of the Republic of Lithuania.

The development and adoption of legislative acts shall be made public, special expert groups shall be set up to draw up and codify consolidated legislation.

The date of entry into force of legally binding laws for private business entities shall be established with the view to providing all possibilities for private entities to get ready to comply with laws.

The imperative regulations shall be established by law only. Subordinate legislation shall regulate the implementation procedure only.

Legislation shall be harmonised with the *acquis communautaire* of the European Union; the requirements and recommendations of the United Nations Organisation and the Council of Europe shall be observed with respect to the needs of the people of Lithuania.

Proposed legislation will aim at transposing basic provisions of the European Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols.

Protection of Human Rights and Interests. Law Implementation

The powers of public institutions and officials shall be clearly defined.

The aim is to establish a system that shall assist in efficiently examining the legality, validity and purposefulness of the application of repressive measures of the state.

The state authority and public servants shall be deprived of any opportunity to make wilful (i.e. not provided or stipulated by legislation) decisions dealing with the granting or cancellation of privileges, incentives, and exceptions or cancellation of the latter.

Public institutions and civil servants shall be held personally responsible for the violations of law caused by their actions.

The "one-stop shop" principle shall apply: a person shall be able to settle his/her matters in one institution. Documents will be sent by an institution itself within the strict time limit. Moreover, possibilities will be provided to settle matters by post or electronic mail.

An efficient compensation procedure for the compensation for moral and material damage shall be introduced.

No restrictions or privileges on grounds of gender, race, nationality, faith, language, origin, social status, beliefs, convictions or views shall apply.

Petitions shall be investigated comprehensively and to the heart of the matter.

Public institutions shall be prohibited from making decisions based on documents which were not publicly announced or classified for internal use only.

The reform of the bailiff's office system shall be further pursued thereby ensuring efficient execution of court decisions.

Conditions provoking corruption and bribery shall be eliminated: functions failing to qualify as suitable for public authorities shall be either eliminated or transferred into non-governmental sector.

The upgrading of professional skills shall be promoted with a clear orientation towards contemporary law doctrine and integration into the European Union and protection of human rights.

Legal information technologies assisting in greater accessibility to legislative acts and relevant drafts as well as to the application of legislative acts.

Protection of Human Rights and Interests. Legal Protection

The Government plans to establish an efficient dispute settlement system which would guarantee proper application of legal acts.

Social and legal mechanisms minimising possible grounds for dispute.

Alternative dispute settlement systems will be promoted encouraging arbitration, mediation, and legal activities.

Self-regulation of judges, lawyers and notaries will be advocated on the basis of their professional codes.

A coherent and effective fight against corruption, smuggling, shadow economy, drugs and organised crime shall be introduced in the law enforcement system: each institution will have clear-cut functions, powers and authority. The activities of these institutions will be co-ordinated.

Police shall respond, with no exceptions, to all violations of law.

Crime at school, especially against schoolchildren and drug crimes shall be severely persecuted.

A number of "office" officials shall be reduced in law enforcement institutions.

Structural reforms of law enforcement institutions shall continue, overlapping functions will be eliminated in different institutions.

Public initiative ("safe neighbourhood" and likewise initiatives) shall be promoted which would increase security of people and their property.

Crime victims shall be compensated for moral and material damage as compensation will be considered a major goal of crime detection.

Necessary material procurement shall be provided for law enforcement institutions to guarantee public security. Financing of the police structures should depend on their work rather than on the crime rate and a number of offenders.

Better conditions shall be created for private security firms to guarantee personal safety and property security.

Functions of the security police shall be transferred to private hands.

Functions of public order shall be decentralised and will be partly transferred to municipalities.

Effective protection of intellectual property shall be introduced.

The law enforcement system shall be restructured to make punishment for crime unavoidable, and to avoid protracted crime investigation procedures.

The system of punishments and penalties shall undergo partial changes, i.e. the system of adequate punishments for violations of the law shall apply. Repressive punishment will be rarer in use as the Government will seek the reformation and social integration of those who have served out their sentence. The 'economical punishment' principle

shall be pursued: a minimum punishment shall be enough to influence a convict and to encourage him/her to change his/her conduct.

Deprivation of freedom shall apply less often. Instead, public works, financial and other penalties that will help eliminate overcrowding in prisons and save the taxpayers' money shall apply more often.

More humane conditions shall be ensured in confinement institutions and detention centres as required by international standards. Humiliation of human dignity shall not be tolerated.

A system of penalties for administrative offences shall be changed; unreasonably high sanctions shall be lifted.

An early prevention system for juvenile delinquents shall be further developed.

Programmes for the employment of minors and drug prevention programmes shall be developed.

Maximum pretrial detention time shall be clearly set.

2. PUBLIC ADMINISTRATION

The Government admits that recent legislation adopted by the previous Seimas in the field of public administration was mostly targeted to address just a number of issues related to the internal problems of the public service. The Government refusing to accept these current trends in public administration and seeking to improve it in principle, to reduce the influence exerted by central authorities, being confident of still unused more efficient, less costly and more transparent working capacities of municipalities, being interested in ensuring that all level public institutions and officials work for the benefit of people and the community, sets the following goals and targets:

To prepare amendments to the Constitution of the Republic of Lithuania:

to establish that mayors and municipal councils are elected by secret ballot on the basis of universal, equal, and direct suffrage for the term of 4 years. Municipal elections shall be organised halfway through the Seimas' term in office;

to legalise five administrative territorial units of the second level in compliance with the requirements of regional policy of the European Union;

to approve legal provisions regulating ownership rights on land for legal entities (irrespective of its use) on the territories defined under the relevant conditions and terms of the constitutional law.

To restructure the Government:

to develop a relevant project for government restructuring which would define separation of functions and goals, and to develop new Draft of Government Law.

during the transitional period to retain thirteen ministries, but later reduce a number till twelve with a possibility for further reduction of ministries.

To concentrate functions of ministries on the development of administration policy and strategy, to separate enforcement and control functions:

to perform audits of the functions of every ministry and of the institutions under their responsibilities;

to establish strategic goals of each ministry and to assign functions thereto

to systemise and co-ordinate institutions under the responsibility of the ministries;

to outline in detail the functions of all public and municipal institutions, to remove overlapping functions, to maximally specify their capacities and limit their powers. Public institutions are not policy-makers, but rather tools of implementing a specific policy, therefore they are obliged to professionally organise the work, be able to flexibly and rapidly restructure themselves in implementing new goals set by the Seimas;

to establish an effective law enforcement mechanism ensuring that any public or municipal institution complies with

the legislation enforced;

to give up practice when content of the law is changed in the process of the adoption of secondary legislation. Before any norm (rule) is introduced it is essential to ascertain whether it is in compliance with the strategy approved and to assess its costs for the state and its future effects on an entity falling under its regulation.

To rationally use tax payers' revenues and public financial resources.

To implement the reform of counties and to expand the rights of municipalities:

to dismiss administrations of ten counties, and establish five representative administrative territorial units instead;

to assign to the regional representative institutions the functions qualified as the second level self-governance functions which municipalities fail to perform;

to transfer land and land management matters to municipalities;

to transfer all institutions accountable to county administrations to the municipalities of those towns or regions on which territories they are located;

to gradually phase out the centralised redistribution of budgetary funds. To provide municipalities with the possibility to form their budgets from local taxes and levies. To establish that both natural and legal entities pay taxes in two shares: a fixed amount to the state and to the municipality;

to establish the ceilings allowing a municipality itself to establish amounts of municipal taxes by legislation;

to prepare and submit to the Seimas a draft of the law on the management of municipal securities;

in the process of resetting the administrative boundaries of municipalities to pay due respect to the public opinion and to establish procedures for the compensation of possible losses;

to transfer to municipalities the property which is not essential for public needs and which is not to be given back to former owners.

To restructure the system of civil service:

before establishing a new administrative institution or before authorising the already existing institution to perform a new function, to assess its purposefulness and implementation costs for the state as well as for its future regulation object;

to establish an efficient system of motivation (promotions and penalties) for civil servants;

after the establishment of a new or reorganisation of the existing institution the general number of public servants of a ministry or other institution should not increase;

To define the responsibility of civil service and public administration:

to establish that rights are inseparable from responsibilities: administrative bodies of any level shall be responsible for whatever they have the right to administer;

to demand that the responsibilities of public institutions of any level be generally understood, and their activities be targeted and yield results, and also be based on strategic planning;

to establish an order that public and municipal institutions adopt the rules of their activities themselves and announce them publicly, and also provide information comprehensible to people about activities of the institutions and who controls them;

to demand that civil servants (state and municipal institutions) pleasantly provide services to people, and upon making a wrong decision to apologise them and immediately rectify the mistake. Moreover, any state or municipal institution shall be obliged to publicly announce the procedure of complaints which could be lodged against their

public servants;

to establish the procedure whereby moral and material damages incurred by people due to public servants' activities be covered by state or municipal institutions which should exact adequate amounts from the civil servants personally responsible for the damage.

To develop the state register system which would be suitable for the operational and efficient public work.

To decentralise territorial state administration:

to analyse the need of transferring institutions (agencies, departments, inspectorates, and likewise) to the regional centres to which they relate by their activities;

to develop and implement the strategy of transferring institutions (in case their transfer is useful) to regional centres.

To involve the public in the major decision-making process. The Government undertakes the commitment, before adopting resolutions of greatest relevance to the people, to assess the public opinion, to co-ordinate different interests of stakeholders and, by reducing the number of legal acts to be adopted, to focus its attention on their quality, enactment possibilities and control.

3. ECONOMY

The authorities and businesses shall base their relations on mutual trust and co-operation. Public institutions of different levels shall base their relations with the business community on dialogue rather than confrontation.

Budgetary and Financial policy

In the realm of budgetary and financial policy it is essential to ensure that:

in the forthcoming year the budgetary deficit of the state not exceed 2-3 per cent and shall have an annual downturn tendency until it is fully balanced;

the responsibility of budgetary allocations lie with the Seimas alone, moreover, the use of approved budgetary funds fall under strict regulation and scrutiny;

the consolidated budget be built up while the state budget be considered concurrently with all extra-budgetary funds (as long as they exist);

only those measures which are provided by a specific law to achieve a specific goal be financed from the state budget, rather than the fields "traditionally" supported by the state;

the resources of the state budget be allocated with respect to the efficiency of the budget allocated by the assignments manager within the previous year;

amount of taxes and their redistribution through the budget be reduced;

the budget planning be approximate without including revenues planned from penalties and forfeits for tax administrative institutions and not be indicated in the budget;

public investment be gradually limited except for those public investments which are essential for the achievement of goals set or which are needed to co-finance the assistance provided by international organisations;

the state address the issue of liabilities to private economic entities;

public structural borrowing be limited to only such cases when it is reasonable and necessary by way of defining specific fields or conditions;

members of the credit market should not be discriminated and equal borrowing conditions be created for everyone;

in changing the anchor currency from the US dollar to EURO the co-operation with the Bank of Lithuania be

maintained retaining the currency board arrangement as an essential precondition for sustaining economic growth and preventing official interference in people's finance.

Tax Policy

The Government shall draft amendments to the existing legislation, seek that legal acts set forth clear-cut, precise and unequivocal tax calculation rules and a flat-rate tax tariff, and plans to:

gradually reduce the personal income tax to 24 per cent;

increase the tax exempt minimum of the personal income tax up to 320 Litass;

replace the corporation tax with dividend taxation;

complete the unification of the tax administration of the State Social Insurance Fund and the state budget to simplify the tax administration and reduce the expenditure thereof;

create conditions for the functioning of private pension funds thereby smoothly moving over towards private cumulative insurance;

create preconditions for independent work on obtaining a single-use patent;

impose the excise duty on goods (including luxury items) whenever found relevant to Lithuania's integration into international organisations;

change the road tax imposition procedure by discontinuing its calculation on the basis of the capital turnover of companies;

change the valuation procedure of customs goods and gradually reduce customs duties;

in applying the VAT differentiation set a 5 per cent VAT for construction works and the construction of residential houses and a 9 per cent VAT for central heating;

gradually phase out tax incentives and exemptions;

by encouraging residents to save money and foster investment culture, to annul the capital gains tax (CGT) as the total administrative costs exceed the income it generates;

delegate no functions to municipalities until adequate financing has been given;

introduce a general assets and income tax return.

Tax Administration

In the area of tax administration it is essential to:

pass a uniform law on the fundamentals of the tax system specifying all the taxes, their subjects and entities, mutual responsibility of tax payers and tax collectors, dispute settlement procedure; The law would set the maximum ceiling on taxes and all compulsory contributions and levies to extra-budgetary funds;

introduce new taxes and amendments to tax laws (excluding reduction of taxes) only from the beginning of the next fiscal year after the publication in the *Valstybės Žinios* not later than 3 months before the introduction thereof.

introduce a regular tax collection audit and set the maximum time limits thereof;

hold the State Tax Inspectorate financially responsible for illegal tax collection or suspension of operation;

separate tax evasion from accounting mistakes and impose different sanctions for these actions.

Liberalisation of Business Environment

For the liberalisation of business environment we shall:

immediately draft and implement proposals on the liberalisation of business environment;

make no public investments into private business;

restructure the remaining natural monopolies and strategic entities and carry out their full or partial privatisation; introduce the efficient management of the above entities and seek their competitiveness and higher quality services;

ensure the transparency of privatisation process of the state property, guarantee equal market conditions for all investors, i.e. offer a public share of stock in joint stock companies for sale through the securities exchange, widely use the capital market infrastructure and impose no additional restrictions and preconditions for investors;

create a favourable business climate for the establishment and activities of new and existing institutional investors, i.e. liberalise investment conditions for commercial banks, insurance companies, investment pension funds in accordance with the European Union legal framework and practice;

introduce no retrospective legislation regulating business and business environment;

specify the authority and responsibility of supervisory institutions and their public servants as well as the responsibility for illegal actions; and also establish that an official of a supervisory institution should prove an error on the part of a businessman rather than otherwise; establish the compensation mechanism for material damages caused by officials of supervisory institutions due to their illegal actions;

make an impartial assessment of both domestic and foreign investments;

encourage the restructuring of enterprises under bankruptcy procedure;

legalise gambling casinos with a view to developing tourism and entertainment industry.

Liberalisation of Labour Relations

For the liberalisation of labour relations we shall implement the following provisions:

an approved typical form of an employment contract shall be recommended but not compulsory;

all restrictions to conclude any type of civil contracts between natural persons as well as between natural and legal persons shall be lifted;

restrictions on temporary employment contracts shall be gradually phased out;

equal rights of employers and trade unions shall be enforced;

quotas, permits, licences, prohibitions, and other restrictions for European Union citizens to work in Lithuania shall be no longer applicable;

statutory requirements for an employer to inform Sodra on the employment of a person on the same day and dismissal from employment within three working days will be no longer applicable;

mandatory working time track records shall be no longer kept;

a requirement that employees need to have employment identification documents shall be waived;

legislation regulating labour relations will be co-ordinated with the European Social Charter;

compensation for public servants and other employees as provided by the legislation in effect will be reduced in amount;

4. DEVELOPMENT OF INFORMATION SOCIETY

The development of information society becomes an essential part of the establishment of economic, public and state infrastructure. The development of information society is an urgent task of the Lithuanian national strategy.

In implementing this task the government plans:

to put allocations for the development of information society under the separate budget item regarding the above allocations as investments into the country's future;

to seek that all school graduates schoolchildren finishing the school should be computer literate;

to implement the computer literacy programme among civil servants;

to encourage the development of communications, data transfer and Internet infrastructure by promoting competition in the telecommunications sector;

to reduce the monopoly of service providers, to seek that all information technologies and communications should be accessible to all people of Lithuania;

to provide the conditions for e-business and digital economy and to establish relevant legal framework;

to implement the e-government programme in seeking to better service the population, improve the performance of the public administration and cut down on public expenditure;

to introduce a digital signature, to ensure the general electronic identification of a person and data protection;

to make the impact on the decision-making process in the social sector through the development of information society (e.g. integration of the disabled persons into public life);

to develop annual action plans according to the Long-term National Information Society Development Strategy approved by parliament (Seimas).

5. ENVIRONMENT AND URBAN DEVELOPMENT

The environmental protection system shall be guided by the principle of "clean development" by way of passing from administrative regulation to economic regulation, implementing mutually balanced programmes of urban and forestry development as well as programmes for the protection of environment and cultural heritage, and also reviewing and co-ordinating laws and other legislation regulating the process. Consequently, we shall:

in the area of environmental protection:

pass from administrative regulation to economic regulation of environmental protection - implement and enforce economic regulation measures (according to the "polluter-pays" principle);

draft new and improve the existing laws and other legislation on the exploitation of natural resources as well as regulation of economic activities and environmental protection with a view to creating conditions for the balanced development of the country's territory as well as rational exploitation of natural resources;

develop waste (*esp.* hazardous) management programmes;

improve the monitoring of environmental pollution, assessment of environmental impact and its control system, promote the use of environmentally friendly energy sources, reduce the level of hazardous waste by introducing more advanced technologies;

develop forestry, expand the forest land by growing forests in areas not suitable for agricultural activity, exploit it in a more economical and efficient way, develop its recreational functions, and promote tourism as well as other activities;

reduce water, air, soil, and physical contamination, prevent the decline of unique countryside in protected territories;

in the area of urban development and construction:

amend the existing legislation with a view to simplifying construction designing and licensing procedures to avoid unnecessary interference of public servants into these matters;

introduce essential changes to the functions of public institutions, municipalities, and counties with regard to construction processes, i.e. transfer all the rights and responsibilities to municipalities;

promote implementation and development of latest construction methods and technologies;

on the basis of approved programmes develop general and engineering infrastructure of towns and settlements;

use financial means of banks and financial resources to ensure the renovation and modernisation of educational and pre-school as well as other public institutions and residential houses with a view to saving public funds and energy resources;

in the area of housing policy:

start implementing housing programmes - resolve issues related to the provision of long-term credits for construction, attract investments in the housing development by taking advantage of the tax system;

promote the development of social housing in municipalities, provide public support to socially vulnerable persons and young families;

encourage economic entities and private residents to renovate and modernise their houses or apartments with a view to saving funds and energy resources;

in the area of cultural heritage protection:

draft regulations of the cultural heritage protection policy and the strategy for their implementation in accordance with the requirements of the public and the present day to ensure clear distribution of functions and responsibilities;

set priorities of the cultural heritage protection and their implementation principles, and also ensure that the public is informed about the requirements and purpose of the cultural heritage protection. All restrictions shall be clear and made known in advance;

create and impose the compensation system for owners of cultural heritage and investors as well as the system of their promotion, improve the existing and draft new legislation and methodologies with a view to creating a unified management and regulation system of heritage safety.

6. TRANSPORT

In view of the geographical location of Lithuania, it is planned to maximise the use of national capacities in the transit services market and simplify transit procedures. To this end, promotion of private initiatives should become the focus of our attention; no less important is to attract investments for the establishment of combined transport and logistics centres, develop international relations and international agreements, and improve the process of the passenger and freightage transport under the terms of international conventions.

In the medium term while pursuing the national transport policy, the Government shall:

Road Transport

Develop the network of motorways and national roads.

Remove restrictions for the development of the network of commercial units and facilities adjacent to the motorways and other roads of national importance.

Remove bureaucratic obstacles detrimental to the business of road carriers. Apply the simpler customs clearance, border, sanitary and other transport export, import and transit procedures - the procedures must be speedy, cheap and ensure the safe delivery of cargo.

Reform the institutional management of public transport by creating equal business opportunities for private and municipal carriers.

Put the mandatory car insurance into operation.

Water Transport

Modernise the Klaipėda State Seaport infrastructure - build new quays or reconstruct those already in use, deepen the harbour water area to a depth of 14 metres and reorganise the harbour landing-stage infrastructure.

Improve the Klaipėda Seaport interoperability with other types of transport and modernise the infrastructure of service roads and railways.

Continue the development of the shipping network with other foreign ports.

Apply a flexible tariff system of harbour dues, lading, warehousing and transportation on the territory of Lithuania.

Introduce a free seaport status in the Klaipėda State Seaport.

Railway Transport

Make improvements to the main railway lines of Lithuania until they meet the terms of the European Agreement on Main International Railway Lines.

Ensure equal operating conditions for private and public railway carriers.

Air Transport

Draft the privatisation model of national airlines that will guarantee the long-term development and privatisation transparency of the company.

Modernise the landing monitoring system and introduce flight safety facilities in the international airports.

Implement the Multilateral Agreement on the Establishment of the European Common Aviation Area, i.e. accede to the liberalised global airspace.

7. EDUCATION AND SCIENCE

Education Reform Priorities

The key objective of the education reform is a young man's preparation for life. This objective might be achieved by meeting the following priorities:

Education of an open-minded Lithuanian citizen;

Education of the new information society;

Development of a private education sector;

Improvement of education management.

General Education

To rationalise a general education school network - to make an evaluation of both regional and public needs as well as capacities based on social, cultural and economic grounds.

To create equal opportunities for rural and urban pupils to acquire proper education in pursuing rational school specialisation, school renovation and school transportation programmes.

To ensure the attendance of all school-age children instructed by the qualified teaching staff.

To use education-related funds in an efficient way, to improve education services and to create real conditions to provide education services for citizens according to their capacities and needs.

To finance schools according to the "money follow the child" principle and guarantee equal opportunities for private and public education institutions.

To ensure the self-government of pupils and their involvement in addressing school community issues.

Additional Education

To develop additional education activities, especially the informal education of children and young people as the top priority in the prevention and socialisation sector. To promote and support democracy and civil education programmes.

To implement the "money follow the child" principle in the additional training area as well.

To promote the activities of non-governmental organisations (NGOs) and provide support to the initiatives of young people.

Pre-school Education

To establish a teacher training, psychological and social services system that will guarantee the proper education of the children of pre-school age.

To implement comprehensive pre-school education and guarantee an equal opportunities for a successful adaptation of children at primary school.

Vocational Technical Training

To direct vocational training towards the dynamically changing labour market.

To create equal operating opportunities for public and private institutions in the vocational training sector.

Adult Education

Continuous learning and training must be available to all society members.

Retraining programmes must be directed to address the emerging social problems.

Teaching Staff Qualification Improvement and Testing

Qualification improvement is one of the key education reform factors contributing to the renewal of the teaching staff.

The state passes decisions to develop qualification improvement programmes vital for the implementation of public education policy provisions.

To place the teaching staff qualification improvement into private hands (partially) and adopt the independent assessment method to guarantee the quality of the above system.

To develop the training system of education institution managers.

To reform the teaching staff testing system by linking it with the funding system of education institutions and develop plans for the re-qualification of the teaching staff on a systematic basis.

Science and Studies

To carry out the high school studies programme audit according to specialities through unification.

To ensure the necessary knowledge standard of every relevant speciality.

The amount of funds earmarked for science and studies must total 1.5 per cent of GDP, and to transfer a part of funds to the studies crediting fund.

To seek that the salary of the high school staff would not be below the average salary in the public service sector.

To develop the long-term programmes dealing with public science and research investments.

To reform the scientific research sector funding and seek to provide funding for specific purposes and through tenders.

To set out innovative policy guidelines and strategy according to the EU recommendations.

To develop a national innovative process development programme along systematic approach and science-business integration lines.

8. CULTURE

Recognising that culture is one of key guarantees of the establishment and existence of a democratic state, we consider the preservation and fostering of the identity of traditional cultural values and the assurance of most favourable creative conditions of modern cultural phenomena to be a long-term political goal of the Lithuanian national cultural policy. On the basis of the principles of democracy, open culture and the creative self-expression of every citizen we will pay special attention to the identification and purposeful implementation of the priorities of the national culture policy, i.e.:

the consolidation of the authority of professional art in the global cultural development process, support and distribution of the works of prominent Lithuanian artists contributing to the positive image of our state in the world;

the diversification of assistance to young creative minds and assessment as well as presentation of works produced owing to this support;

the promotion of a native language and literature as well as the publishing and dissemination of valuable cultural periodicals and publications, literature, Lithuanian linguistics, history, ethnology, art criticism, art books and great world literature in Lithuania and abroad; the development of information society;

the management and protection of national heritage, funding of the activities of the cultural heritage institutions and implementation of significant projects in the above field, introduction of new technologies, presentation of the national heritage and promotion of cultural tourism.

With the implementation of above priorities the Government shall:

conduct a systematic audit of national culture institutions (including public institutions founded by the state) and their relevant functions as well as subsidies they received;

promote the creative activities of NGOs and young people;

decentralise and liberalise the management of Lithuanian culture;

foster the development and funding of culture and art programmes by the rational use of the resources of culture institutions, national ones in particular. To contribute to the research of new purposeful culture funding resources and forms and capital investments in cultural establishments;

seek the strengthening of legal grounds for the financing and propagation of culture and the author's status and copyright protection; improvement of culture support and charity legislation;

encourage private and collective creative initiatives, co-operation of national and public culture institutions in the regions and exchange with foreign cultural institutions in the regions;

proceed with the implementation of the integrated modernisation programme of libraries;

seek to make efficient use of the intellectual and financial support of European institutions and co-ordinate art-related regulations by integrating Lithuanian culture into the general European culture; take active part in the EU cultural programmes and organisations;

maintain support to the cultural expression of national minorities in Lithuania;

being fully confident that physical training, sport, tourism and adequate recreation facilities should be made available to every Lithuanian citizen, encourage local governments and private business to develop and implement new initiatives in the above sector;

create favourable conditions for professional sportsmen with the best track record in sports to spread the fame of Lithuania throughout the world as the creation of the above conditions proves to be one of the best investments of effort into the formation of the Lithuanian image.

9. RURAL POLICY

Being well aware of a very complicated and still deteriorating agrarian and rural situation and seeking a fundamental solution to the economic problems of rural regions, the Government is fully committed to:

develop a new national long-term strategy for rural and agricultural development and improve current legislation (draft new relevant legislation if need be) instrumental in the implementation of the strategy;

improve agriculture-related legislation and adopt new legislation if need be once it facilitates preparations for the integration into the Common Agricultural Policy (CAP) of the EU;

complete land restitution and speed up the land reform;

discontinue the division of land lots on the basis of its use;

grant land ownership rights to legal entities;

create conditions for the operation of land and credit markets;

separate social assistance to rural population from industrial support and provide it under social programmes;

seek that 10 percent of the state budget would be earmarked for primary agricultural industry, development of processing industry and rural regions;

assure gradual transition from agricultural industry subsidies to direct payments;

establish agricultural quotas for the coming year (wherever these quotas apply) by 1 June of the current year;

draft legislation on timely payments for sales of agricultural and food products;

implement the ecological farming development programme in a more efficient way;

introduce a farmer compensation mechanism for expenditure on diesel oil;

make an in-depth analysis of compensation for excise taxes on diesel and develop proposals addressing the relevant issue;

improve the protection of the internal market from poor quality, illegally imported agricultural and food products;

strengthen the protection of consumer rights;

pursue the policy of economic sanctions in dumping cases;

protect and take care of land and soil productivity, operate, renovate and modernize land reclamation facilities;

develop and implement the policy of foreign trade in agricultural products;

make adequate preparations for the use of EU structural funds and intake as much EU funds as possible lest the allocated funds might remain unused;

make use of EU funds under the consistent development strategy (the so-called National Regional Development Plan).

10. LABOUR AND SOCIAL CARE

The primary goal of the government labour and social policy is to create conditions for every person to work, regulate his life in his own way, look to the future with a sense of responsibility and freedom, and offer special assistance to those who are unable to provide for themselves for reasons beyond their control.

In the social insurance and pension sector, determined to achieve the set goal the Government shall:

immediately launch a social insurance pension reform and gradually move over towards a more flexible multi-tier pension system by introducing a mandatory retirement saving scheme and creating an additional private social insurance system and preventing the reduction of the amount of current social insurance contributions during the reform;

strive to combine the State Social Insurance Fund with the national budget;

proceed with the social insurance reform on the basis of privatisation receipts and the national budget, starting with the introductory stage of the reform;

cut the budget deficit of the State Social Insurance Fund;

reorganise the granting of non-insurance pensions;

proceed with the gradual increase of retirement age, also providing an opportunity for earlier retirement;

ensure the stable level of the purchasing capacity of pension; for this purpose and depending on the country's financial condition, arrange the adequate indexing of pensions to the Consumer Price Index established as a measure for a fixed market basket of consumer goods and services.

In the social assistance sector the Government shall:

enhance the efficiency of social assistance system now under development and assure assistance to persons in need of help.

combine social assistance with personal income and property by the introduction of a general income tax and assets return system;

discontinue the system of benefits and compensation payments via grants to service providers and move over towards the system of direct payments;

develop a family assistance system that will guarantee independence and stability of it as a social institution and ensure the generation transition laying special emphasis on young families;

enact the UN Convention on the Rights of the Child protecting the social guarantees and economic rights of the child as a citizen;

decentralize social services provisions transferring more functions to local authorities;

improve efficiency in using a private sector by developing the social services of the community and creating conditions for private initiatives;

give priority to assistance and care at home rather than to senior care facilities (rest homes, nursing homes, etc.);

develop and enact a social integration programme for disabled persons;

develop and enact a new disability assessment procedure;

develop and launch an efficiently operating housing credits programme with young families being given priority;

In the labour sector the Government shall:

decrease the level of unemployment, create more favourable conditions for job growth and promote solidarity between employers and employees;

direct a professional training system to meet market needs;

develop and put into operation a tender-run re-qualification system;

increase efficiency in using a public works option; in certain cases make payments for public works in preference to unemployment benefits;

11. HEALTH CARE

The Government stands ready to take decisions leading to the transformation of the present health system into an accessible, safe and efficient system stimulating medical persons to be more involved in the care of a patient and make the most efficient use of resources available and encouraging people to take care of their health.

For this purpose the Government shall:

assure instant medical aid accessible to everyone, create a preventive health care system based on real health insurance and the patient's right to choose a doctor on his/her own discretion and any public or private health care institution he/she likes;

promote a voluntary health care insurance scheme and the establishment and operation of health funds in enterprises closely linked to economic levers and a social insurance system;

in addition to health insurance funds, legitimate an option for patients to make additional payments for services provided once the value of services exceeds mandatory health insurance payments;

move over towards the financing of health care for services provided;

unify the operating conditions private and public health institutions (contracts with patients' funds, VAT rules, etc.)

specify and differentiate tariffs for medical services on grounds of the complexity of services in a more accurate way;

improve the self-regulation of health care institutions;

improve health system management by including management experts and relevant public administration institutions operating in the health system;

optimise a network of health institutions;

improve primary health care; support and promote the development of primary health care institutions in rural areas and strengthen the general practitioner's institution;

assure the rights of municipalities in planning and organising population health care; develop regional health care networks more efficiently in economic terms for better assistance in emergencies;

deal with the improvement of health care quality on a regular basis, i.e. install information systems operating under the terms of quality indicators; assure the impartial control of public health care accessibility, safety and efficiency;

privatise and commercialise state controlled pharmacies, sanatoriums and other inefficiently governed establishments;

utilise the allocations for health care pursuant to the principles of democracy and openness;

improve a drug compensation policy;

advocate the principles of healthy life, implement public education programmes based on global medical practices dealing with health issues and develop health information services.

12. NATIONAL SECURITY AND DEFENCE

The internal and external security of the state forms two inherent parts of national security. The national security policy of the Government must assure the smooth functioning of a national security system and proper readiness of defence institutions to counter aggression, to protect the independence, territorial integrity and constitutional order of the State of Lithuania, and to assure the relevant place of Lithuania in European and transatlantic security institutions.

In developing the national security and defence system, the Government shall:

thoroughly strengthen democracy, protection of human rights and fundamental freedoms, promote the speedier economic development and other initiatives of people and public groups. The national security will be strengthened through different public management sectors (economy, social security, health, security of citizens and their property, other) enhancing national security;

draft or specify a public administration, fight against crime and anti-corruption, power stability, ecological safety and other programmes enhancing national security in the short term; assure the implementation thereof;

reduce the spread of alcoholism, suicides, drug abuse, AIDS and other mass diseases; draft and implement preventive programmes to address the above issues in a more active way;

analyse emerging threats to the internal security and take preventive measures thereof;

further develop the democratically controlled Armed Forces of the Republic of Lithuania in accordance with the long-term army development plan adjusted by the Government and ensure its efficient operation;

seek to make the professional army equipped with modern arms and equipment and interoperable with NATO armed forces as the defence foundation of Lithuania in the future;

train the armed forces and the national defence system to operate under the terms and conditions of NATO; seek Lithuania's accession to NATO at the 2002 NATO Summit;

proceed with the improvement of the defence system legislative framework and other relevant legislation;

make an analysis and evaluation of external threats and design preventive measures on a regular basis.

In meeting the above goals the Government shall:

increase the income and employment of population, proceed with the health and pension reforms, other measures ensuring the security of the state and its citizens;

develop the armed forces, other national security institutions and infrastructure so as to make them ready to protect the state and citizens from possible external threats and aggression;

seek the successful completion of the reorganisation of national defence institutions; assure the military and technical capacities of the armed forces to operate jointly with the NATO forces; give priority to the improvement of the privates and officers training and instruction;

take part in the Partnership Planning and Revision Process (PARP), Partnership for Peace programme and the Euro-Atlantic Partnership Council (EAPC); update Lithuania's NATO membership preparations programme in the military and defensive area; implement the programme of activities outlined in the Membership Action Plan (MAP) designed to assist aspiring countries in their for future NATO membership;

ensure the implementation and funding of the defence programmes drafted or in progress in accordance with the long-term national defence development programmes and international commitments by the rational utilisation and planning of defence allocations (will seek to increase defence spending to 2 per cent of GDP);

put forward a proposal of a gradual transition to the professional army without increasing the number of conscripts; ensure the implementation of the alternative military service; develop mobilisation reserves both for the additional capacities of the armed forces following the declaration of mobilisation and for actions on the territorial defence principles; improve the National Defence Volunteer Forces (NDVF) and reorganise the internal troops;

develop bilateral international and regional military co-operation; assure that the armed forces would participate in the internal peacekeeping operations under the leadership of the UN, OECD and NATO pursuant to Lithuanian international commitments;

ensure the protection of land and sea borders of the state; develop an integrated civil-military airspace and sea surveillance and control systems;

make every effort to use the scientific, technological and industrial capabilities of Lithuania for the security reinforcement needs of Lithuania and to this end utilise a part of budget allocations for national defence.

13. FOREIGN POLICY

The foreign policy of Lithuania shall be open, transparent, active, continuous and based on clear-cut principles.

The major foreign policy objectives are the following:

accession to the European Union under the most favourable conditions for Lithuania as possible;

further close co-operation with NATO and membership aspirations therein;

good relations with neighbourly states;

preservation of existing markets and vigorous search for new ones.

EU and NATO Membership

The EU and NATO membership aspirations are considered of equal value.

The Government will not spare effort to get Lithuania ready to accede to the EU by 2004. Lithuanian people will be gradually introduced to the EU financial assistance mechanism and instructed on its use.

It is planned to continue active involvement in the common and foreign policy of the European Union; we will seek to contribute to the implementation of the ongoing security and defence policy of the European Union. Lithuania will seek to contribute to the processes keeping the NATO role intact in the creation process of a new security architecture in Europe.

The Government will make much effort to get Lithuania ready for NATO membership and will seek to become a full-fledged member in 2002.

The Government will seek the mature and active involvement of Lithuania in the international organisations, especially in the United Nations, the European Security and Co-operation in Europe, the World Trade Organisation and others; it also plans to join the Organisation for Economic Co-operation and Development (OECD).

Relationship with Neighbourly Countries

Lithuania will continue co-operation with Poland as its strategic partner on the way towards the EU and NATO.

The Baltic States and the Baltic Sea Region remain a foreign policy priority.

As far as Russia is concerned, the Government will pursue its policy based on good neighbourly relations, aiming at creating better conditions for Lithuanian businesses and financial institutions to look for partners in the Russian and

CIS markets. Lithuania will make effort to enter into closer economic relations with Kaliningrad. Also, Lithuania will take an active part in the implementation of the initiatives of EU and the United States focusing on the involvement of Kaliningrad in the European process.

The Government intends to preserve pragmatic and mutually beneficial economic relations with Belarus, also contributing to the democratic tendencies in this country.

Economic Interests

The Government will be involved in the search for newly emerging and promising global markets. The development of diplomatic representatives will proceed along with the economic priorities of the country.

The Government will not spare efforts to make the widest possible use of the advantages rising from the accession to the WTO in the establishment of more favourable trade regimes with different countries in the world.

Implementation of Foreign Policy

The training and support of the diplomatic service merits our particular attention.

The Government will promote the widest possible relations of Lithuanian people with foreign NGOs and individuals depending on the field of their interests.

The Government intends to encourage the contributions of Lithuanians resident in other countries of the world to the key goals of the Lithuanian foreign policy, primarily to NATO and EU membership.