



**SEIMAS OF THE REPUBLIC OF LITHUANIA
RESOLUTION No XI-52**

**Of 9 December 2008
ON THE PROGRAMME OF THE GOVERNMENT OF THE REPUBLIC OF
LITHUANIA**

Vilnius

The Seimas of the Republic of Lithuania, having considered the Programme of the Government of the Republic of Lithuania and having regard to paragraph 7 of Article 67 and sub-paragraph 5 of Article 92 of the Constitution of the Republic of Lithuania, **r e s o l v e s :**

Article 1

To approve the Programme of the Government of the Republic of Lithuania submitted by Prime Minister Andrius Kubilius (annexed).

Article 2

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

**CHAIRMAN OF THE SEIMAS
OF THE REPUBLIC OF LITHUANIA**

ARŪNAS VALINSKAS

ACTION PROGRAMME OF THE FIFTEENTH GOVERNMENT OF THE REPUBLIC OF LITHUANIA

PART I

ANALYSIS OF THE INHERITED SITUATION AND CHALLENGES

The fifteenth Government of the Republic of Lithuania (hereinafter referred to as Government) starts its work on the eve of big challenges and grave issues. Accumulating challenges that both Lithuania and the world have currently faced call for determinate, efficient and responsible action on the part of the Government if it seeks introduction of major changes in many areas of our life.

One has to admit, however, that under the present conditions of our membership of the European Union, the well-being of Lithuanian people has lately come to a halt or taken a turn for the worse in some aspects. The fifteenth Government has inherited a heavy burden of unsolved problems and social maladies weighing on the society and calling for the efficient action of the Government in the short and middle-term period:

- cynical selfishness of public authorities and institutions;
- lack of transparency and rampant corruption regarding the activities of public authorities;
- unequal and interest-governed justice;
- slowing economic growth;
- poverty-inducing double-digit inflation;
- impending rise in energy prices;
- wide and unchanging social gap;
- huge migration and brain drain;
- weakening of ties with the native country and state.

The fifteenth Government is fully aware that the key task of the short-term period is the prevention of an economic crisis and its impact. Failure to meet the goals set out in the Anti-Crisis Plan will render the implementation of the remaining Government programme virtually impossible.

The Government is keenly aware that in case of failure to implement the Anti-Crisis Plan and the possible additional measures of the above plan in the worsening economic and financial situation of the country, Lithuania would be heavily struck by a financial crisis, deeply affecting

low-income persons, pensioners and the unemployed. The Government shall make every effort to prevent this from happening.

The middle-term target of our policy is to mitigate and gradually solve major social maladies by resolutely addressing the inherited issues. The key strategic objectives of our middle-term policy shall be aimed at stopping the recession and significantly improving the situation in the target areas that could ensure the major breakthrough.

Hence the fifteenth Government focus on three major short- and middle-term strategic priorities of its activity as the very core of the Government Programme:

- we must urgently get prepared for the swiftly slowing economic growth and the resulting heavy impact on the financial system of the country, especially in the wake of the global financial crisis;

- we must usher in the fundamental changes in those public and social life areas where those changes have been delayed so far. We adhere to the provision that economic hardships open new opportunities to rally the consolidated political will of society for such fundamental changes. We are convinced that such changes are urgently necessary for the major overhaul of public administration, intensification of the fight against corruption, acceleration of solutions to strategic energy problems, reform of education and health systems and bridging of the social gap;

- we must assume the responsibility of rallying leadership, which is vital both for addressing the short-term economy difficulties and implementing key changes. The Government can make this responsibility real only by an open and fair play and through a constructive dialogue with society and its groups.

In the light of these goals these goals and strategic guidelines we call for **INTRODUCTION OF NECESSARY CHANGES!**

We are united in our experience accumulated during the Independence years; we are a nation which has no fear whatsoever of grave challenges and sweeping changes. We have adapted to them over the period of our eighteen independent years. If compared to other European nations, this ability is a huge advantage. Accordingly, we must make every use of it.

We are united in our aspiration: Lithuania shall not lag behind other European states. With dynamism, fairness, solidarity and fearless approach towards reforms, we can and must overcome the economic crisis in an efficient way and lay down the foundations for the durable success of Lithuania.

Our unity and activity rests on moral values and decent policy principles as well as the provisions outlined in the Government programme.

Our unity rests on the belief that Lithuanian citizens may and can create for themselves a human, vital moral climate and much better living conditions not only abroad, in the near or distant future, but here and now.

Our goal is to bring people together by assuming responsibility to create a better Lithuania without further ado or delay. In the Government programme, we have announced a strong conviction that:

– Lithuania shall be better if its people are better towards each other and their homeland, if they jointly build a more perfect, more righteous country that will guarantee the steady and equitable increase of spiritual and material well-being of every individual;

– Lithuania shall be more decent if public authorities and civil servants act in an honourable, unselfish and irreproachable manner;

– Lithuania shall be stronger if its society and families are morally strong. Lithuania shall be staunchier if the culture of life wins against the culture of drinking, violence and death;

– Lithuania shall be more just if people feel that justice in Lithuania gives impartial and equal treatment to everyone;

– Lithuania shall be more orderly if everyone cares for and acts in an egalitarian democratic order;

– Lithuania shall be safer if cruelty, indifference and crime decrease and compassion, solidarity and concord increase;

– Lithuania shall be more beautiful if we stop polluting its nature and public spaces, destroying cultural heritage and environment, but start cherishing its beauty in deed;

– Lithuania shall be happier and more self-assured if its children, looking forward to the future in confidence, are able to find happiness here, in the free homeland;

– Lithuania shall be honest if people have honest and public serving authorities.

Our strength lies in unity. We have every capacity to make a better Lithuania project true by common determination, concentration and targeted work. To this end, we shall be committed to making Lithuania a better place, while seeking public support and contribution to the goals we have declared.

PART II

ANTI-CRISIS PLAN

The Government of the Republic of Lithuania,

- stating that many macroeconomic indicators and the future projections thereof clearly show that Lithuania has reached an economic crisis and has been swiftly sinking into recession;
- taking into consideration country's difficult financial situation, where, according to some experts, the government deficit in 2008 may reach 2.5-3 percent of GDP, instead of 0.5 percent GDP planned by the previous government, while in 2009, because of unfoundedly optimistic macroeconomic forecasts, may exceed 4 percent of GDP, instead of the planned 2.7 percent;
- estimating that the total borrowing need of the government sector, including re-financing of the previous obligations, would exceed LTL 9 billion in 2009 if no measures are taken;
- noting the ongoing financial crisis on the global markets resulting in increasingly difficult lending conditions which often undermine even the borrowing capacity of the states that surpass Lithuania in their credit ratings;
- being convinced that stabilization of the public financial system is a necessary precondition to ensuring overall macroeconomic stability;
- being aware that public financial system and macroeconomic stability alone are not enough to bring Lithuania out of the present crisis but are absolutely necessary for us to meet that goal;
- striving to protect the socially-vulnerable areas and to fulfil the obligations of the previous government to the people working in the fields of education, public health, culture, art and in the social sector, to the maximum extent possible under these changed circumstances;
- shall decisively and promptly implement this Anti-Crisis Plan which becomes an integral part of the Government Programme, once the Programme is approved by the Seimas and the President of the Republic of Lithuania.

I. SAVING POLICY AND EFFECTIVE USE OF TAXPAYERS' MONEY

1. We shall make the following cuts of the draft budget of central and municipal authorities submitted to the Seimas by the previous Government:

- An average 15 percent reduction of the net wages of the President, members of the Parliament, members of the Government and the State Controller;

- An average 12 percent reduction of salary appropriations (including social insurance payments) of the state and municipal budget appropriation managers, with exception of those for teachers' salaries. The increase of teachers' salaries shall be slowed down by reducing additional funding for that purpose from LTL 1091 million (designated in the pre-crisis salary increase programme approved by the former Government) down to LTL 861 million. The salaries of the workers of social sector, culture and arts, scientists and academic staff will be also raised but in lower percentage than it was planned in the pre-crisis period, and following the general principle of salary appropriation cuts referred to above;

- An average 15 percent reduction of appropriations for state budget appropriation managers and special subsidies to municipalities, first of all by giving up commercial public relation services and trimming down to a necessary minimum the funding limits for mobile communications, transport, representation, all non-priority missions abroad, stationery and other goods and services not related with the key activities of public institutions;*

- A cut from 80 percent to 60 percent of excise revenues generated from the sale of petrol, diesel fuel and energy products contributing to the account of the Road Maintenance and Development Programme;

- municipal revenues generated from the personal income tax, making relevant percentage adjustment in the municipal share of the personal income tax;

- a 15 percent reduction in appropriations for both the land reform and rural support programme;

- a 10 percent reduction in investment, with primary focus on vehicles, furniture, electric appliances and other items dispensable for daily operation;*

- additional reduction in military appropriations by LTL 42 million.

2. We shall cancel the Law on Indexation of Minimum Wages, Social Security Benefits and Basic Limit of Penalties. Instead of automatic indexation of wages and various benefits provided in the Law, we shall promptly develop a specific mechanism to mitigate the impact of the crisis on the most vulnerable groups of the society (including the increase in the prices of compensated medications once the reduced VAT rate has been cancelled).

3. We shall reform the payroll and other payout system of companies and public enterprises controlled by the state and municipalities to prevent higher-than-market salaries.

* Except the following funds: EU, co-financing, special programme and funds for socially vulnerable areas.

4. We shall pay child benefits for all the children under three years of age, as well as for senior children from families where total net income per person does not exceed three state-supported income limits (LTL 1050 per person or LTL 4200 for a family with two children).

5. We shall provide for free meals for schoolchildren in preschool and primary education, 1-4 grade schoolchildren from families where income per person does not exceed 1.5 state-supported income limits.

6. We shall gradually pay out the outstanding pension arrears for working pensioners during the period 2009-2010.

7. We shall review the social insurance calculation method of the compensated wage and requirements for the calculation of maternity, paternity benefits from the longer term income, taking into consideration the interests of young mothers with little working experience due to their studies or research.

8. We shall change the payment procedure of maternity (paternity) leave allowances in such a way that the sum would not exceed the 100 percent of the former wage.

9. We shall reduce appropriations for state institutions saved due to personnel illness or emerging vacancies by the end of the year.

10. We shall implement national audit recommendations following recent financial and performance auditing at state institutions with a view to a more effective use of public funds; we shall conduct performance audits at other public institutions (to avoid unreasonable expenditure at the government sector), and, on the basis of the findings, we shall enable the Government to adjust allocations for the audited institutions; accordingly, we shall develop a specific programme providing for these actions.

11. We shall tighten the use of earmarked subsidies allocated for municipalities for the discharge of relevant functions and a pupil's basket by returning unused subsidy funds to the state budget.

Total saving effect is up to LTL 2 billion.

II. IMMEDIATE TAXATION MEASURES

12. We shall set a flat 20 percent rate on personal income (including dividends) and corporate tax, and a 19 percent VAT rate. Every year we shall review the crisis-related basic tax rates in the future draft budgets and reduce the taxes provided that is not in contradiction with macroeconomic stability.

13. We shall break down a 20 percent personal income tax rate in order to form a direct 5 percent pre-tax health insurance contribution instead of directing it to the Compulsory Health

Insurance Fund through PIT redistribution. Similarly, we shall break down the rate of contributions to the State Social Insurance Fund in order to separate 3 percent of social insurance contribution paid by the employer. The total contribution rate of compulsory health insurance is 8 percent of pre-tax wage. The decrease in the income of the Compulsory Health Insurance Fund resulting from the introduction of social insurance contribution shall be compensated from the state.

14. We shall change the basic calculation limits of the salaries of politicians, judges, public servants and officials with the aim of avoiding the net increase of their salaries once the personal income tax rate has been reduced.

15. We shall cancel any reduced VAT and personal income tax rates except for the reduced VAT rate on heating. The reduced VAT rates on heating shall be annulled from the next heating season late in 2009 with the establishment of a functioning compensation mechanism for low and middle income earners. We shall review other reduced income tax rates (including the allowed deductions from income) by leaving only the socially-grounded and saving-oriented exemptions.

16. We shall raise an excise tax on fuel up to the minimal levels set by the European Union and double an excise tax on liquefied gas; we shall also increase excise taxes on tobacco (as provided for in the draft law submitted to the Seimas) and alcohol alongside with the abolishment of reduced excise tax rates for the beer produced by small breweries. We shall increase an oil and gas tax by abolishing the reduced rates of this tax and a gambling tax by introducing a rate calculable from the total gambling revenues. We shall review taxes on state national resources, increase a tax on the use of state property in trust without any exceptions to the state-controlled joint stock or private limited companies concerning the payment of dividends to the state budget.

17. We shall revise the list and tax rates of business licence activities except for business licences for craftsmen by abolishing business licences that distort the labour market and create unequal business conditions, e.g. licences for construction works, property leasing, licences creating conditions for wholesale trade, etc. We shall act in a gradual and consecutive way that the persons with business licences would work in compliance with taxation rules applicable to individual activity. Also, we shall be committed to the simplification of the administration and accounting procedures of individual activity.

18. We shall introduce a tax on vehicle owners or managers for light vehicles belonging to legal entities.

19. We shall introduce a corporate tax on agricultural entities and to include farmers (except those operating in subsistence farms) into the income taxation system.

20. We shall reform social and health insurance systems during the period 2009-2010 by including persons still not involved in them and unify the principles of involvement of persons in the system under equal conditions.

21. We shall change the application procedure of the tax-exempt minimum by increasing it for low-income persons. The tax-exempt minimum shall not be applicable to middle-income persons. The tax-exempt minimum system should be so devised that it would eliminate the “threshold” effect unless this measure results in the significant administration costs and the loss of budget revenue.

The total effect of the taxation reform is up to LTL 2 billion.

III. INCENTIVES FOR BUSINESS

22. While acting in consultation with the European Commission and other international and local financial institutions, we shall draft a plan on financial measures by the first quarter of 2009; the implementation of the plan would significantly contribute to the stability of the financial sector in Lithuania and create more favourable conditions to gain access to financial sources and credit lines necessary for business preservation and development without increasing a fiscal deficit.

23. We shall establish a profit tax exemption for companies which invest into essential technological modernisation with a view to raising productivity levels and allow the reduction of taxable profit at the sum spent in investment expenditures. If compared to the current proposal submitted to the Seimas, we shall broaden the scope (to include application of technologies that are covered by international patents for innovations) and scale of the exemption (to raise the deduction cap from 35 percent to 50 percent). Prior to the submission of the modified budget to the Seimas, we shall discuss with the business community and make decisions on other measures and ways of investment promotion for improving labour efficiency without prejudice to the goal of ensuring macroeconomic stability.

24. We shall establish a system of tax credits for small private start-ups:

- 80 percent of the financial obligations to the state for the first year;
- 50 percent of the financial obligations to the state for the second year;
- 30 percent of the financial obligations to the state for the third year.

We shall arrange repayment of tax credits over a five-year period.

25. In the State Investment Programme, we shall abandon investment into the new construction projects as well as projects the construction period whereof, with regard to the scrap value of the project and planned appropriations for 2009, would take longer than five years. We shall allocate available funding for the renovation of multi-impartment buildings and objects, the construction of which can be completed in 2009.

26. We shall speed up absorption of the EU funds by reducing requirements for own funds by 10 percent - 20 percent and simplifying the project evaluation procedures.

27. We shall rescind the law provision on compensation (day off) for public holidays falling on weekends.

28. We shall seek maximum centralization and transparency in public procurement procedures.

29. In the Government Programme Action Plan, we shall provide for urgent actions with a view to simplifying company establishment and bankruptcy procedures, liberalising labour relations, reducing the number of state institutions controlling business and facilitating territorial planning procedures.

IV. BALANCED FUND FLOWS

30. On a provisional basis (for the period 2009-2010), we shall reduce the tariff of the part of the state social insurance pension contribution transferred to the pension fund managing companies from 5.5 percent to 3 percent, i.e. down to the value of contribution by the insured persons into the SoDra (State Social Insurance Fund Board of the Republic of Lithuania).

31. We shall sell the remainder of "Mažeikių nafta" shares, owned by the state, and use the financial means obtained to establish a stabilisation fund.

32. We shall implement a quarterly government sector deficit-tracking mechanism. In the Law on Confirmation of Financial Indicators of the State and Municipal Budgets for 2009, we shall propose to the Seimas to authorise the Government, in case of shortage of funds, to make a decision on the reduction of expenditure. In case the revenue exceeds the estimate, we shall utilise the surplus inflows primarily for reducing the budget deficit.

33. We shall implement a system for monitoring and management of the public sector's indebtedness to the private non-financial corporate sector, thereby ensuring timely settlements with suppliers and contractors as well as safeguarding them against the growth of outstanding payments.

The total financial effect of the package is up to LTL 5.3 billion.

V. PLAN AMENDMENT PROCEDURE

34. In view of the current macroeconomic forecasts provided by the Ministry of Finance, there is only one way to ensure the financial stability of the State: to achieve the financial target of LTL 5.3 billion provided for in this Plan (by means of reduction of the national budget deficit in 2009, reduction of the SoDra budget deficit, and accumulation of the Stabilisation Fund). The above-mentioned target is the key objective of the Anti-Crisis Plan.

35. Until another agreement is made, any amendments to the Anti-Crisis Plan or implementation thereof shall be based on compensatory measures that would undoubtedly lead to the implementation of the target established under section 34.

36. As regards the amendments to the draft Law on the Financial Indicators of the State and Municipal Budgets for 2009, proposals submitted by cabinet ministers, delegated by the coalition partners, to reduce tax rates, to refuse certain budget saving lines or take any other actions which, according to the calculations of the Ministry of Finance, could raise deficit, must be based on the saving or extra revenue provisions allowing for the compensation of the increased budget deficit resulting from the initial proposals. These proposals must be submitted by the ministers whose initial proposals may lead to the growth of deficit.

37. Cabinet ministers delegated by the coalition partners shall undertake to deliberate on the plans for essential changes in different public sectors without any delay. Provided the saving effect of public funds achieved in a respective area is especially good, the Government undertakes to deliberate on amendments to the Anti-Crisis Plan without any delay, unless the amendments are in contradiction with macroeconomic stability.

PART III
PLANS OF SEVEN MAJOR CHANGES FOR 2008–2009

2009 is not only the year of economic and financial challenges for the country, but also the year of major changes. The Government plans to make major changes for 2009 in the following seven key areas:

- 1) public administration;
- 2) fight against corruption;
- 3) innovative economic development;
- 4) energy;
- 5) education system;
- 6) health care;
- 7) reduction of social exclusion.

The primary objective of the above changes is to lay foundations for another, a more modern state, which has capacities to respond to the major challenges in an honest, dynamic and strategic way and is characterised by public solidarity and personal responsibility of citizens.

The third part of the Government Programme outlines the plans for the major activities that we shall be determined to do and place a special emphasis upon in the above areas for 2009.

I. PUBLIC ADMINISTRATION REFORM:
MAJOR ACTIVITIES FOR 2009

Strategic planning system reform

The public administration reform should not be a goal *per se*. It should add to the increase of the public sector efficiency and the improvement of the quality of services offered to the population. The major tasks of the public administration reform shall be covered in greater detail in the financial policy chapter.

The major goal of the public administration reform for 2009 is to make preparations for a new result-targeted and customer-oriented public administration model in conformity with the political priorities of the Government already for the 2010–2012 budget.

1. We shall draft a new strategic planning method by altering the planning cycle and the requirements for assessment criteria along the guidelines defined in the financial policy chapter of the Programme.

2. We shall get ready to reform the Government's Office into the advisory expert institution of the Government's Strategic Planning Committee by branching a small Prime Minister's Office from it. During the transitional period, we shall establish a Public Administration Reform Office directly responsible to the Prime Minister.

3. We shall reduce the number of strategic activity plans to the number of ministries and shall discuss these plans only at the Government Strategic Planning Committee. The strategic changes of institutions presently accountable to the Government and ministries shall be reflected in the strategic plans of relevant ministries, with detailed action plans being approved of by the relevant minister.

4. We shall establish a common system on the basis of which public institutions, primarily ministries, shall be accountable and evaluated as to their performance and results in pursuing Government priorities and strategic goals. The constituting part of accounting and reporting shall be Lithuania's competitiveness tendencies and national performance report submitted by the Government according to the approved "Success indicators" system.

5. We shall define the long-term strategic state and government priorities by seeking greater common consensus and public support; therefore we shall make every effort to sign a new National Agreement. We shall promote and create mechanisms for achieving and fostering public consensus and mutual understanding on key strategic issues. Inspired by the example of many European countries, we shall establish the National Council on Economic and Public Affairs by including the most prominent business, science and public representatives who shall deliberate on key economic and social policy issues and give advice for the Government. The National Globalisation Council (established following the Scandinavian model) shall help seek consensus in working out the country's responses to global challenges.

Territorial management reform

6. Seeking to implement Annex No. 8 'On the reform of counties' of the Change Coalition Agreement, we shall lay foundations for the future administrative institution of Lithuanian regions to be launched as of 2011–2013.

7. We shall improve the territorial administration of the Republic of Lithuania. We shall work out a reform package allowing for the reform of Lithuanian territorial-statistical structure and the establishment of regions in compliance with European Union NUTS 2 (Nomenclature of Territorial Units for Statistics, Level 2) after 2013. As of 2014, the EU structural aid would be planned and administrated on the basis of the above reforms.

8. Following the establishment of the inter-ministerial working group, we shall draft the redistribution of the relevant functions of counties by transferring the redistribution model of local-level functions to the municipalities. The state shall retain only the functions necessary for the implementation of a general national policy in particular areas.

9. Once we have established the regions and the functions of counties have transferred to the municipalities, we shall abolish counties by assessing our commitments to the EU and adhering to the provision that stipulates not to lose the structural aid allocated to the regions according to the financial perspective 2007-2013.

Ministerial system and management reform

10. We shall perform the audit of the activities and functions of public institutions and change the appropriation of funds for the institutions audited.

11. We shall reorganise the terms of reference of ministries. We shall define the terms of reference for ministers and draft a concept paper on the structure of public institutions.

12. We shall reform the system of ministries. The Ministry of Economy shall be divided into two separate ministries – the Ministry of Innovations, Business and Labour and the Ministry of Energy; the Ministry of Social Security and Labour shall be reformed into the Ministry of Family and Social Affairs, and the Ministry of Agriculture shall be reformed into the Ministry of Rural Affairs.

13. We shall dissolve the Department of National Minorities and Lithuanians Living Abroad to the Government of the Republic of Lithuania by 1 June 2009 and delegate the coordination of the affairs of Lithuanians living abroad to the Ministry of Foreign Affairs and the coordination of the affairs of national minorities to the Ministry of Culture.

14. We shall improve the structure of the system of public authorities and modernise their internal framework. We shall address the issues of status and subordination of institutions with different functional purposes under the Government as well as issues arising from the definition of the place and functions of the inter-branch institutions in the administrative system established by special legislative acts.

Local government reform

15. We shall expand the functions of local governments by introducing the reform of counties. While making preparations for the elections to municipal councils, we shall adopt legislation stipulating:

- direct elections for the mayor’s post;
- an option for other (non-affiliated) candidates to participate in the elections to municipal councils;
- improved regulation of the functions of elderships and appointment of elders by taking account of the opinion of local communities; delegation of more authority to the elder in addressing topical issues for the community; an option for the involvement of local community into the implementation of certain eldership functions.

II. FIGHT AGAINST CORRUPTION: MAJOR ACTIVITIES FOR 2009

Suppression of corruption incentives: deregulation and debureaucratisation policy measures

16. We shall pursue a deregulation and debureaucratisation policy, as provided in the Business and Investment Promotion chapter of this programme.

17. We shall introduce competition as well as clearer financing mechanisms and stimulate private initiative in the areas of health and education.

18. We shall introduce initiatives for deregulation and revision of detailed regulation in the spheres of territorial planning as well as other areas plagued by corruption.

Enforcement of liability for corruption: transparency and control of civil servants’ activities, investigation of corruption-related crimes

19. As of 2009, seeking effective prevention and a significant decrease of corruption-related crimes in the civil service, we shall adopt legislative amendments, as provided for in the Chapter on the Fight against Corruption, stipulating that civil servants must justify their property acquisitions by legal income, thus proving their honest service to the country.

20. As of 2009, to make sure that civil servants guilty of major professional misconduct shall not escape punishment and shall not continue their careers in the civil service, we shall adopt relevant legislation, as provided for in the Chapter on the Fight against Corruption.

21. We shall implement many other measures targeted at the justification of publicity and expedience of legislation and other decisions as well as the transparency of mass media and the activities of political parties.

III. INNOVATIVE ECONOMY:

MAJOR ACTIVITIES FOR 2009

Investment into high value added sectors

22. On the basis of the renewed National Agreement, we shall audit and reform the already operating industry parks in accordance with approved breakthrough trends, with a special focus on the development of physical and scientific infrastructure of industry parks.

23. We shall seek a major breakthrough in the field and volume of investments which primarily generate high added value; we shall reform the operating institutions with overlapping functions by replacing them with two public institutions in their place (on the initiative of the Ministry of Foreign Affairs and the Ministry of Economy) – Investment Attraction Fund (*Invest in Lithuania*) and Export Council.

Development of research and innovations

24. We shall lay down a legal basis to regulate the innovation development system in Lithuania by clearly defining the policy and strategy of innovations.

25. We shall establish a permanent institution – Research, Technologies and Innovations Agency.

26. We shall establish the Investment Attraction Fund agencies (*Invest in Lithuania*) by major global technology industry parks.

27. We shall introduce the innovation cheques system, establish a venture capital fund providing micro-credits and venture capital for innovative enterprises.

28. We shall define a joint action policy and strategy for science and technology parks.

Small and Medium-sized Business

29. We shall carry out a cost-benefit analysis for all institutions engaged in promotion of small and medium-sized business and innovations and shall optimise their activities.

30. We shall facilitate conditions for the small and medium-sized business to obtain financing. We shall search for additional financial resources to fund development of small and medium.

31. We shall revive the “Business Sunrise” Initiative

32. Taking into consideration the data provided by the major international surveys that evaluate competitiveness and business conditions (such as *Doing Business* and others), we shall improve conditions in the lowest ranked areas (labour relations, start-ups) within a year.

33. Company registration shall be transferred to the e-Space.

34. We shall publish the list, contents and the names of the drafters of all law bills relevant to business.

35. We shall design and launch the regulatory package for very small companies (micro-companies) simplifying and facilitating accounting and taxation conditions (tax credits system) though the transfer of the registration procedure to the e-Space.

Public Procurement

36. We shall take resolute measures to ensure public procurement in the most effective and transparent way. We shall optimise the resources of public and private sectors allocated for the contracting procedures of public procurement.

37. We shall urgently launch a series of measures for information dissemination of public procurement. Information on public procurement and the important aspects of progress with its procedures will be available for public viewing and analysis.

38. We shall charge the contracting bodies to make use of the operating public procurement information system in Lithuania which allows for implementation of all public procurement procedures in the eSpace.

39. We shall seek application of a speedier tendering method for the establishment of the final bid.

40. Aiming at more flexible, change-sensitive and good-practice-intensive public procurement framework in Lithuania we shall perform the following structural reforms:

- we shall reorganise the Public Procurement Office under the Government of the Republic of Lithuania into the Public Procurement Unit under the Ministry of Economy of the Republic of Lithuania;

- in order to better meet the needs of a flexible organisation to accomplish public procurement in a more effective way, we shall establish an individual institution, i.e. Central Procurement Unit (with the Government and local authorities as its shareholders) that shall take over the functions of centralized public procurement services from the Central Project Management Agency.

IV. MAJOR ACTIVITIES FOR 2009 IN THE AREA OF ENERGY

Structural changes

41. We shall strengthen a regional and global processes analysis in the energy security area. To this end, we shall set up the Energy Security Centre. Its establishment shall be initiated by the Ministry of Energy, Ministry of National Defence and the Ministry of Foreign Affairs.

42. We shall ensure adequate and proper representation of state capital in the energy companies, transparency of activity, effective control and primacy of community and public interests.

43. We shall reform the institutional framework of the implementation of the renovation programme of dwellings (multi-apartment houses).

Energy saving and greater efficiency

44. We shall make every effort to implement all approved housing modernisation investments projects in 2009 and create additional financial means that will help usher in a large-scale modernisation of multi-apartment houses and other dwellings.

45. We shall draft a housing renovation programme, which will be additionally financed from the state budget, EU funds, Ignalina Support Fund, JESSICA programme and other resources and shall be used to encourage and support building owners with the aim of introducing efficient and redeeming energy-saving means over the certain period of time.

Development of renewable and local energy sources

46. During 2009, we shall review and pursue a large-scale diversification programme of the urban heating sectors. The implementation of the programme shall allow the increase of co-generation of urban heating and electricity from biofuel.

Integration of Lithuania's energy systems into the EU systems

47. In order to increase gas supply security, we shall speed up the feasibility study and analysis of the long undue underground natural gas storage in Sidariai; if the findings are positive, we shall start implementing the storage project.

48. We shall not spare efforts to ensure energy supply security following the closure of the Ignalina Nuclear Power Plant (INPP) and shall try to minimise the INPP closure after-effects. We shall continue with the drafting and approval of the joint action plan of the Republic of Lithuania and the European Commission on safeguarding Lithuania's energy security and seek its rapid implementation.

Nuclear Energy

49. With a view to reducing Lithuania's energy dependence on the imports of fossil fuel (its demand shall immediately rise after the shutdown of the INPP) and addressing the growing electricity needs, we shall pursue the implementation of the project on the new nuclear power plant (NNPP).

Measures to mitigate monopolistic energy price jumps

50. One of the key short-term objectives to be met by the Government shall be to ease the increased burden of heat and energy costs for Lithuanian consumers caused by the soaring price shock. We shall reduce the burden by effectively controlling monopolistic energy prices. In addressing this challenge, we shall initiate the following amendments to current legislation and other legal acts which:

- promote free access to market (elimination of monopolies);
- abolish cross subsidies;
- correct the general principles of setting the reasonably justified upper energy tariffs;
- guarantee full and genuine independence of the National Control Commission for Prices and Energy in setting the justified price caps.

51. We shall initiate amendments to the Law on Heat Sector that shall allow for calculations of heat prices for consumers on a monthly basis (instead of the present option to make calculations once or twice a year). The amended provision shall help prevent the high heat price jumps at the time fuel prices, especially gas prices, rapidly increase.

V. HIGHER EDUCATION REFORM AND OTHER MAJOR ACTIVITIES IN THE AREA OF EDUCATION FOR 2009

52. From 2009 onwards, teachers' salaries shall be significantly increased until they shall exceed the average monthly pay by more than 20 percent.

53. We shall substantially reduce paperwork and red-tape. According to the results of an independent audit, we shall reduce the amount of paperwork that is a burden on teachers and schools by at least 30 percent in all education institutions.

54. In 2009, we shall implement all major education and study reform objectives developed in the section on learning and studies of the chapter on education and learning reform of this Programme:

- we shall modernise the administration of state universities;
- we shall provide full autonomy to higher schools;
- we shall focus concentrated public effort on the quality of studies and learning;
- we shall pursue measures contributing to the optimisation and concentration of the network of high schools;
- we shall reform the funding system of studies;
- we shall introduce transparency in the administration and funding of science and the priorities of research development.

VI. HEALTH CARE REFORM: MAJOR ACTIVITIES FOR 2009

55. We shall draft and submit to the Seimas for consideration a strategic health care system development plan for 2008–2012, defining the specific implementation means, terms, responsible persons and institutions of the plan as well as permanent monitoring and control of its performance.

56. We shall reform the system of contributions to the Compulsory Health Insurance Fund by introducing a separate health insurance contribution.

57. We shall encourage the supplementary voluntary health insurance while clearly defining the object of the insurance.

58. We shall change the common arrangement, where an individual, who is unemployed or employed abroad, gets free access to all personal health care services as soon as he pays a minimal contribution to the Compulsory Health Insurance Fund.

59. With the aim of eradicating corruption and illegal payments in the health system, we shall replace them with official extra payments for services and shall allocate a part of these funds to raise salaries of medical workers.

VII. MAJOR ACTIVITIES FOR 2009 IN REDUCING SOCIAL EXCLUSION

60. Despite the declarations and official commitments of previous governments, social exclusion in the country incessantly grows. The prevailing assumption seems to be that the problems can be addressed but with the means available only to the Ministry of Social Security and Labour. This is a complex problem that needs to be tackled with the efforts of many line ministries and through joint and concerted action. To this end, we shall establish an office for the development and implementation of the plan of measures under the Government.

61. We shall lay down a principle that the fight against social exclusion should not result in forsaking private efforts to come out of poverty, and social exclusion itself should not simply become poverty funding. Pecuniary support to families shall be combined with social services, thereby motivating the family to work and to put its social purpose into practice as well as promoting a feeling of solidarity among generations.

62. We shall make every effort that the development of community services for the risk-group children and families would offer an alternative for the currently prevalent but costly institutional care that violates human rights.

63. We shall establish a clear and effective re-socialisation system of juvenile delinquents.

64. We shall make every effort that all funds for the support to social risk families should be consistently allocated through local communities and elderships for public works.

65. We shall advance those municipal programmes that contribute to the establishment of multifunctional centres providing support to the families and promoting children's and young persons' involvement in various activities.

66. With the aim of reducing exclusion of the children living in the social risk families, we shall support child day care centres and their activities, giving priority to the centres founded by non-governmental organisations, communities or parishes.

67. We shall draft a Prevention of Family Violence Law, clearly identifying family violence prevention means, right and duties of specialists dealing with family consulting, responsibility to inform on family violence and, last but not least, organisational violence prevention and society education measures.

68. We shall provide support to the programmes aimed at reducing social exclusions and age, gender, ethnic, religious or social discrimination.

69. We shall provide state's support to develop an integrated assistance programme for children, women and persons suffering abuse or sexual violence, victims of commercial sexual exploitation.

70. Assisted by non-governmental organisations, we shall pursue general prevention programmes targeting suicides, different manifestations of violence, abuse at school, careless

behaviour on roads, and boosting the psychological immunity and stress coping skills of children and youth; to this end, we shall ensure the appropriate level of financing to the above programmes.

71. We shall allocate funds to combat widespread alcoholism and other drug dependencies as these dependencies exert a decisive effect on the spread of asocial behaviour, social exclusion and poverty in society.

72. We shall draft a housing programme for young families with children. We shall increase availability of housing, especially for low-income families with young children.

73. We shall apply reduced tax rates for start-ups.

PART IV
KEY PROVISIONS OF THE ACTION STRATEGY OF THE GOVERNMENT
FOR 2008–2012

A. STRENGTHENING OF THE STATE

I. PUBLIC ADMINISTRATION REFORM

1. We shall perform the audit of public institutions and develop an adequate public administration model concept complying with strategic state and government priorities. We shall improve the individual public administration sub-systems or parts thereof.

2. We shall improve the organisational framework of public institutions and modernise their internal structures: we shall address issues emerging from the current different status and hierarchy of institutions with different functional purpose or from the definition of the functions and position of institutions in the administrative system.

3. As for public administration, we shall adopt modern management principles, i.e. strategic governance and guidance principles oriented towards customers, performance, efficiency and transparency in utilising the resources allocated to meet the set goals.

4. We shall improve the strategic planning methodology and upgrade the quality of the strategic action plans by these very institutions.

5. We shall introduce measures aimed at reducing the administrative burden on citizens and other persons, that is we shall perform an evaluation of legal acts, work out an a method of identifying and assessing the administrative burden on citizens and other persons; we shall simplify decision making procedures wherever possible. We shall remove excessive requirements for data, reduce the decision making period/procedures in offering services to the citizens of the Republic of Lithuania.

6. We shall continue the activities of the so called “Sunset Commissions”.

7. We shall guarantee the implementation of a ‘one shop’ principle.

8. We shall improve the evaluation of the effect of decision projects by assessing the possible public budget-consuming initiatives which shall have profound impact on the system and shall apply a benefit-cost analysis on a compulsory basis.

9. We shall publication on the Internet of all legislative acts drafted by public administration institutions.

10. With a view to outlining the guidelines for further development of civil service, we shall work out a civil service development concept in agreement with political parties.

11. We shall improve the civil service management model: we shall identify the status (selection, evaluation, career prospects, responsibilities, etc.) of persons with positions that demand strategic thinking.

12. We shall create an efficient and performance-oriented system for the commitment and motivation of civil servants.

13. We shall improve the selection criteria of civil servants and introduce an objective and partially centralized selection process of civil servants.

14. We shall seek modernisation of human resources management and introduce the competence management model in the civil service.

15. We shall ensure the inevitability of personal responsibility of civil servants and make every effort that civil servants would not escape official or any other responsibility for violations of the official duties.

16. We shall ensure that public and municipal authorities and institutions shall have access to all information relevant to the adoption, planning and control of decisions on civil service.

17. We shall improve and upgrade the Register of Civil Servant Information System and the State Service Control Information System.

II. Regional administration and government reform

18. We shall improve the regional policy strategy of Lithuania until 2013 by adapting it to the shifting economic situation and seeking more effective implementation of regional policy.

19. We shall seek the regional policy goals by implementing all the government strategies and programmes; we shall evaluate the efficiency of large-scale public investments on a compulsory basis and from the regional development aspect by assessing the possible effect of planned investments on the decrease or increase of socio-economic differences and territorial cohesion.

20. We shall improve the territorial administration of the Republic of Lithuania. We shall work out a reform package allowing for the reform of Lithuanian territorial-statistical structure and the establishment of regions in compliance with European Union NUTS 2 (Nomenclature of Territorial Units for Statistics, Level 2) after 2013. As of 2014, the EU structural aid would be planned and administrated on the basis of the above reform.

21. We shall abolish counties by leaving regions and the regional development councils. We shall delegate a part of the functions of counties to the municipalities. The state shall retain only the functions necessary for the implementation of a general national policy in particular areas and the maintenance of state control.

22. We shall ensure that, as of 2011, the regional government institutions shall be formed in adherence with the delegation principles of the members of municipal councils.

23. As soon as agreement on the institutional management model of local authorities is reached, we shall adopt the law authorizing the direct elections for the mayor's post.

24. We shall also offer an option for other (non-affiliated) candidates to participate in the elections to municipal councils.

25. We shall improve regulation of the functions of elderships and elders by delegating more authority to the elder in addressing topical community issues.

26. We shall provide for options to include communities into the implementation of the functions delegated to elderships.

27. We shall improve appointment of elders and the evaluation of their work by taking account of the opinion of local communities.

28. We shall authorise elders by law to act in consultation with the representatives of the local community in making decisions on topical community issues.

III. DEVELOPMENT OF THE INFORMATION AND KNOWLEDGE SOCIETY

The use of successful and up-to-date telecommunication market liberalization experience through encouragement of private initiative and development of an advanced legal environment for activities will create the necessary preconditions for the adjacent information and communication technologies (hereinafter referred to as ICT) areas, so that every citizen will be able to benefit from the ICT to improve his living standards and businesses will boost their competitiveness.

29. We shall develop a Lithuanian Information and Knowledge Society Development Strategy 2009-2015.

30. We shall modernize public administration with regard to the needs of the modern society and the opportunities opened by the ICT. With the needs of citizens and businesses in mind, we shall develop e-government services.

31. We shall develop a legal framework for the economic regulation of the ICT market and respectively restructure the institutional system by applying common principles to adjacent market segments, i.e. the segments of electronic communication, audiovisual and other content transmitted over electronic networks, electronic signature and information society (e-commerce) services, and by concentrating regulation in the hands of a single competent authority.

32. We shall build a national base for interaction necessary for safe, effective and reliable data exchange among national registers and information systems in Lithuania and across the

European Union. We shall adopt legislation to regulate the policy, strategy and coordination of ensuring electronic information security.

33. We shall optimize the national administration system in the ICT and information society development area.

34. We shall ensure secure personal identification and authentication in the electronic media.

35. With the help of ICT, we will carry out centralized modernization of public services provided by municipalities by establishing common requirements for electronic services rendered by municipalities.

36. We shall draft legislative amendments enabling online voting in elections and referendums.

37. We shall speed up the transfer of public sector services to the electronic media. The transfer of services must be justified by an economic and anti-corruption effect. These criteria count first in deciding on the necessity and priorities of e-services development.

38. We shall seek the assistance of business in the development of e-government services. We shall encourage institutions to implement “risk sharing” projects in which business would assume certain project risks.

39. In developing the information infrastructure of the public sector we shall aim to ensure that common technical and informational infrastructure components are developed jointly, instead of separately at every institution. To that end, we shall establish joint service centres.

40. We shall use the ICT infrastructure and competencies in the public sector as well as for the functioning of joint service centres more effectively. We shall establish a cost-sharing model for institutions to use in purchasing the necessary services from other institutions.

41. We shall adopt a decision regarding the reinforcement of digital media security and institutional set-up as well as urgent implementing measures.

42. We shall encourage ICT use to save energy resources and ensure that ICT technologies in the public sector are acquired with energy costs in mind.

43. We shall make an inventory of all government-controlled ICT networks and services rendered within them and we shall evaluate the productiveness of state companies operating in the ICT market and optimize their operations.

44. We shall consistently decrease ICT development disparities between urban and rural areas by developing digital TV and interactive services, in particular in geographically remote rural areas.

45. We shall promote the introduction of digital TV technologies.

46. We shall stimulate the capacities to use the opportunities provided by the ICT.

IV. FIGHT AGAINST CORRUPTION

All the governments since 2000 pledged to fight corruption, yet the system that was constructed was only a good imitation of effective fight with corruption. Such a situation must be rectified without delay.

47. When fighting corruption, the following principles shall be observed:

- Corruption = monopoly + discretion – accountability. Thus, we shall reduce monopolistic privileges, limit discretionary powers in the public sector and increase publicity and accountability;
- first it is necessary to eliminate the opportunities for corruption; therefore, the essential anti-corruption instruments include limitation of bureaucracy, elimination of unnecessary or unjustified regulation, limitation of opportunities for arbitrary decisions, and removal of political motives from decision-making, instead enabling the competitive mechanism;
- publicity of legislative and administrative decisions and public finances is necessary as an essential tool for battling corruption in the government-controlled areas.

Suppression of corruption incentives: deregulation and debureaucratization policy measures

48. We shall pursue a policy towards business deregulation and debureaucratization, as provided in the Business and Investment Promotion chapter of this programme.

49. We shall introduce the principles of fair competition as well as clearer financing mechanisms and stimulate private initiative in the areas of health and education.

50. We shall introduce initiatives for deregulation and revision of detailed regulation in the spheres of territorial planning as well as other areas plagued by corruption.

Reduction of opportunities for corruption: publicity and purposefulness measures for legislative and other public decisions

51. We shall ensure publicity of legislation and realistic assessment of the effect, as prescribed in the Law and Justice chapter of this programme.

52. We shall establish fiscal rules that will help avoid „political cycles in the economy“, which may be regarded as legalized political corruption: the ruling parties spend hundreds of millions of litas from public funds just before the elections to increase social benefits, grant new tax advantages, subsidize the production of goods and the provision of services to various social groups, as well as to advertise its accomplishments in the media.

53. We shall prevent various interest groups from obtaining consumption and income tax privileges, because such advantages only distort the comparative prices of goods, thus impeding economic efficiency and standing in the way of a more even distribution of income within the society.

Enforcement of liability for corruption: transparency and control of civil servants' activities and investigation of corruption-related crimes

54. In order to prevent corruption crimes in the civil service, we shall adopt legislative amendments establishing a provision stating that civil servants must justify their property acquisitions by legal income, thus proving their honest service to the country. Property unjustified by income will be treated as acquired in a corrupt way, and the State should receive compensation for such property. In those cases when the property is actually used by persons related to a civil servant or when those persons are the source of the income, they will also have to declare their income and property accordingly.

55. To prevent corruption and investigate corruption cases more effectively, we shall take measures that will make it possible, in the most practicable and economical manner (such as declaration or achievement of register interaction), to identify acquisition of property unjustified by legal income.

56. To make sure that civil servants guilty of major professional misconduct shall not escape punishment and shall not continue their careers in the civil service:

- in the legislation governing civil service, we shall introduce a provision stating that a civil servant who is under investigation for possible corruption cannot resign from the civil service unpunished, thus avoiding the consequences;

- we shall pass legislative provisions stipulating that official inspections of civil servant activities must be completed even in those cases when a civil servant resigns from the civil service, and officials who have committed serious misconduct are banned from the civil service.

- we shall extend the statute of limitations applicable to professional misconduct;

- we shall introduce a provision stating that in the cases when criminal proceedings do not result in a conviction of a civil servant, the material collected in the course of the proceedings may be used for a civil service investigation;

- we shall introduce a procedure under which persons convicted of serious and less serious crimes may not be assigned to positions requiring unimpeachable reputation.

57. Apart from other measures to fight bribery, we shall adopt a legislative provision that allows imposition of penalties or arrest; the procedure of property seizure shall be further improved.

58. We shall link the amount of penalties to the income of the violator and to the damage caused by the misconduct.

59. We shall establish a system that will allow people who have properly served the country to enjoy an adequate pension and social guarantees in retirement, while dishonest servants should outright lose their entitlement to all the said benefits.

60. We shall impose on civil servants strict liability for abuse of power as well as for adoption of unlawful decisions (or, as appropriate, failure to adopt the necessary decisions or failure to discharge their duties).

61. We shall expand the possibilities of investigating corruption in the law enforcement system, without prejudice to the independence of judges and courts.

Other measures

62. We shall put the proposals of the Lithuanian Journalists' Union into practice:

- the anti-corruption legislation shall contain a provision that publishers, editors and journalist are subject to the same requirements that are applicable to civil servants;

- we shall provide the Journalists' Union and the Commission on Journalist Ethics with greater powers that will allow them to identify the publications that constantly violate the Code of Ethics of Journalists.

63. We shall improve the system of political party funding supervision; an institution with special authorization will regularly monitor the financial activities of political parties.

64. We shall pursue court system transparency and public involvement, as specified in the chapter on Courts and Justice of this programme.

65. We shall set out to improve the public procurement system with the aim to rid public procurement of corruption and the contracting authorities of bureaucratic obstacles.

66. We shall adopt a law on the protection of claimants that guarantees legal protection to people who report possibly unlawful acts of employers or other influential persons.

67. We shall establish a register of private legal entity owners.

V. COURTS AND JUSTICE

The essential objectives in the area of justice and courts, with the aim of ensuring justice, are the following: to ensure respect for human rights, to make the legal system effective and accessible, and to reduce the burden of bureaucracy and regulation.

Legislation

The purpose of legislating is to provide high quality draft and final legislative acts. Therefore, we shall ensure transparent and adequate use of the knowledge of experts in the legislative process, a system for monitoring the legislative acts, as well as proper publication and systemization of legislative acts.

68. We shall make sure that the explanatory notes to draft legislation (including the legislative proposals put forward by members of the Seimas) as well as proposals for legislation adopted by the Government contain the description of real positive and negative impacts thereof as well as the names of the persons who performed this assessment.

69. We shall ensure that all legislative acts are passed only after comprehensive and high quality assessment, in accordance with the prescribed procedure, of the measures, costs and effects of their implementation. We shall publish the effects assessment with the names of the persons responsible for it, also the findings, assessment, examination and proposals presented by other people.

70. We shall make sure that the respective concepts are developed in the course of developing new legal regulation or essential revision of the current legal regulation.

71. We shall put in place a legislation revision system for the revision of the adopted legislative acts: in the event the positive impact envisaged when adopting a piece of legislation later fails to materialize, there are unexpected negative consequences or the ones anticipated turn out to be of a bigger scale, or the planned results are not achieved, the legislative act shall be revised and the provisions wrongly assessed shall be amended.

72. We shall develop a system that will guarantee appropriate (instead of blunt) transposition of EU legislation into the national law. The national legal system shall be harmonized with EU law after careful evaluation of all possible options and choosing the one which matches the interests of Lithuania most. A position of the Republic of Lithuania regarding EU legislative proposals shall be formulated responsibly and publicly.

73. We shall ensure publication online of all the research and analyses conducted using the national or municipal funds and used, currently or in the future, to carry out state policy instruments, together with all reviews and comments, specifying the cost of the respective research (except when an abstract of a project is posted on the internet, while the project itself appears as a separate publication).

74. All draft legal regulations shall be collected and made available via a general public internet search system. We shall prevent the adoption of any unpublished draft legal regulations, which were consequently unavailable for public discussion.

75. In the course of drafting legal regulations, we shall ensure consultation with the public and other groups to which the envisaged regulation is addressed. We shall make sure that each person has a real possibility of presenting comments and proposals regarding every draft legal regulation and that these comments and proposals are examined and a response is provided.

76. We shall build a general register of legislation and definitive judicial acts that is user-friendly, public, accessible online, effective and reliable. Publishing of an act in this register shall be made the only method of official publication of legal regulations, thus abandoning the cost-ineffective ways, but also creating the conditions for safe deposition of authentic texts of legislative acts.

77. On the basis of the classification of the register of legislation and definitive court judgements, we shall devise a general system of categorizing legislation and court judgements according to branches of law, institutions and regulations.

78. We shall develop an effective system for lodging and examination of petitions and enforcement of findings.

79. We shall ensure that information on territory planning and construction permits is public and easily accessible.

80. In order to reduce the volume of legislation, we shall perform consolidation and codification of the legislation of different areas of law.

81. We shall develop the nucleus of the legal system by drafting and presenting to the Seimas a list of constitutional laws, including the major laws that require stability.

82. We shall build a database on an interactive Constitution of the Republic of Lithuania containing commentaries addressed, accessible and comprehensible not only to legal professionals but also to the society at large. The system will provide references to the relevant parts of the case-law of the Constitutional Court.

Legal institutions

The objective is to ensure quality and efficiency of the activities of legal institutions as well as accessibility of their services.

Courts

83. We shall draft legislative amendments that will provide people with the right to bring a private constitutional action before the Constitutional Court when all other remedies of have been

exhausted and when there are doubts as to the constitutionality of the law applied to a particular case.

84. We shall ensure accountability of the courts to the public as well as real and effective ways to enable the society to exercise its right to express its opinion in court formation and assessment of the courts' activities.

85. We shall promote the system of alternative (extrajudicial) dispute resolution to achieve a speedier and more convenient resolution of disputes as well as to reduce the workload of courts.

86. We shall relieve the courts of unnatural functions, i.e. the ones that are unrelated to resolution of disputes, by transferring them to other institutions.

87. We shall analyze the activities of the judiciary and put forward legislative amendments to ensure the quality of the work of judicial authorities.

88. We shall provide material and technical resources necessary to record public hearings at all courts and to make the voice records publicly accessible as well as to archive them.

89. We shall ensure publishing and classification of the definitive judgements of courts, following the accepted practice. In addition, we shall perform the monitoring of definitive decisions and the case-law accumulated.

90. To ensure rational provision of material and technical resources to courts, we shall assign the National Courts Administration appropriations manager of all the investments envisaged in the State Investment Programme.

91. We shall ensure adequate conditions for the questioning of underage witnesses and victims.

92. We shall introduce an electronic system for the submission and transfer of documents. In order to achieve greater efficiency of the courts and to rationalize the use of resources, we shall enable them to use information and electronic communication technologies (video conferences etc) during the hearings.

93. We shall draft and publicize the standard forms of procedural documents and introduce the main rights in a concise and clear manner; we shall also make available sufficiently thorough litigation guides understandable not only to specialists but also to lay people.

94. In cooperation with the Judicial Council, we shall introduce high standards of the legal culture.

Notaries

95. We shall follow the principle that notaries carry out the functions entrusted to them by the State, however, when providing services, they operate under market conditions. Therefore, we

shall aim at adequate control and state regulation of the notarial services to achieve better service accessibility and quality as well as competitive balance.

96. We shall complete the introduction of the public electronic service on real estate transactions, which provides, by electronic means, the notaries and parties to a transaction at the workplaces of notaries with real estate register and cadastre information.

97. We shall review the notarial functions to eliminate the unnecessary ones and enable other institutions to perform the functions reliably and conveniently. Apart from that, we shall enable notaries to take over the functions of other institutions if it is established that such reallocation of functions would be useful and convenient to customers.

98. We shall review the pricing of notarial services on the basis of costs and, if necessary, make the necessary corrections. Regulation shall apply only to the maximum prices, but not to the final and fixed prices of notaries' services.

99. In cooperation with the Chamber of Notaries, we shall introduce high standards of legal culture.

Registers

100. We shall ensure interaction and coordination of activities among the main state registers, branch registers and state as well as departmental information systems, so that register services are more convenient and cheaper. We shall make sure that duplication of the activities among state registers is avoided.

101. We shall conduct an analysis and enable competition in the area of data delivery, as long as that is possible without damaging the integrity and security of registers.

102. We shall create the conditions to receive register data and other information without delays and provide a possibility of payment for data by electronic means (SMS message, bank card etc.).

103. We shall review mandatory data registration requirements and remove the unnecessary ones.

104. We shall assess the registers' pricing policies to ensure that they correspond to the costs and market needs.

105. We shall establish and strictly define the scope of the activities of register management bodies in order to achieve adequate public services, prevent the use of public resources in service provision on the market, and ensure equal conditions to all operators on the market.

106. We shall improve the system of the registration of civil status acts with the purpose of greater efficiency and convenience to the customer. We shall examine the opportunities and the

need to simplify or liberalize registration of civil status acts and to transfer certain functions to other institutions.

107. We shall enforce personal data protection to prevent any problems impeding the usual practice of collecting and using data.

Bailiffs

108. We shall enforce the procedures that ensure equal treatment of all creditors and debtors. In addition, we shall ensure effective and economical debt collection, so that the debtor is not forced to pay unjustified debt collection expenses that do not occur through his fault.

109. We shall seek the implementation of the concept of active debtor encouraging debtors to cooperate with bailiffs, and enforce the obligation of debtors to provide information on the property owned.

110. We shall introduce the system of electronic enforcement proceedings.

111. We shall put in place an electronic foreclosure sale system, thus ensuring that foreclosure sales are transparent and public.

112. We shall establish the procedure of submitting electronic documents.

113. We shall review the costs of performing bailiffs' functions to make sure they comply with the costs principle.

114. In cooperation with the Chamber of Bailiffs, we shall introduce high standards of legal culture.

The Bar

115. We shall pursue active cooperation with the Lithuanian Bar Association in developing a system for the qualification improvement and periodic inspection of advocates'.

116. In cooperation with the Lithuanian Bar Association, we shall introduce high standards of legal culture.

Consumer rights protection

117. We shall ensure effective protection of consumer rights by establishing a proper balance between the rights and interests of consumers, producers, traders and service providers.

118. We shall perform an analysis of the effectiveness of the procedure of extrajudicial resolution of disputes arising between consumers and businesses and, if necessary, amend this procedure.

119. We shall ensure adequate legal education of the society.

Metrology

120. We shall review the administration, functions and competence of the public authorities responsible for the metrology policy and adopt a decision as regards the reorganization of the said bodies.

Enforcement of penalties and the policy of penalties

The objective is to enforce the principle of justice and achieve resocialization.

121. We shall develop an efficient system of probation (postponement of the enforcement of sentence, early parole and conditional discharge from correction facilities) oriented towards management of the risk of repeated criminal conduct by those persons and creating the conditions needed to ensure public safety, reduce the number of repeated offences and especially decrease the number of imprisoned persons. The operations of correction inspectorates shall be intended to provide social assistance to convicts, not only to control their behaviour.

122. As much as possible (especially as regards non-violent crime), we shall orient the penal policy away from imprisonment towards public works and other alternatives to imprisonment. Special attention shall be devoted to the education and professional development of persons in places of imprisonment.

123. Without increasing the financial burden on the State and without denying the very principle of punishment, we shall improve the living conditions for prisoners. We shall carry out actual resocialization of persons serving a term of imprisonment and ensure that human rights are respected during that term. We shall adopt the foreign experience of employment of persons serving an imprisonment sentence.

124. Another objective shall be to ensure that the enforcement agencies and officers devote adequate attention to the restoration of the rights and interests of the victims of criminal activities. Legal regulation shall be used to increase the motivation of offenders to compensate damage to the victims.

125. We shall examine the justification behind the application of arrest in Lithuania to make sure arrest is not abused or applied when it is not necessary.

126. We shall seek to make compensation of property damage and non-pecuniary damage unrelated to the financial standing of the offender, because such a practice prevents the victim from obtaining real damage compensation from the offender.

127. We shall aim to impose on the offender an obligation to cover the expenses incurred by the state in preventing or investigating a particular crime, support to the victim as well as his medical treatment.

VI. PUBLIC SECURITY

128. We shall improve the system of administration of the police and other institutions operating in the sphere of public security. We shall devote special attention to the optimization of their functions and activities as well as reinforcement of the control of resource use. We shall implement the programme of the Lithuanian police system development. The police shall not perform commercial or other unusual functions.

129. We shall implement measures to increase the effectiveness of pre-trial investigation. We shall simplify the procedures applicable in the police and transfer some of them to the electronic medium.

130. We shall create legal and organizational preconditions for effective search for, identification and confiscation of unlawfully gained money and property.

131. We shall improve the mechanism for the protection of and assistance to violent crime victims.

132. We shall reinforce the control of law enforcement organizations and special agencies with the aim to prevent abuse, violation of personal privacy and direct influence over political processes.

133. We shall expand and strengthen the role of local authorities in developing the protection of public order and a safe living environment; we shall support their efforts to set up public order enforcement units.

134. We shall consolidate safety-related initiatives under the "Safe Municipality" initiative in order to build a foundation for safe life, to involve communities in the creation of a safe environment and to stimulate the culture of public self-protection.

135. We shall promote and support the self-protection initiatives of communities and residents, involve people in the development of projects aimed at the prevention of crime and other violations of the law as well as in the implementation of these projects in the areas where they live.

136. We shall create an effective system for the protection of single farmsteads and small residential areas.

137. We shall improve the infrastructure intended for the motivation of the personnel of the police and other agencies responsible for ensuring public safety, first of all by providing adequate pay and social guarantees commensurate with the significance of the job.

138. We shall reorganize the system of officer training, qualification advancement and requalification. We shall create the conditions necessary for the officers of the police and other law and order agencies to acquire higher education.

139. We shall establish a two-level (national plus local) system for joint disaster management, civil protection and rescue.

140. We shall implement complex measures to fight organized crime, especially in its new forms. Special attention shall be paid to the control of human trafficking, illegal migration, illegal trade in narcotics and weapons, counterfeiting of money and other payment instruments, money laundering and smuggling, as well as the destruction of the economic foundation of criminal groups.

141. We shall take action to prevent crime committed with the help of high technologies and the internet.

142. We shall ensure interaction between the agencies ensuring public safety and the ones providing assistance. We shall make the digital mobile radio communication system the common communications network for all emergency services as well as agencies ensuring national and public security. We shall carry out an analysis of the system's use and devise a development plan.

143. We shall employ comprehensive measures to enhance traffic safety and improve the organization of traffic supervision through the creation of a traffic control system within the police on the national level.

144. We shall ensure the implementation of international obligations in the sphere of combating crime.

VII. FOREIGN AFFAIRS AND THE EUROPEAN POLICY

Key objectives and principles of foreign affairs and of the European policy in the global environment

145. The objectives of our foreign policy are to ensure national security from any external threat that might arise from the policies of other nations, to support democratic development in the geopolitical environment of Lithuania, to promote democratic values in the sphere of international relations and to achieve a favourable external environment for the country's safe existence.

146. We shall ensure continuity of the traditional framework of values of the Lithuanian foreign policy, based on faithfulness to freedom and democracy and the principles of truth, justice and international law.

147. We shall pursue the foreign policy as an inseparable part of the Lithuanian national security policy on the basis of national security interests and other essential national interests.

148. Emphasizing the fact that strong presence in the European Union, as one of the main ways of ensuring national security and expanding Lithuania's influence and authority, is a primary objective of the Lithuanian external and internal policies, we shall direct the efforts of all national institutions towards this objective.

149. The main priorities of the Lithuanian policy on the European Union is development of a common EU energy policy, proper functioning of the EU internal market, connection of the Lithuanian energy and transport infrastructure to the West European networks, development of science and innovation, EU eastward enlargement, and adequate evaluation of the crimes of totalitarian regimes on the EU level.

150. We shall take active part in Euro-Atlantic processes to make Lithuania a productive, loyal and responsible member of the transatlantic community.

151. Lithuania's foreign policy shall be closely linked to the national internal policy goals and interests. With active involvement in the development of the EU external and internal policies, we shall aim to create the best possible conditions for national economic development and for the improvement of the security of Lithuania's citizens as well as their well-being.

152. In our foreign policy, we shall rely on the role of Lithuania as a player in global development and, bearing in mind the conventionalities imposed by the global development processes and crises, we shall vigorously attempt to take advantage of the opportunities created by the new emerging markets and international trade flows and to respond to the challenges of global competition, human migration and others. As much as possible, we shall contribute to the efforts of the international community to expand cooperation, fight famine and poverty and climate change and find solutions to other problems.

153. In our foreign policy we shall seek prosperity of the State and its citizens through promotion of the development of economic activities, a high-level of employment and protection of the environment. Openness to trade is a prerequisite for economic growth and creation of jobs. The foreign trade policy shall support improvement and innovation and ensure fair competition.

154. We shall support the development and reinforcement of the EU-US transatlantic partnership. The long-term objective of this partnership should be the establishment of a transatlantic EU-US market as well as free movement of goods, services, capital, innovation and people.

Areas of Lithuania's European policy

155. We shall demonstrate initiative and take active part in the formation of an effective European Union policy and we shall put efforts to increase the solidarity between Europe and America in addressing the existing as well as newly emerging common threats and challenges.

156. Our aspiration shall be a European Union speaking in one voice in defence of the fundamental European values of democracy and freedom, protecting not only the common EU interests but also those of each of its members when damaged from the outside, respecting the distinctiveness of the member states, and supporting the promotion of their cultures, languages and traditions.

157. We shall promote cooperation between the citizens of the Republic of Lithuania and the citizens of other EU states in expanding professional, cultural, academic and other ties, contribute to the creation of a European public area, and provide the public with full information on the EU and the possibilities offered by EU membership.

158. We shall aim at the development and determined implementation of an effective EU energy strategy, the formation of a solidarity-based common energy policy, development of productive implementing measures for the policy as well as of a common competitive internal market in energy.

159. We shall consistently stand for the development of the EU energy, foreign and security policies, especially as regards partnership with the East and Russia, in cooperation with the USA and NATO in order to achieve a solid and effective transatlantic policy on the East and on energy; we shall also support the enhancement of Europe's defensive capacities in close cooperation with NATO, without duplicating the latter's functions and structures.

160. It would be in Lithuania's interests to have a common EU foreign and security policy, especially as regards Russia, a policy that would be strong, that would reinforce democratic values and enhance mutual trust among the partners.

161. We shall encourage ratification of the Lisbon Treaty and its implementation in the 2009-2012 period with a view to finalizing EU institutional and political reforms as soon as possible, so that the attention of the member states could be concentrated to address practical issues on the EU level.

162. We shall seek stronger positions of Lithuania in the new EU institutional set-up and greater influence in EU decision-making, so that our national interests can be raised to the EU level and thus implemented with increased efficiency.

163. We shall put every effort to enable Lithuania to take advantage of all bilateral, regional or multilateral formats within the EU to increase its influence in EU decision-making.

164. We shall pursue a selective policy as regards the strengthening of EU integration. We shall support EU regulation in the public sectors that require an integrated European infrastructure, in the ones where integration may reduce Lithuania's vulnerability to external impacts (for instance, energy, transport, monetary and financial affairs, control of borders and movement of people), also in the sectors where integration would enable Lithuania to gain competitive advantages (such as the sectors of services or the innovation policy). We shall attempt to preserve political independence in socially sensitive sectors (such as the tax policy), also in the areas where integration could detract from Lithuania's competitiveness.

165. We shall seek Lithuania's full participation in the EU economic and monetary union and make efforts to join the euro zone as soon as possible.

166. We shall support modernization of the EU social security systems with special attention to the development of a family-friendly policy.

167. We shall aim at joint action by the EU to build a competitive Europe. We shall pay special attention to the development of a free and effective internal market of the EU as well as elimination of the remaining restrictions of the internal market.

168. We shall take part in the upgrading and development of an effective European Research Area, become involved in the activities of the European Space Agency and take part in the creation of the European information society.

169. We shall support an active global role of the EU in reducing the effects of climate change and in evaluating the specific situation of states as well as common goals. We shall support EU initiatives and propose new initiatives promoting the use of environment-friendly renewable sources of energy, energy conservation, as well as research in the area of alternative energy sources.

170. We shall perform an active role in the mid-term review of the EU financial perspective 2007-2013 and in the preparation of the EU financial perspective 2014-2020; in this context, we shall seek enhanced competitiveness of the EU internal market, based on scientific development and innovation.

171. We shall actively contribute to the strengthening of the EU area of freedom, security and justice as well as effective control of the external borders.

172. Our consistent efforts shall be directed at achieving an equally strict condemnation of the German Nazi and the Soviet Communist totalitarian regimes on the EU level, pursuant to a respective European Parliament resolution of 2005. The regimes' crimes against the humanity also deserve evaluation.

Building stronger transatlantic cooperation

173. We shall follow Lithuania's constant position that NATO represents the guarantee of the security of the transatlantic community and therefore solidarity among NATO members and strengthening of the transatlantic bonds shall be treated as a vital interest of Lithuania and of Europe.

174. We shall make sure Lithuania is a responsible and active member of NATO that follows its obligations to the Alliance and contributing, according to its capabilities, to the protection of the security of the transatlantic community as well as to the fight against international terrorism.

175. We shall contribute to the efforts to ensure that Europe's defensive capacities and the whole European Security and Defence Policy (ESDP) are reinforced in close cooperation with NATO without duplication of the latter's functions and structures, in compliance with the declaration by NATO and the EU on the ESDP as well as the EU-NATO agreement *Berlin Plus* of 17 March 2003.

176. We shall follow the view that the current European security architecture, which relies on interaction among NATO, the EU, OSCE and the Council of Europe as well as the US presence in Europe, represents the foundation of security and stability in Europe. Such a system is equipped with all the necessary means and mechanisms to ensure security in Europe, which makes the search for new alternatives unnecessary.

177. We consider the direct military presence of the USA not only in Western Europe but also in its Centre-East and Baltic regions to be an important factor adding to the security of Lithuania and the whole Europe.

178. We shall plan and, within the competence of the Seimas, ensure the participation of Lithuania's troops in international operations and missions with a special focus on the mission in Afghanistan and with a preference given to the operations and missions headed by NATO as well as the USA, a strategic partner of Lithuania. We shall continue building civil capacities enabling participation in international civil missions of the EU.

179. We shall seek inclusion into the drafted strategic and operational NATO and EU documents of the provisions regarding the evaluation of both modern threats (such as cyber terrorism or energy blackmail) and real conventional threats, in particular the ones arising along the eastern border of NATO and the EU, specifying adequate response measures to neutralize them.

Strategic partnership and regional cooperation

180. We shall maintain and develop Lithuania's strategic partnership with the USA, Poland, Latvia and Estonia on the grounds of exclusive security interests and essential policy priorities as well as of common principles.

181. We shall maintain and develop the strategic partnership established by the US-Baltic Charter signed in 1998 which is based on the long-term strategic commitment of the USA to support democracy, stability and security of Lithuania and the other two Baltic States. Attaching special importance to this partnership, we shall motivate the new USA administration so that the partnership gains additional impulses and a more capacious content of cooperation in the field of security, and so that the employment and development of the partnership measures, including direct participation of the USA in ensuring security of Lithuania and the Baltic Region, is better.

182. We shall further develop the strategic partnership between Lithuania and Poland grounding it on common security needs of the region as well as on the interests related to European integration of the energy and transport systems, in particular to the implementation of joint infrastructure implementation, and on traditional community of European internal and external policies.

183. We shall ground the strategic partnership between Lithuania and Estonia on the four-party participation in the strategic partnership with the USA as well as on common interests related to security and defence system development, European integration of the energy and transport systems, in particular to the implementation of joint infrastructure implementation, and on coordination of European policies.

184. We shall promote cooperation of the Baltic nations – Lithuania and Latvia – in the fields of culture, education, historical heritage, etc.

185. We shall make use of the Lithuanian Presidency at the Baltic Assembly and the Baltic Council of Ministers in 2009 to achieve a higher level of consolidation of the Baltic State policies in the fields of energy, security and Eastern neighbourhood.

186. We shall stick to the position that the multilateral strategic partnership with the EU and NATO states – the UK, Germany, France, Italy, Spain, etc. – is rather institutionalised according to the structure of these organisations. Partnership with the above-mentioned countries as well as with Scandinavian and Benelux countries shall be equally important for Lithuania. We shall endeavour to strengthen partnership equally with all of them through the best possible use of forms and means of the cooperation with NATO and the EU, also forms and means of the traditional bilateral cooperation.

187. Special significance shall be attached to closer inter-regional cooperation of the Baltic and Nordic States (5+3) aiming at better representation of the common interests inside and outside the EU and NATO.

188. We consider the cooperation of the Baltic and Nordic States in the field of energy, in particular the development of the common electricity market within the interests of both regions, to be very important. We shall promote closer cooperation with the Nordic countries in the field of security and defence contributing to the security of the whole European and Atlantic area, *inter alia*, developing the content of cooperation within the existing e-PINE initiative.

189. We shall strengthen the role of Lithuania as an active state of the Baltic Sea Region by making use of the Lithuanian Presidency at the Council of the Baltic Sea States in 2009-2010 and taking an active part in the development and implementation of the EU Baltic Sea strategy. We shall promote regional cooperation of the Baltic Sea States in the fields of energy, transport, environment, cultural heritage protection, tourism development and strengthening of human relations, and we shall involve the Kaliningrad Oblast of the Russian Federation and Belarus into this cooperation.

Eastern neighbourhood policy of Lithuania

190. We shall further strengthen the relations of the European Union with the Eastern neighbours of the EU and we shall support the efforts to develop an efficient Eastern neighbourhood policy aiming at the development of integration relations between the EU and the Eastern neighbours.

191. As members of the EU and NATO, we shall continue undertaking the initiative and pursue an active EU and NATO Eastern neighbourhood policy through the cooperation with the states of those organisations. Lithuania shall support the efforts of Ukraine and Georgia to prepare for and to become as soon as possible the members of NATO, as well as the EU integration efforts of Ukraine, Moldova and South Caucasus. The inclination of Armenia and Azerbaijan to the EU would allow expecting a peaceful solution of their territorial conflict.

192. We shall promote and actively contribute to the EU and NATO efforts to develop and strengthen partnership with the Central Asia and the Caspian States, in particular with regard to global security and energy, and to render the EU support to the democratic development of those states.

193. We shall support integration of Belarus into the European structures in line with the efforts of the Belarus Government to get closer to the European democracy standards, and we shall support the democratic movement and initiatives of Belarus aimed at the creation of conditions of viable and free society.

194. We shall further support the integration efforts of the states that have chosen the way of democratic development and that aim at the NATO partnership or the EU and NATO membership, and we shall share our experience with them.

195. We shall support relations of youth, academic world and public servants with the Eastern neighbours and we shall strengthen analytical capacities of Lithuania with regard to the East.

196. We shall support the efforts of Georgia and Moldova to maintain the integrity of their sovereign territories and to get free from the Russian troops that keep staying in their territory without their free consent and to get back the broken away parts of the territory. We shall promote the active EU policy aiming at faster solution of this problem.

197. We shall endeavour that the negotiations that are going to be started between the EU and Russia concerning the new Partnership and Cooperation Agreement are held under the mandate previously approved by the EU and also considering its annexes proposed by the Member States and approved by the EU and that the negotiations deal in a complex way with all the problems formulated during the debate related to the mandate; we shall also endeavour at full fulfilment of all Russia's obligations with regard to pulling its troops from Georgia and Moldova to further guarantee territorial integrity of those states following the international law.

198. By political dialogue and diplomatic means we shall contribute to the protection of and representation to the legal business interests of Lithuania in the area of Eastern neighbourhood, so that Lithuanian business entities have equal business conditions and equally favourable environment for their investment. We shall discuss with Lithuanian business the best ways to protect its interests abroad but, still, the governmental policy and foreign policy will be protected against non-transparent lobbying interests and influences. In particular, we shall take care that non-democratic states do not make use of such influences and refrain from making influence on the governmental policy through business.

199. We shall promote development of democracy in Russia's neighbourhood, contributing to the stability and security of the whole region.

Policy on Russia

200. We shall aim at an open dialogue with Russia, good neighbourhood and mutual trust based on democratic values, truth and justice, and respect for universally recognised international law principles and adherence to the international obligations. We shall promote mutually useful trade relations as well as economic cooperation relations that do not prejudice the national security interests.

201. We shall devote special attention to direct relations and cooperation with the Kaliningrad Oblast of the Russian Federation, and we shall promote and support its development, opening and cooperation with the European Union, in particular in the context of 2009 Lithuanian Presidency at the Council of the Baltic Sea States. We shall consider possibilities to restore the visa free regime for the residents of the Kaliningrad Oblast to stimulate their relations with Lithuania.

202. We shall take an active part in the review processes of the EU and NATO policy with regard to Russia by stimulating a constructive dialogue of trans-Atlantic community and Russia based on democratic values and encouraging positive development of Russia towards democratically developing society and towards the government acting under the democratically accepted principles.

203. We shall go on grounding Lithuania's bilateral relations on the Agreement of 29 July 1991, and on the provision of that Agreement concerning the increase of mutual trust in solving the issues related to the adjustment of the outcome of the occupation and annexation carried out by the USSR, also considering obligations of Russia to the Council of Europe concerning compensations to persons deported from the Baltic States and to their descendants.

204. We shall coherently endeavour, also acting on the EU level, that Russia cooperates in the matters of January 13 and the Medininkai massacre so that the persons accused with these crimes who are hiding in Russia are prosecuted.

205. We shall support democracy development processes in Russia by encouraging relations of public organisations with Russia's human right protectors and democratic forces, especially youth and academic layers, so that the grounds are created for successful future cooperation with democratic and friendly Russia.

Specific tasks of Lithuanian diplomacy in 2009-2012

206. With the help of our relations with the Western and other concerned Member States, we shall get ready for the Lithuanian Presidency at OSCE in 2011. In 2009 we will seek for better inter-institutional coordination while preparing for the OSCE Presidency. During presidency we shall seek for as considerable as possible progress in the field of democracy development and human rights in the OSCE area as well as issues related to the regulation of conflicts and their outcomes in the Southern Caucasus and Moldova that have not been settle for many years.

207. One of the exclusive tasks of the Lithuanian diplomacy in 2012 is proper preparation for the Lithuanian Presidency at the EU Council in 2013. We shall create efficient domestic preparation structures, strengthen capacities of political coordination of the EU matters, and, if necessary, we shall review the national model of coordination of the EU matters taking account of

the EU development tendencies and the importance of common and efficient foreign policy implementation.

208. We shall improve the policy of diplomatic service staff so that diplomatic service contains uncompromised persons of flawless reputation and so that the procedures for the appointment of diplomatic representatives are transparent and the principle of regular rotation is observed without any exceptions.

209. We shall encourage and support activities of national experts in European and international institutions and their election to the leading positions. One of the main diplomacy tasks of this period is good preparation of public institutions and fruitful participation in arranging the review of the EU financial perspective seeking that it would be able to increase the competitiveness of Lithuania's economy, to implement the strategic energy projects and to modernise the agricultural sector.

210. We shall use more active diplomacy by encouraging foreign investment and export endeavouring to help Lithuanian business to compete in the global economy and joining skills and activities of institutions (the Ministry of Foreign Affairs, the Ministry of Economy) active in this field. Closely cooperating with the associated business structures we shall promote the development of economic relations not only with traditional partners (the EU, Russia, Ukraine, the USA, etc.) but also with China, India, Near East, Latin America and emerging economies.

211. We shall get ready for the negotiations concerning accession to the Organisation for Security and Cooperation in Europe (OSCE). Membership of this organisation will contribute to the economy growth, employment stimulation as well as to well-being and financial stability of citizens.

212. We shall support free trade development in the world, conclusion of bilateral free trade agreements between the European Union and the third countries, giving priority to the major trade partners of Lithuania.

213. Considering a large number of citizens of the Republic of Lithuania who work and live abroad, we shall improve consular services as follows: we shall refuse redundant requirements, introduce new technologies, etc. Supporting preservation of identity of Lithuanians who live abroad, formation of Lithuanian emigration communities and maintenance of the Lithuanian language, history and traditions, target programmes shall be prepared and remote learning possibilities shall be developed.

214. Taking the attitude that we are the same nation that unites Lithuanians who live both in Lithuania and in diaspora, we shall develop and start implementing the strategy of the *Global Lithuania*, i.e. inclusion of the emigration into the public life and adaptation of the complex national policy of Lithuania to the globalisation conditions.

215. We shall fully promote cultural diplomacy and culture exchange.

216. We shall fully promote preservation of European level cultural and historical heritage of the Great Duchy of Lithuania and we shall support bilateral cooperation in order to implement that. We shall support preservation and cherishing of cultural and historical heritage of Lithuania in the Eastern area and the Kaliningrad Oblast.

217. We shall endeavour, on the basis of bilateral and multilateral agreements, to get back cultural and historical values illegally exported from Lithuania.

218. On the basis of Lithuania's Modern Identity Formation Strategy approved by the Government and the National Agreement approved by the Parliament, we shall create the long-term national programme for the formation of Lithuania's image abroad.

219. We shall strengthen institutional information and analytical capacities of the country necessary for the successful implementation of foreign policy.

220. To raise awareness of the public on the issues of Lithuanian and international foreign and security policy, we shall establish a forum open for the public for regular discussions of the members of non-governmental institutions and public organisations.

221. We shall support investigations and assessments of crimes of nazi and soviet occupation regimes, we shall encourage the started assessment of the totalitarian regimes on the EU level, the commemoration of the holocaust victims, and, due to its approaching 70th anniversary, we shall pursue the international assessment of the Molotov-Ribbentrop Pact in Lithuania and abroad.

VIII. NATIONAL SECURITY

The main provisions of the national security system development

222. Following the Law on the Basics of National Security of Lithuania, we shall consider that the interests of national security strengthening in our activities is the highest priority.

223. Developing the system of national defence, we shall coherently follow the following provisions of the Law on the Basics of National Security of Lithuania:

- the defence of Lithuania shall be total and unconditional;
- Lithuania shall defend itself within its territory and offer its resistance both independently and together with the forces of associates;
- the state provides national security by preparing for defence the armed forces and active reserves.

224. Under conditions of Lithuania's NATO membership, we shall further ground our defence policy on the following provisions:

- only a prepared country that is ready to protect itself in case of an attack is able of deter a potential an aggressor;

- NATO collective defence power strengthens the factor of deterrence to the level of a guaranteed security level but it does not release Lithuania and its citizens from the necessity to invest efforts and resources into its own security and security of the Alliance.

225. Developing the national defence system, we shall follow Article 5 of the North Atlantic Treaty regarding the principle of the collective defence, and we shall pay greater attention to the implementation of Article 3 of the North Atlantic Treaty by which Lithuania undertook by means of continuous and effective self-help and mutual aid to maintain and develop its individual and collective capacity to resist an armed attack.

226. We shall take the position that NATO should assess a clear change in Russia's policy with regard to the neighbouring countries and to appropriately assess the changes of military threats, and, taking that into consideration, correct the strategy and plans of the collective defence by paying more attention to the strengthening of defence of the Baltic Region.

227. We shall take the position that the existing system that guarantees security of Lithuania and the Baltic Region based on Lithuania's NATO membership must be additionally strengthened through direct participation of the North Atlantic Alliance, especially USA, in the region.

228. We shall take the position that Lithuania's space is an integral part of the common NATO space. We shall pay the exclusive attention to the strengthening of space control to provide real integrity and inviolability of the total NATO space.

229. We shall endeavour that NATO air police mission in the Baltic States carried out by NATO associates on the basis of rotation since 2004 is prolonged at least until 2018. At the same time we shall pursue the NATO decision on the establishment of the permanent NATO air police mission in the Baltic States.

230. We shall also pay much attention to achieving fully developed support capacities of the receiving country that would guarantee preparedness to deploy the associates' forces or to receive the backup forces in the territory of Lithuania. The key priority will be given to guarantee the preparedness of the seaports, airports and other infrastructure necessary for the NATO backup in case of threatening crisis and the interaction of different authorities to carry out this task.

231. Caring for the development and implementation of the defence capacities of the country and fulfilling obligations of Lithuania, we shall endeavour to provide a pro rata contribution to the strengthening of the Alliance's common defence capacities and efforts to bring about peace outside the Alliance.

232. We shall submit a proposal to the Parliament to maintain in 2009 the same share of the GDP appropriated to the national defence system as it was in 2008. As the country overcomes

financial difficulties, we shall propose to the Parliament to coherently increase the appropriations to the national defence so that the implementation of the obligation of the state to NATO to allocate 2% of the GDP to the national defence starts as soon as possible.

233. We foresee that the military structure of Lithuania shall consist of the following:

- active forces;
- training and doctrine command structure;
- forces of active reserve (national defence volunteers).

Guidelines for the development of the Lithuanian army

234. We foresee that the Lithuanian army shall have to be of the adequate size to meet the national capacity, and it shall be mobile and professional. Units of the Lithuanian army shall be recruited on the basis of professional and voluntary military service. Army forces will be developed in such way as to achieve that their tactical capacities meet the NATO raised requirements.

235. The Government shall prepare the project for the development of the active army structure.

236. We shall give priority to the recruitment of air-defence and tank-defence units and to their provision with the effective munitions and to adequate training of their staff.

237. We shall develop military capacities that in case of need would be able to provide support of the receiving country by contributing to ensuring the movement of the associates' forces to the country or across the country through the main entrance/exit points in airports, the seaport, land roads and railway, as well as to the associates' forces that carry out the NATO air police mission.

238. We shall re-consider the structure of command by specifying the chains of subordination and operational command so that the command becomes efficient and meets the structure models and standards proved by other NATO member states.

Guidelines for the active reserve development

239. The active reserve shall be the national defence volunteer forces (KASP) with their territorial structure similar to home guard territorial structures of other countries. The purpose of the KASP territorial structure shall be to form the active reserve which in case of need supplements other units of the Lithuanian army sent to take part in international operations, as well as to train and send specialists of different fields and the infantry of the company size to international

operations and to render support to state and municipal authorities following the procedure set by laws.

240. KASP will be prepared for emergency deployment in the territory of the country in case of the threat of aggression and mobilisation for carrying out tasks of defence, protection of the important state or municipal objects and support to the forces of the associates.

The reform of military service and military training of citizens

241. Having received the clarification of the Constitutional Court concerning the compliance of the law passed by the previous Parliament that provides for full abolition of obligatory military service with the Constitution and considering the new geopolitical realities, we shall draft a strategy and appropriate laws concerning professional and voluntary services and formation of mobilisation reserve.

242. We shall preserve the developed structure of the training and doctrine command that also covers military training institutions, Training Regiment and the available base. The training and doctrine command structure will be used for the following:

- initial military training of the staff reserve;
- further military training of the active service staff according to the needs of the active army forces;
- further military and special training of the active reserve.

Improvement of the activities of the State Security Department

243. Having considered the experience gained by most NATO and EU member states, we shall initiate the amending law on the Law on the State Security Department in order to improve the provisions concerning the management of the Department, to set down clearer functions of the Parliament, the President and the Government in formulating tasks and exerting control.

244. We shall initiate the adoption of laws that regulate the lustration process so that the Lustration Commission formed on different grounds could efficiently continue and complete the lustration process.

B. LITHUANIA'S ECONOMY

IX. FINANCIAL POLICY

The Anti-Crisis Plan provides for the urgent fiscal policy measures aiming to ensure macroeconomic stability of the state. The present Programme sets forth the medium term financial policy goals, major action directions, and the means to achieve them.

245. The primary aim of the Government's financial policy is to achieve the sustainable fulfilment of the Maastricht criteria and to get ready for the adoption of the euro in the medium term perspective.

246. In pursuance of the primary aim of the financial policy, we shall focus on the following priority areas:

- implementation of the anti-cycle fiscal policy;
- enhanced efficiency in the use of taxpayers' funds;
- improvement in management and control of the EU structural support;
- safeguarding sustainable financial sector development and strengthening the monitoring thereof;
- promotion of structural reforms, first, in the fields of health care, education, higher education, social security, and public administration.

Implementation of the anti-cycle fiscal policy

247. We shall review the Law on Fiscal Discipline with a view to having its provisions establish requirements for the fiscal deficit, and not for the expenditure, as was the case until the adoption of the present Programme.

248. We shall actively pursue prevention of economic overheating (especially in different asset price bubbles) and possible recession (when the current one is beaten), by means of tax policy, structural reforms, as well as close cooperation with the Bank of Lithuania and the means of monetary policy within its remit. With these measures, we shall seek to remain among the EU member states with the lightest overall tax burden for the citizens. We shall also oppose the broadening of the minimum tax rates and the taxation framework regulated by the EU.

249. We shall introduce a personal real estate tax and thereby form a self-sufficient funding source for municipalities.

250. We shall build up a stabilisation reserve, first, from privatisation transactions, until it becomes sufficient to ensure repayment of large temporary debentures (1 billion euros annually in 2012, 2013 and 2016). We shall forbid making use of the Stabilisation Fund to finance public expenditure, except for measures with a view to ensuring the financial sector stability, public debt repayment or refinancing.

251. In tax administration, we shall focus on combating systemic problems (prevention of satisfying one's personal needs at the expense of a company, establishing actual taxable profit in economic entities constituting company groups or holding companies, reduction of the shadow economy, etc); we shall provide every support to taxpayers and we shall encourage them to pay taxes fairly. We shall seek that tax administrators did not abuse tax inspection periods and the right to property seizure.

Enhanced efficiency in the use of taxpayers' funds

252. We shall reform a budgeting and strategic planning system, first, by changing the current faulty practice, whereby strategic action plans of public institutions are deliberated by the Governmental Strategic Planning Committee following a prior budget approval by the Seimas. We shall establish the following sequence for the deliberation of strategic plans: Government's priorities – maximum appropriations – strategic plans of institutions – impact assessment (Ministry of Finance) – strategic assessment (Governmental Strategic Planning Committee) – modified strategic plan of an institution – the Government – the Seimas. Criteria for the assessment of a strategic action plan shall be measurable in terms of quantity or quality, and they shall be oriented towards specific results; a monitoring/corrective action system shall be implemented. We shall develop a system to assess the attainment of targets based on the state budget-funded programmes. This assessment shall provide a basis for the promotion of institution heads and staff as well as for deliberations on the programme continuity.

253. We shall coherently move to the practical tri-annual budget formation; we shall change maximum appropriations for three years only in case there is a significant shift in macroeconomic forecasts. We shall optimize the number of appropriations managers and the programmes they draft. We shall ensure the publicity and transparency of the budgeting process by providing conditions for each taxpayer to express their opinion.

254. We shall draft a costs-benefit analysis methodology and we shall apply it for all larger projects realized from taxpayers' funds.

255. We shall draft a state investment programme based on the Government's priorities, first, by concentrating funds for the development of infrastructure required to attract foreign direct investment, for energy saving, and promotion of innovations. We shall launch a mechanism to measure efficiency of the state investment and to assess the results achieved.

256. We shall complete the public sector accounting reform. As a result, we shall have greater transparency in public finances as well as enhanced public sector efficiency (first, we shall centralize auxiliary units of public institutions with regional branches).

257. We shall centralize public property management (first, that of buildings); we shall gradually launch a premises rent system for the state and municipal institutions.

258. We shall develop public sector statistics, thereby providing conditions for the citizens to analyse and assess efficiency of the use of the public finances.

259. We shall launch a certification system for public internal auditors with a view to constantly improving their skills.

260. We shall set targets for public institutions to enhance efficiency by at least 2 % per year, i. e. we shall start the annual budgeting procedure with corresponding cuts in appropriations for institutions' expenditure and salaries.

Improvement in management and control of EU structural support

261. We shall review the priorities for the absorption of the EU structural funds with a view to achieving maximum correspondence with the priorities provided for in the Government's programme.

262. We shall carry out an analysis of the EU structural support management system and shall take decisions to make it even more transparent and efficient. We shall make use of the best practice from other EU member states in this respect.

263. We shall establish an education and training programme to strengthen administrative capacities of public servants and employees who administer the EU structural support.

264. We shall develop the system to monitor the absorption of the EU structural support; we shall involve citizens and communities in the supervision of the targeted and efficient absorption of funds.

265. We shall conclude the environmental and transport projects covered by the EU Cohesion Fund for 2000-2010 by absorbing all the EU funds allocated thereto, and we shall successfully complete the Programme for the absorption of the EU Structural Funds allocated in accordance with the Single Programming Document of Lithuania for 2004-2006.

Safeguarding sustainable financial sector development and strengthening the monitoring thereof

266. Together with the Bank of Lithuania and in consultations with foreign experts, we shall establish a financial sector crisis prevention and management system.

267. We shall reform the system for the supervision of the pension and investment funds as well as the requirements for fund managers, first, by linking up their remuneration with fund

performance results, tightening the rules for disclosure of information for investors, and establishing risk management criteria.

268. We shall merge the financial sector supervision institutions and we shall establish that they are funded by the contributions from market operators.

269. We shall draft a new compulsory insurance framework.

Promotion of structural reforms in the fields of health care, education, higher education, social security, and public administration

270. We shall carry out a thorough analysis of the state and municipal services and possibilities for the long-term financing thereof. In case there is no possibility to appropriately finance these services in the long-term perspective, we shall privatise the service provision. We shall make use of the remaining funds to reduce public debt or to cut taxes (if that does not undermine the macroeconomic stability).

271. We shall develop public-private sector partnership by establishing legal, institutional, and administrative conditions as well as a corruption prevention mechanism.

272. We shall create a system for the promotion of structural reforms with a view to saving taxpayers' funds, whereby part of the saved funds shall be allocated to satisfy the needs of a reformed institution or a sector.

X. BUSINESS, INNOVATIONS, INVESTMENT

273. Planning of the national economy development is an integral part of the general strategic planning; therefore, with a view to purposeful economic development and targeted state support in the fields of the potential economic breakthrough, we shall strengthen and improve strategic planning and management.

274. We shall seek essential breakthrough in attracting investment into the national economy by allocating priority investment to the following areas of economy:

- the ones that have global and long-term growth potential;
- the ones that are innovative and create high added value;
- the ones that promote technical and technological progress.

275. It is only knowledge economy that can guarantee competitiveness and dynamic development of the national economy. We shall promote development of the knowledge society and knowledge economy clusters as the basis of innovative economy in Lithuania.

276. We shall seek essential breakthrough in the field of e-governance. On-line e-government services and the system for monitoring institutional performance indicators will make the institutional activities more transparent and measurable.

277. We shall support and promote in every way the small and medium sized sector that is productive, competitive both in domestic and foreign markets, and is based on innovations and information technologies.

278. With a view to establishing fundamental conditions for the rise of innovative and modern business solutions, we shall seek to improve the overall business environment, to reduce the administrative and regulatory burden for business, and to review unnecessary and complicated requirements in order to free the creative and innovative business potential.

279. We shall support and coordinate efforts to develop a modern tourism infrastructure that would comply with the global and European quality requirements and that would allow to create and offer to the international tourism market competitive quality tourism products, which would ensure the constant growth in the local and incoming tourist flows, thereby bringing the share of tourism in Lithuania's economy closer to the average share of tourism in the EU's GDP.

280. With the aim of ensuring jobs, we shall pursue an active labour market policy. Labour force mobility is a clear priority with a view of attracting more people to the labour market, improving employee capacities to adapt to the structural changes, and providing the required adequate social protection.

General strategic planning

281. We shall review the National Agreement: the National Agreement of December 2002 stipulates revision every four years. The Agreement has not been not reviewed in due time, and certain directions and measures provided for in the Agreement no longer correspond to the current topicalities.

Investment into high value added sectors

282. We shall draft an action plan for the promotion of international production relations on the basis of foreign direct investment with a view to stimulating development of the promising advanced technology branches. We shall pursue regional industrial policy (clusterisation), by appropriately reorganising the currently existing industrial parks and establishing the new ones.

283. In pursuance of the essential breakthrough in investment, first, investment leading to the creation of the higher value added, also, in the field of export, we shall reorganise structures

with overlapping activities: the Lithuanian Development Agency, Trade Department of the Ministry of Economy, and Export and Investment Promotion Department of the Ministry of Foreign Affairs; and on the initiative of the Ministry of Foreign Affairs and the Ministry of Economy, we shall establish two public institutions: Investment Attraction Fund (*Invest in Lithuania*) and Export Council:

- the major task of the Investment Attraction Fund (*Invest in Lithuania*) shall be search for investors, and selection of required documentation and infrastructure for investors;
- the major tasks of the Export Council shall be export promotion and search for new export markets.

284. With a view to ensuring inter-institutional coordination in the process of targeted investor attraction to the national economy, we shall establish legal mechanisms and legal basis for the inter-institutional cooperation for the active attraction of the foreign direct investment (currently, regulation areas that are critical for the foreign direct investment are frequently within the remit of different institutions).

285. We shall concentrate support from the EU structural funds on the breakthrough areas, we shall greatly focus on the development of physical environment and research infrastructure of industrial parks, and we shall allocate extra funding for education and vocational training systems of the labour force in these areas (at present, the EU structural funds are frequently used for insignificant infrastructure projects).

286. We shall promote public-private partnership projects and ensure more efficient performance of public functions by attracting public investment to the areas attributable to the public sector regulation.

287. We shall promote consumption of locally produced goods and services.

Development of research and innovations

288. We shall lay down a legal basis to regulate the innovation development system in Lithuania by clearly defining the policy and strategy of innovations, setting targets, functions, and responsibility areas for the participating institutions, establishing relations among the elements of the whole system, and creating measure performance monitoring, coordination, and incentives system for innovation development.

289. Upon the joint foundation by the Ministry of Economy and the Ministry of Education and Science, we shall establish a permanent institution that shall unite the currently dissipated efforts to coordinate research, technologies, and innovations. We shall delegate to this institution functions to coordinate the innovations strategy implementation, to coordinate interested

institutions, to monitor the parties concerned and the measure performance, to collect information related to innovations development, as well as to analyse and expeditiously evaluate changes in the process by ensuring quality in the innovations development monitoring.

290. We shall support development of advanced technology areas that had been provided for in the breakthrough directions of the National Agreement, and we shall seek to attract the greatest amount possible of the innovation-oriented foreign direct investment. With regard to the breakthrough areas provided for in the National agreement, we shall establish *Invest in Lithuania* representatives by the largest global technology parks, with a view to attracting global advanced technology companies to Lithuania.

291. We shall promote and co-finance investment by the Lithuanian companies to R&D and innovations. We shall coordinate financial state aid for innovations in business. We shall make use of and develop UAB “Investicijų ir verslo garantijos” INVEGA measures (guarantees, interest rate reimbursement), we shall implement innovation cheques system, and establish risk capital fund with a view to offering micro-credits and venture capital for the innovative companies.

292. We shall expediently absorb EU funds (the EU Seventh Framework Programme, EUREKA Programme, COST Programme). We shall streamline administration of the projects funded from the EU structural funds by launching e-administration system.

293. We shall support and promote in every way advanced technology companies operating in Lithuania; we shall provide favourable conditions for these companies to develop scientific research and to expand performance scope as rapidly as possible (we shall allocate EU funds in a targeted way for the scientific and research activities, we shall facilitate access to venture capital, and we shall invest in start-ups and spin-offs).

294. We shall create a funding mechanism for business-initiated investment R&D as well as implementation of projects on infrastructure development, launching of technological innovations, and introduction of advanced administration methods and management systems. We shall establish a funding mechanism for natural and legal persons seeking to obtain international patents for their inventions.

295. We shall define a joint action policy and strategy for science and technology parks. We shall establish an institution/organisation to unite science and technology parks with a view to pooling them for united targeted activities that would be beneficial for the national economy.

296. We shall develop general innovations-friendly culture; we shall encourage creativeness by supporting investment of economic entities into technologies with a view to raise technologic competitiveness and promote labour productivity growth.

297. We shall strengthen national legalization of industrial ownership protection (inventions, design, goods and services brands, and semiconductor topography) in Lithuania.

Small and medium-sized business

298. We shall carry out cost-benefit analysis for all institutions engaged in promotion activities of small and medium-sized business and innovations, such as business information centres, tourism and business information centres, business innovation centres, business incubators, science and technology parks, etc.; we shall optimize their activities by moving on to the funding model based on service purchase-sell contracts (contractual financing).

299. We shall facilitate conditions for the small and medium-sized business to obtain financing. We shall search for additional financial resources to co-fund development of small and medium-sized business (European and international financial institutions, such as the European Investment Bank (EIB), the Nordic Investment Bank (NIB), and Council of Europe Development Bank (CEB)).

300. We shall ensure fair competition conditions for the development of small and medium-sized business (monopolies' audit).

301. We shall strengthen the overall public entrepreneurship culture, we shall promote company establishment, and facilitate access to venture capital and microcredits.

302. We shall provide conditions with a view to encourage cooperation between big companies and small and medium-sized enterprises as well as inter-cooperation among small and medium-sized enterprises.

303. We shall reduce administrative burden for business, and we shall make the public policy measures meet the needs of small and medium-sized enterprises. We shall approve by the law the principles of good regulation: proportionality, accountability, consistency, transparency, and targeting.

304. We shall revive the Business Sunrise Initiative by creating systemic preconditions for the cooperation between business and public institutions; we shall identify and remove the most acute regulatory and bureaucratic obstacles to business development.

305. We shall charge the licence-issuing and licence policy in separate areas shaping institutions to submit within the period of 3 months the reasoning for the necessity of licensing as well as the proof that the current licensing procedure does not limit competition and that it is impossible to achieve the targeted result in a less restrictive way.

306. We shall take into consideration the data provided by the major international surveys that evaluate competitiveness and business conditions (such as *Doing Business* and others) and within a year we shall improve conditions in the lowest ranked areas (labour relations, start-ups)

We shall transfer company registration to the e-Space by making use of Ireland's experience (CORE system).

307. We shall publish in a single source the list of all draft legal acts that are relevant for business by giving access to their content and the responsible entities, so that the interested parties could obtain information on key notions and terms; we shall offer opportunity to submit proposals and amendments.

Public procurement

308. In Lithuania, procurements worth approximately LTL 13 billion are being carried out annually in compliance with public procurement procedures. We shall take strong measures with the view of having more efficient and transparent process of public procurement. We shall optimize public and private sector resources allocated to follow the public procurement procedures.

309. We shall promptly implement public procurement information dissemination measures. Information on public procurement and significant aspects of the procurement process shall be accessible for public monitoring and analysis; the single centralized information system shall ensure the following:

- the public procurement competition material shall be freely accessible at a single on-line address;
- the public procurement competition material shall be free;
- information on the number of tenders shall be made public;
- information on preliminary ranking, offered prices, technical points, or other evaluation aspects shall be made public;
- information related to the contract completion and the final price for the implementation of the contract shall be made public (this information used to be made public, however, the new version of the Law on Public Procurement of 22 December 2005 had deleted the latter requirement);
- the information shall be provided in a clear and structured form, and all the process of a particular procurement procedure shall be easily accessible and clear to follow.

310. There is a functioning public procurement information system in Lithuania; as a result, the entire cycle of the public procurement procedures can be carried out in the electronic medium. We shall oblige the purchasing bodies to make use of the system. First, we shall make sure that the purchasing bodies, once they submit e-information to the system, do not need to fill in statistical forms and paper documentation of the public procurement.

311. We shall seek fast introduction of auctions to be able to establish the final tender price. The final price for all types of procurement, the value of which exceeds the established limit (which shall be LTL 300,000 in the first phase), shall be established only by way of reversible auction. A purchasing body with no possibility to apply the auction practice for a specific procurement shall be obliged to justify in writing its criteria and motifs behind the inconsistency.

312. Seeking development of more flexible public procurement system, which would be more sensitive to changes and would efficiently implement best practices in Lithuania, we shall carry out the following structural reforms:

- we shall reorganize the Public Procurement Office under the Government of the Republic of Lithuania into the Public Procurement Office under the Ministry of Economy. We shall authorize the Public Procurement Office to draft public procurement methodology, advise purchasing bodies on public procurement procedures and processes (to provide training and establish best practices), as well as to exercise prevention and control functions (public procurement conditions control). With a view to speeding up the system development, we shall authorise the Public Procurement Office to delegate public procurement experts to the purchasing bodies in order to help exercise public procurement in the e-Space;

- seeking creation of a flexible organisation to carry out more efficient public procurements, we shall establish a separate company – Central Procurement Body (with the Government and municipalities as its shareholders) – which shall take over part of the current Central Procurement Body of the Central Project Management Agency. Funding for this company shall be ensured from fees that shall be collected during centralised procurement procedure. We shall transfer the electronic public procurement system, which is currently supervised by the Public Procurement Office, to the Central Procurement Body. The Central Procurement Body shall encourage the purchasing bodies to make use of the e-procurement system and centralized procurements.

XI. LABOUR MARKET AND EMPLOYMENT

Work is the main activity of an adult: through their work, people express themselves, discover sense of life, and provide both for themselves and their families. Employment ensures family social welfare, social protection, and a full life.

Globalisation, competition, and labour force emigration, especially that of highly qualified experts, have become threatening disincentives to the economic development; therefore we shall make determined efforts to reform labour force institutions and the ones related to them, with a view to ensure successful economic development and growth for the welfare of all the citizens.

Since employment is closely related to the needs of the country's economy, we shall seek to provide favourable conditions for the enhancement of labour efficiency and productivity, creation of more, better, and safer jobs, and reduction of emigration. We shall fulfil these aims by means of implementation of the following measures:

313. We shall modernise labour relations regulation and increase flexibility thereof, so that they would be in line with the current economic development needs yet not impair labour conditions. Improvement of labour conditions is a key prerequisite for the reduction of the number of work accidents and vocational diseases.

314. We shall strengthen the socio-economic dialogue at all levels, between employees, employers, and the society, with a view to implement key reforms in the areas of labour relations and labour market, through application of the advanced principles of flexicurity. To this end, we shall reform the Tripartite Council by bringing in non-governmental organisations and transforming it into the Council for Economic and Social Affairs, which could be able to draft a national agreement on the modernisation of the country's economy.

315. We shall define common strategic goals for the implementation of the labour market policy. We shall decentralise the formation and implementation of the labour market policy by delegating implementation of the labour market policy to the regions.

316. We shall promote regional cooperation between social partners (business associations, trade unions, municipalities, and educational establishments). We shall engage social partners into the process of the regional labour market policy implementation. We shall promote information exchange with a view to ensure that the labour force supply meets its demand.

317. We shall draft and implement a programme for the promotion of labour force mobility. We shall offer employment support on the basis of the individual needs of the local market. We shall develop the return-to-work system for workers following the job loss (e. g. a two-stage system has been developed in Denmark whereby special efforts are being made in the second stage with a view to employ a person by designing an individual action plan).

318. We shall reform the system of the Lithuanian Labour Exchange and the territorial labour exchanges with a view to ensure the supply of skilled labour force in the regions and bring economically inactive citizens into the labour market. We shall promote territorial mobility of the labour force. We shall focus on smooth integration of people at risk of social and labour market exclusion into the open labour market. Local communities will be more comprehensively engaged in the process of organisation of public works.

319. We shall create economic incentives for employers with a view to consistent employee training, which would help with faster adaptation to the changing economic conditions.

320. We shall create a new education and training system for the labour force. We shall reorganise the state-funded education system with a view to improving labour quality of all the participants of the labour market (e. g. in Denmark, the state-funded unemployed make up only a quarter of all the participants in training programmes). We shall further invest into general capacities that are a prerequisite in the contemporary information society (entrepreneurship, computer literacy, initiative, communication). We shall promote continuing vocational training with regard to market needs for skills (in comparison with the EU, adult participation in adult training and education programmes is very little in Lithuania).

321. We shall reform vocational and adult continuing training infrastructure with a view to supplying the country's economy with the skilled labour force in the short and long term perspective.

322. We shall regulate and promote application of flexible forms of labour organisation (such as part-time work, short-term work, distance working, etc). Compared with the EU, only a small part of employees have part-time jobs in Lithuania.

323. We shall promote creation of jobs. We shall particularly focus on the establishment and development of small and medium sized businesses (one of the preconditions of the successful Danish flexicurity model is a relatively large amount of small and medium sized enterprises in the economy). We shall harmonise formation of the regional labour market policy with plans for the regional economy development.

324. We shall draft measures with a view to ensuring the highest efficiency in management of migration and emigration process and return of the greater part of the emigrated citizens.

325. We shall create economic incentives for the senior citizens to stay longer in the labour market, which would reduce demand for the labour force from third countries.

326. We shall promote and implement youth entrepreneurship programmes, with a view to creating preconditions for private start-ups and to enhance the growth of active and socially responsible society.

327. We shall gradually expand and develop the network of pre-school education establishments and non-stationary social services with a view to creating favourable conditions for parents to combine work with child-care.

328. We shall gradually implement measures to guarantee equal rights at the labour market with regard to old age, disability, gender, paternity or maternity duties, and other solid grounds.

XII. ENERGY

Strategic directions for energy policy

329. We shall actively seek to ensure the country's energy security, i. e. the sustainable and continuous energy supply at affordable consumer prices.

330. We shall consistently implement the long term strategic goal that had been set by the National Energy Strategy (NES): to integrate Lithuania's energy sectors into the energy systems of the European Union and the European market, and to achieve maximum reduction of Lithuania's energy dependence on a monopolistic fossil energy supplier.

331. To achieve the long term strategic goal, we shall implement measures provided by the NES in the following strategic directions:

- energy saving and greater efficiency;
- maximum use of economically viable local and renewable primary energy resources;
- interconnection of electricity and gas networks with the EU networks and participation in the EU energy markets.

The Government shall also aim at the implementation of the Odessa-Brody-Plock-Gdansk gas pipeline project, with its possible branch-line to Mažeikiai.

332. We shall actively take part in the process of the European Union energy policy development; we shall initiate and support EU decisions to back energy solidarity with the view to diversify energy supply resources and transit routes to the EU, disintegrate vertically integrated monopolies, unbundle energy generation or production, transmission, and distribution links, and create a competitive EU energy market.

333. Through our participation in the process of the EU energy strategy review and the formation of the new energy policy, we shall aim to create the common competitive EU internal energy market and to pursue strong common external energy policy.

334. We shall make every effort to create regional Baltic energy market and to interconnect it with the Nordic as well as the Central and Western European markets.

335. We shall evaluate state participation in the management of energy entities on the basis of state ownership (shares) by maintaining state ownership necessary to safeguard energy security.

Energy saving and greater efficiency

336. Energy saving shall be among the energy policy priorities of the Government. We shall seek financial support from the European Commission with a view to carrying out mass modernisation of multi-apartment buildings and to renovate approximately 2000 multi-apartment buildings per year, 100 schools and 100 pre-school establishments among them.

337. We shall adopt streamlined procedures for drafting and coordination of building renovation projects as well as efficient support and crediting mechanisms.

338. With a view to reducing energy consumption, we shall establish energy consumption rates according to separate building groups, and we shall apply higher rates to consumers for energy that has been consumed above the norm. We shall allocate the funds derived from higher rates for housing renovation.

339. We shall draft legal acts with the view to define requirements for passive buildings; and in the short run, by bringing in foreign experts, we shall seek to implement such pilot projects. We shall aim that in future, the state- or municipality-funded newly constructed buildings would meet requirements for passive energy consumption, and later on, passive or little energy consumption requirements would be applied for the state- or municipality-funded renovated buildings.

Development of renewable and local energy sources

340. The second priority of the Government's energy policy is as broad and rapid utilisation of renewable and local resources for heating and electricity generation as possible with a view to reducing consumption of the imported oil and gas products.

341. We shall pursue the programme for heating sector diversification, which shall ensure that half of the annual urban heating and electricity needs will be co-generated from biofuel, thereby reducing the comparative gas share in thermal plants from the current 80 % to 40 %.

342. We shall promote and support the use of all types of biofuel (scrap wood, straw, biomass, organic waste) in thermal plants; accordingly, we shall support logistics systems development for all types of fuel.

343. We shall remove all the obstacles that lie with us with the aim of constructing wind parks, especially in the Baltic Sea and the coastal region; we shall offer wind turbines conditions that would be equally favourable as with regard to the power stations of all the other types; we shall create conditions for them to join the electric power generation and transmission system and to participate in energy market on the competitive conditions.

Integration of Lithuania's energy systems into the EU systems

344. The third priority of the Government's energy policy is integration of Lithuania's energy systems into the EU systems and markets. We shall aim at drafting, together with the European Commission and the EU member states of the Baltic Sea Region, and implementation,

with the support of the European Commission, of the special action plan for the integration of the Baltic States energy system into the EU energy market.

345. We hold that synchronisation of the electricity transmission systems of Lithuania and the other Baltic States with the UCTE (Union for the co-ordination of transmission of electricity in Europe), thereby liberating them from the Russian system management and synchronized joint operation, is a vital prerequisite to ensure independence of Lithuania's electricity and its full integration into the European electricity area as well as an essential strategic aim.

346. We believe that the Lithuanian-Polish power bridge interconnecting electricity transmission grids must not only ensure energy exchange but also provide conditions for the synchronisation of the electricity transmission systems of Lithuania and the other Baltic States with the UCTE. Therefore, both the creation of the new energy generation capacities (the new nuclear power plant included), and the construction of the power bridge, as well as strengthening of transmission grids of Lithuania and Poland, shall be carried out in an integrated way with a view to achieving an all-embracing goal: synchronised operation with UCTE by 2015, i. e. prior to the start of the operation of the new nuclear power plant.

347. We shall aim at the creation of the common Baltic electricity market, which would provide conditions for free trade in electricity. Efficient and transparent market rules shall encourage trade, provide conditions for the efficient use of power link with the Nordic market (*Nord Pool*), and shall contribute to safeguarding energy security.

348. We shall make all our efforts with a view to implementing the project on the Lithuanian-Swedish power link. We shall provide conditions for all the participants of the Baltic electricity market to make use of this power link.

349. We shall aim at implementation of the project on the interconnection of the Lithuanian and Polish gas networks with a view to opening possibilities for the alternative gas supply from the European networks and to essentially enhance Lithuania's energy security.

350. We shall develop the project on the construction of the liquefied natural gas terminal; we shall ensure transparent selection of the project partners and participation in the project under conditions that would serve the public and national interests best.

351. In our cooperation with the European Commission and the Government of the Republic of Poland, we shall aim at the fastest implementation of the Odessa-Brody-Plock-Gdansk gas pipeline project, with its possible branch-line to Mažeikiai.

Nuclear energy

352. We shall not spare efforts to ensure energy supply security following the closure of the Ignalina Nuclear Power Plant (INPP) and shall try to minimise the INPP closure after-effects. We shall continue with the drafting and approval of the joint action plan of the Republic of Lithuania and the European Commission on safeguarding Lithuania's energy security and seek its rapid implementation.

353. With a view to reducing Lithuania's energy dependence on the imports of fossil fuel (its demand shall immediately rise after the shutdown of the INPP) and addressing the growing electricity needs, we shall pursue the implementation of the project on the new nuclear power plant (NNPP).

354. We hold that the choice of the NNPP reactor capacity is not only the technical matter; primarily, this is the strategic matter of national security; hence, we shall ensure that NNPP unit capacity is optimum for the Lithuanian and Baltic electricity transmission systems, that it satisfies conditions for synchronisation of Lithuania's electricity transmission systems with the UCTE, and that the major share of power reserves required by the power station is received from the European Union member states.

355. We shall further develop nuclear energy sector in Lithuania and examine a possibility to construct new generation small nuclear power reactors (IRIS), the line production of which is going to be started by the Japanese and the US companies in the short run.

356. We shall also ensure that all the participants of the NNPP project comply with the European and transatlantic integration criteria; hence, we shall evaluate, from the point of view of Lithuania's national security, their long term interests in the participation in the NNPP project, their activities and partnership experience with the EU and NATO member states, as well as the potential to tangibly contribute to Lithuania's energy integration.

Measures to mitigate monopolistic energy price jumps

357. We shall seek that Lithuania is granted additional amount of greenhouse gas emissions permits with a view to offsetting negative after-effects following the closure of the INPP, which would be applicable during the period until the new nuclear power plant is launched.

358. We shall eliminate obstacles for the decentralised (distributed) generation of electricity by providing competitive conditions for the integration of small generation sources into the electricity market.

359. On the basis of international practice, we plan to adopt legal acts with a view to establishing minimum basic electric power and heating procurement rates, to be applicable as of 2010 to all power plants based on any type of fuel. Stimulant extra tariffs shall be provided for

companies making use of renewable energy resources, while higher extra tariffs (treated as “negative”) required by uneconomical power plants (e. g. those that use gas fuel) shall be allowed for a temporary period of time and only at a limited energy quota required to meet the general power deficit over the current period.

XIII. TRANSPORT AND COMMUNICATIONS

The main objectives of the Government in the area of transport and communications are as follows:

with a view to achieving the old EU member states’ technical and service quality level of transport, to ensure a harmonious development of Lithuania's transport infrastructure;

taking into account that transport generates one tenth of the country’s GDP and is also among the leading areas of services export, to continue to promote and strengthen the competitiveness of Lithuania’s transport sector both on the European Union and global markets;

considering Lithuania’s advantages of its geographical and geopolitical position as a transit country, to ensure transit as well as the attractiveness and expansion of related additional services that generate added value;

in order that the development of infrastructure and technological progress is beneficial for the country’s general welfare, to create opportunities for the access of the Lithuanian people and economic operators to quality transport, logistics and communication services;

ensure that the development of Lithuania’s transport system is in line with the main priorities of EU transport policy, such as the promotion of safe, high-level mobility, social and economic cohesion, protection of the environment through securing energy supply safety, openness to innovations with a particular focus on the efficiency of energy consumption and the implementation of advanced transport projects.

In furthering these aims, our main focus shall be on the following priority directions:

complex development of the country’s transport system;

reform of Lithuanian railways;

development of Lithuanian sea transport;

development of motorways;

development of urban transport and infrastructure;

traffic safety;

development of air transport;

optimisation and enhancing the competitiveness of postal services’ sector.

Complex development of the country's transport system

360. We shall promote active transport policies in order to achieve that the country's transport sector occupies the widest possible segment of transportation and logistics services on the global (Europe-Asia trade route) and regional (Baltic Sea) markets.

361. We shall develop cooperation with the states adjacent to the southern part of the Baltic Sea in order to create a network and infrastructure of transportation and logistics services in the east-west direction, which would be competitive with the ports and transportation hubs of North Baltic Sea region, as well as the land transport transit from east to west via the southern neighbouring states.

362. We shall actively participate in the process of creation of the EU's common network of intermodal freight transport and logistics centres by encouraging innovations and research, developing legal framework and infrastructure and seeking optimal use of every mode of transport in order to achieve the maximum possible interaction efficiency between multiple forms of transport.

363. We shall ensure the integrity of Lithuania's transport system with the systems of old EU member states through developing and modernizing the infrastructure of the Trans-European Transport Network (TEN) and the efficient use of funding support from the EU and international financial institutions.

364. We shall develop an approach to intermodal transit via Lithuania as an added value creating process by removing bottlenecks which hamper the development of transit. For this purpose we shall update the Transit Development Programme, taking into account the needs of private and public capital enterprises.

365. We shall remove obstacles to establishing and developing modern intermodal transportation and distribution centres (clusters) near Vilnius, Kaunas, Klaipėda (in the future – near Šiauliai, Panevėžys) and not far from trans-European network highways and mainline railways which would concentrate in one territorial area the services of intermodal transport, load, storage, forwarding, logistics, information technology and other types of business and research. In establishing the clusters, the priority should be accorded on the basis of economic calculations, taking into account the transport and freight flows, their concentration and interaction at the intersections of highways, railways, air and sea ports and the possibilities for the expropriation of land for public needs (for the establishment of clusters).

366. We shall create a legal framework allowing transparent application of private and public capital partnership model in the implementation of transport and communications infrastructure projects.

367. Following the criteria of the general efficiency of the transport and communications system and the priorities of public interest, we shall encourage the competition between different branches of transport, also private initiatives, create equal and fair conditions of competition for all operators, assess and internalize on a fair basis the external costs of each mode of transport and eradicate the non-transparent public procurement practices.

368. We shall create the possibility for an immediate expropriation of land for public needs, which is necessary for the building or reconstruction of roads and for building other infrastructural objects.

369. We shall implement the common payment system for the use of transport services, encourage the pooling of personal and public transport, especially in city centres.

370. We shall carry out a radical reform of the system of transport discounts, spend the budget funds allocated to payment of the discounts only on socially supported population groups. We shall ensure that the population has access, to the extent necessary, to quality public transport services and develop a compensation procedure for the carriers of not profitable “social routes”.

371. We shall increase the efficiency of management and flexibility of public enterprises and the enterprises in which public capital accounts for 51 per cent by abandoning the duplication of management decisions and the merely formal participation of public servants in their activities.

372. In developing the transport system, we shall apply cutting edge methods and tools, in particular the modelling of transportation processes. For this purpose we shall develop relations with scientific research institutions, strengthen their material resources of research.

373. We shall reduce environmental pollution in transport sector by encouraging the modernization (upgrade) of transport means.

Reform of Lithuanian railways

374. We shall seek EU funding support and an agreement of the countries concerned in order that the Lithuanian railways are as early as possible connected to the European Union member states by the European standard gauge railway and services network.

375. We shall complete the restructuring and liberalization reform of the Lithuanian railways in conformity with the requirements of EU directives, taking into account the experience of EU member states and Lithuania’s specificity. We shall separate the management of railway infrastructure from commerce by placing on public authorities the responsibility for the

development of the infrastructure and passenger transportation. We shall transfer the management of secondary railway businesses (road repair stations, rolling stock repair enterprises, etc.) to private capital.

376. We shall create conditions for private carriers (of passengers and freight) to enter the railway transport market, provided they conform to the requirements of Lithuania's and EU legislation as well as the national security interests of the Lithuanian State by applying without reservation the derogation of the EU's directive providing Lithuania with the right to transfer the handling of rail transit from third countries to the national carrier.

377. We shall create conditions for municipal authorities to purchase suburban rail transport services from public and private enterprises.

Development of Lithuanian sea transport

378. We shall develop measures for strengthening the Lithuanian Sea Transport Fleet by removing bureaucratic obstacles to ship registration, issue of certificates, etc. We shall expand the functions of the Lithuanian Maritime Safety Administration by improving its flexibility and having it to share the general responsibility for the training of employees of national shipping business, their professional development, management of the Register of ships, etc.

379. We shall develop measures to encourage the employment in the Lithuanian Fleet of seafarers trained in Lithuania. If there is a shortage of employees in the national fleet, we shall establish Lithuania's International Ship Register and reduce the restrictions for the nationals of third countries in employment on ships.

380. We shall modernise and develop the infrastructure of the Klaipėda State Seaport by allocating necessary investment for deepening the entrance canal, reconstruction of quays, building of new quays and improving the interaction between railway and port.

381. We shall allocate the State investment assigned for the Klaipėda State Seaport for the projects that bring most benefit to the port, allow attracting additional freight flows and are related to the obligations of specific private cargo companies operating in the harbour to ensure the profitability of State investment in infrastructure.

382. By attracting new freight flows to the Klaipėda Seaport and building the necessary infrastructure, we shall achieve that at least 70 per cent of the port's cargo handling capacity is used.

383. We shall review the model of management of the Klaipėda State Seaport and involve in port management the representatives of the Klaipėda City Municipality and private companies operating in the harbour.

384. We shall determine a clear responsibility and functions of the Klaipėda State Seaport and AB “Lithuanian Railways” in developing and modernising the network of access roads to port’s terminals.

385. We shall fully explore and evaluate the possibilities of construction of a modern deepwater seaport.

386. We shall encourage the development of short-distance sea highways by making use of their cargo potential in favour of the Klaipėda Seaport and the country’s logistics system, seek to attract and use the financial support provided by the EU.

Development of motorways

387. We shall explore the possibilities of the privatization of road maintenance and operation function.

388. By changing the rates of deductions of the excise duty on fuel for the Road Development and Maintenance Programme we shall achieve the stability of the Programme’s financing.

389. When reviewing the Road Development and Maintenance Programme 2009, we shall pay particular attention to retaining the current road condition and improving traffic safety.

390. With the support of foreign experts we shall perform an assessment of the quality of road construction and reconstruction works, an audit of the organization of technical maintenance and, following the established international practice, evaluate the validity of the scope and cost estimate for the works.

Development of city transport and infrastructure

391. We shall provide legal regulation of the procedure for the development of urban transport and communications infrastructure projects, plan a compulsory prediction and modelling of transport flows and the analysis of environmental impact as well as the development of large centres of people’s attraction, such as shopping and entertainment malls, sports complexes through harmonious coordination with the development of communication infrastructure, prediction and evaluation of the future transport flows.

392. We shall contribute to addressing the problems of public transport in big cities.

393. We shall ensure a sustainable and purpose-oriented development of the transport systems of cities, districts and the whole country, seek to ensure that the long-term plans of

municipal authorities for the development of urban and district infrastructure are in conformity with the general direction of the country's transport development.

Traffic safety

394. We shall achieve the level of traffic safety comparable to that of the countries which are European leaders in this area. For this purpose we shall develop an efficient long-term traffic safety programme which would envisage complex measures beginning with educating on traffic safety at schools and ending with fundamental reforms of the system of traffic supervisory authorities and the adoption of effective traffic control measures.

395. We shall speed up the implementation of the road infrastructure reconstruction and development projects related to road traffic safety, focusing particular attention on the most accidents-prone roads and roads carrying the heaviest traffic.

396. We shall impose a stricter responsibility on persons whose acts or omissions cause traffic accidents.

397. We shall create a system of national importance for information on traffic conditions and accidents on roads by making use of the available infrastructure of information communications.

398. With a view to achieving a more streamlined implementation of road safety among member states, we shall participate in establishing the EU electronic information networks, integrate the general infrastructure of the emergency centre into the pan-European information emergency call system (eCall).

Development of air transport

399. We shall design air transport development programme, which would substantially increase the contribution of this transport mode to increasing Lithuania's importance in the region as a transit country.

400. We shall optimise the structure of state airports, Civil Aviation Administration and air navigation in order to develop a competitive regional transit airport.

401. We shall integrate the airports into the urban transport network by connecting them via regular bus and rail lines.

Optimisation and increasing of competitiveness of postal services sector

402. We shall design the Programme for Developing the Lithuanian Post until 2013.

403. We shall review the legal framework of postal services and prepare an adequate regulation system model for the market of postal and parcel services.

404. We shall expand, on the post's infrastructural basis, the provision of financial services.

405. We shall ensure the provision of quality, continuous, universal postal services to the post's customers (both in Lithuania and in the whole of the EU), consistently strengthen the competition in postal markets so as to improve the efficiency, quality and the choice of postal services.

406. We shall ensure that the Lithuanian post becomes an integral part of the EU's postal system and that the consumer qualities of the services provided are comparable to those of other EU member states.

XIV. LITHUANIA'S RURAL DEVELOPMENT

Lithuania's rural areas are undergoing important social and cultural changes. Besides traditional agriculture, which provides society with healthy food, other agricultural and non-agricultural businesses and services are gaining more importance. At the same time, the country's rural areas are facing stronger challenges of adaptation to the increasing competitiveness under globalization, growing food safety and quality requirements, stricter environmental protection measures and rapid technological change.

Unfortunately, the recent years saw the failure to sustain the rapid economic growth with social exclusion, reduction of poverty in rural areas, raising the employment and the encouragement of alternative businesses and services. The implementation of land reform and the management of land resources are inefficient and the differentiation of large farm households, subsistent and semi-subsistent farms is increasing.

A consequence of such rural policy is the growing migration of population to cities and abroad, the decreasing scope and dispersion of education, health protection and cultural activity. The ethno-cultural heritage and the living traditions of the rural areas are dwindling away.

The public administration of agriculture - not to mention the rural economy - is inefficient and not responsible enough in social responsibility terms. The institutions established to represent rural interests and distribute EU structural support funds fairly among all social groups imitate farmers' self-governance rather than represent it. It is only by bringing rural population in active communities and local activity groups that the national rural policy can head in a new direction and gain new content.

With a view to ensuring a viable rural development, it is necessary to give the priority to the development of the medium-size family-labour farms. This will facilitate the emergence and the

strengthening of rural middle class. With the application of modern technologies, rural areas will become an attractive place to live and work.

In order to ensure the progressive changes it is necessary:

to improve the planning, administration and research of rural development;

to improve legal and institutional environment, reform the institutions in charge of the management of land resources;

increase the competitiveness of rural activities;

improve the quality of life in rural areas and introduce innovations;

improve environmental management and the management of land, forest and inland water resources.

Improvement of rural planning, administration and research

407. We shall outline the main directions of rural development, give priority to the family-labour farm, business and the middle social class.

408. We shall seek a coherent rural development and the equilibrium between the freedom of business and the promotion of safe food production (reduction of requirements for small and medium-size business in rural areas), improve the institutional system of rural affairs administration and eliminate the duplication of functions. We shall review the functions of the institutions that control business in rural areas and, where possible, merge them, for example, the institutions that control livestock farming and crop production can be merged successfully.

409. On the basis of the State Property Fund, the Property Bank (AB Turto Bankas) and county governors' administrations, and by transferring part of their functions, we shall establish the State Land Fund and charge it with the task of disposition of land in accordance with the legal acts adopted by the Seimas and the Government.

410. We shall cultivate and raise the independence of the farmers' self-governance: we shall transfer part of the functions of the public authorities to the Chamber of Agriculture.

411. We shall reorganise the Ministry of Agriculture into the Ministry of Rural Affairs, transfer the ministry and the institutions under its authority to Kaunas.

Improvement of the quality of life in rural areas

412. We shall give particular attention to reducing the social exclusion in rural areas and implement a social programme.

413. We shall develop and present to the public for discussion and to experts for assessment a document, the Green Book of Rural Areas, prepared by the Government in order to create in the public's minds a new concept of the role of rural areas.

414. We shall create favourable legal, institutional and financial preconditions for the emergence of alternative businesses in rural areas, encourage and support their creation.

415. We shall bring the rural community and police supporter groups together and make use of modern communications to protect the lives and property of rural population, especially in individual farmsteads.

416. We shall design a concept of functional zones covering the aspects of integrated development of several territories. We shall promote the unions in small towns and district centres which would enable to use the potential and advantages of every town or location, avoid mutual competition and implement common projects.

417. We shall expand the knowledge-intensive job market in the regions.

418. We shall facilitate distance working, provide long-distance health protection, education and social protection services (*e-Services*).

419. We shall increase the support for rural communities via target programmes, encourage their establishment and activities.

420. We shall encourage private investment, invest in the quality of rural living environment, paying particular attention to the application of modern technologies.

Increasing the competitiveness of rural activity

421. We shall reconsider the measures of the Rural Development Plan for 2007-2013, pay attention to their implementation progress and the new challenges that are arising.

422. We shall simplify the regulations for the reception and administration of EU funding support (prepare standard forms for business plan, etc.) so as to achieve maximum accessibility of this support to all rural social groups and give priority to the medium size family farm (business).

423. We shall create favourable legal, economic and organizational preconditions for the development of cooperation by making efficient use of EU structural funds' support.

424. We shall finance measures aimed at encouraging farmers, rural communities and local activity groups to draw upon and hand over the useful experience of other countries.

425. We shall encourage the adoption of innovations and the creation of a higher added value in the whole rural sector.

426. We shall promote advanced farming, organic farming, encourage the diversity of rural businesses. We shall seek to ensure that the domestic market is supplied with good quality, healthy

foodstuffs, develop economic activity focused on the reduction of the negative environmental impacts and the prevention of soil erosion, by balancing economic and environmental objectives.

427. We shall implement the Programme for Supporting Non-Agricultural Businesses in Rural Areas, develop rural tourism.

428. We shall encourage the growing of the energetic crops as well as the production and processing of other agricultural products for non-food needs, also the reforestation of deserted lands that are less favourable to farming.

429. We shall support the creation of alternative retail outlets for selling agricultural and food products, encourage direct sales from farms. We shall create economic preconditions for the development of small retail in agricultural and food products and seek that it wins the maximum share in the market.

430. We shall regulate business relations among diverse economic agents across the food chain, form a coherent raw materials' policy. We shall seek a fairer distribution of profit between the suppliers of agricultural production resources and services, producers of raw materials, processing firms and retailers.

431. We shall seek to ensure equal competition conditions for the Lithuanian and old EU member states' farmers (equalization of direct support).

432. We shall encourage export and support the popularisation of trademarks and regional products.

433. We shall design a National Programme for the Development of Forest Sector in order to ensure rational use of land and forest resources.

Management of land resources and environmental protection

434. We shall take an inventory of the tasks regarding the return of land that have been completed and those that are still outstanding, define the redistribution of functions among the County Governor's Administration, State Land Fund and other institutions concerning land returns and privatisation, determine the need for funds and the deadlines for completing the tasks. We shall design a special property return action plan for subjects who have not recovered their property in the cities of Vilnius and Kaunas.

435. We shall complete the work concerning land return and privatisation, geodetic surveying and mapping, regulate land legal relations in order to reduce co-ownership, consolidate lad parcels and expand the land market.

436. We shall reconsider the legal acts providing for the management, use and disposition of land, develop a common land use strategy.

437. We shall determine the actual priority and procedure of land administration tasks so as to make use of EU funding support.

438. We shall adopt the principle of one-stop-shop for handling complaints related to land returns.

439. While seeking to discourage the speculation of land and the hoarding of unreasonably large parcels of land in the hands of related legal and natural persons, we shall apply regression procedure for the provision of support.

440. We shall support the medium size family farm households by encouraging them to use the land effectively.

441. We shall implement a complex of measures for preserving the cultural and technical status of land, maintain land reclamation facilities in operable condition and define the role and responsibility of the state and its relations with the users of the facilities.

442. We shall greatly simplify the classification of land by purpose, types of land use and the specific purposes of land use.

443. We shall develop a programme for the use of deserted lands.

Improvement of legal environment

444. We shall define the legal provisions on the bankruptcy of farmer's farm.

445. We shall create a legal, institutional and motivational basis to encourage the citizens (mostly relatives) to refuse their co-ownership right to the same parcel of land.

XV. ENVIRONMENTAL POLICY

Our environmental policy is based on the principle of respect to the created world through restraining ourselves from inconsiderate and erroneous use of nature. The present generation should live and use natural resources in such way that it does not lead to irreversible disruption on natural balance.

The fundament of our environmental policy is sustainable development, which is understood as harmonization of environmental, economic and social goals of the society providing for the achievement of overall prosperity for the present and future generations without exceeding the tolerable limits of environmental impact.

One of the biggest threats to the survival of the humankind is climate change cause by the irresponsible consumerist attitude towards the environment; therefore we should make concrete

steps to mitigate the climate change. Together with the most progressive countries of the world, Lithuania should enter a new era in energy production by replacing to the maximum extent possible the present conventional energy sources, oil and gas, with alternative renewable energy sources.

In the period of 2008-2012 our goal will be to achieve the average EU performance in efficiency of use of natural resources, and as far as pollution indicators are concerned, we shall endeavour to stay within the allowed limits set forth by corresponding EU regulations and we shall work towards implementation of the international conventions aimed at limiting pollution of the environment and impact on the global climate.

We plan the following environmental policy strategies:

- Consistent and sustainable development of various regions and various fields of economy;
- Reduction of the environmental impact from key sectors of economy (transport, industry, energy, agriculture and housing);
- More efficient use of natural resources and waste management;
- Reduction of risks to human health;
- Mitigation of the global climate change and its consequences;
- Better protection of biological diversity;
- Better protection and efficient management of landscape;
- Strengthening of the role of science and the general public in the protection of environment;
- Preservation of Lithuania's unique cultural heritage in the protected territories;
- Reduction of social and economic gaps between and inside different regions.

Reduction of air pollution and slowdown of the climate change

446. We shall strive that the National Strategy for the Implementation of the UN Framework Convention on Climate Change till 2012 is recognized as a horizontal multi-sector programme and the appropriations for its implementation are assigned to the Ministry of Environment.

447. We shall initiate projects that open access to the EU support for the reduction of air pollution from transport, industry and energy sectors (introduction of environmentally-friendly technologies, construction of bypass roads, bicycle tracks, development of public transport and multimodal transport systems).

448. We shall ensure more efficient use of the EU support and develop public-private partnerships along with the projects on heating and housing modernisation and renovation.

449. We shall promote efficient use of energy and renewables.

450. We shall minimise the use of fossil fuels as well as air pollution and greenhouse gas emissions caused thereby through a broader use of renewable energy sources (wind, biomass, sun, etc.), and also through an increased use of biofuels in transport sector. We shall continue introducing eco-innovative technologies, and we shall promote the principles of sustainable consumption, environmental auditing and corporate social responsibility.

451. We shall develop and implement strategies and measures for adaptation to the climate change.

Securing of water quality and minimisation of effluents

452. We shall strive to implement management of the country's waterbodies on the basis of the river basin management principle.

453. We shall continue the implementation of the Baltic Sea coast protection programme.

454. We shall endeavour to identify potential ground water pollution sources within the impact zones of watering places, assess the threat they pose to the quality of water resources at these sites and eliminate these pollution sources.

455. We shall support innovative and efficient technologies and promote environmental management systems, which contribute to higher economy and lower pollution of water resources.

456. We shall develop transboundary cooperation with the neighbouring states, especially the Republic of Belarus, the Republic of Latvia, the Republic of Poland and the Russian Federation, seeking common action for the protection, use and reduction of pollution of the Baltic Sea and other surface and ground waterbodies.

457. We shall continue wastewater treatment plant modernisation and development projects, combining state, municipal, private and EU funding.

458. We shall modernise the obsolete elements of wastewater treatment plants and related infrastructure in order to avoid pollution by wastewater leakage.

459. We shall apply economic, legislative and information measures to promote the minimisation of the pollution from agricultural sources.

460. We shall ensure free access to waterbodies according to the requirements of the protection of lakeshores and other coastal zones.

Maintenance and preservation of biological diversity

461. We shall prepare a strategy on biological diversity and a corresponding action plan, ensuring horizontal harmonisation of the strategy between different sectors during the drafting stage.

462. We shall integrate protection of biodiversity into individual sectors of our economy.

463. We shall encourage faster enforcement of our international obligations in order to stop degradation of biodiversity.

464. We shall introduce an information system on protected species and communities, and we shall adopt necessary legislation necessary for the functioning of that system in order to ensure the feeding of the relevant information into the system and its integration into the processes of strategic assessment of the consequences to the environment, environmental impact assessment and issuing of permits for economic activities.

465. We shall advocate preservation and development of mosaic agricultural landscape favourable for biological diversity.

466. We shall encourage preservation of forested landscape favourable for biodiversity and enforce the legislation aimed at protection thereof.

467. We shall initiate restoration of damaged or degraded habitats of low economic value but high importance for the preservation of biodiversity, located in agricultural or wooded landscapes.

468. We shall promote applied research aimed at assessing the status of biodiversity, identifying the reasons of its degradation and determining specific conservation measures based on scientific evidence.

Protection of landscape, culture and ecologically-sensitive areas

469. We shall improve the surveillance and management of the network of protected areas through introduction of a more effective system for the control of enforcement of the requirements on environmental protection and through more active involvement of local communities in fulfilling the tasks of the protected areas.

470. We shall regulate the process of construction ensuring efficient enforcement of the legislation regulating the construction activities.

471. We shall promote the development of a system of scientifically justified and sustainable use of the protected areas for recreational purposes.

472. We shall provide agricultural guidance towards sustainable farming and we shall encourage environmentally friendly techniques in this sector.

473. We shall provide a more stringent and effective control of the protection and use of the protected areas, and we shall properly manage the territories included into the Natura 2000 network.

474. We shall strengthen legal protection of the North Lithuanian carst region and recreational resources of the coastal zone.

475. We shall prepare and start implementing a system of reward measures for local inhabitants dwelling in protected areas for proper observance of the protection, management and use regime of the protected objects and territories.

476. We shall create a legal system for bringing to order and restoration of the closed or abandoned quarries, peat mines and buildings.

477. We shall protect and preserve objects of cultural heritage together with their natural environment.

478. We shall promote public attention to and active interest in the preservation of heritage by proposing important objects of natural and cultural heritage for including into the UNESCO World Heritage List; we shall also develop cultural and ecological tourism.

Optimisation of forest and land management

479. We shall review the distribution of agricultural support aimed at encouraging land owners and users to preserve natural forest plots.

480. We shall secure landscape stability by increasing forest coverage on the key zones of the natural framework; in productive regions priority will be given to natural recovery of forests.

481. We shall strive to preserve natural or semi-natural areas, forests first of all. We shall enforce stricter protection of forests and their biodiversity, and we shall not tolerate illegal felling.

482. We shall initiate amendments to the existing legislation in order to promote overall increase of country's forest coverage and to ensure landscape stability, primarily through afforestation of areas of low agricultural value, damaged landscape elements and territories included in the natural framework.

483. We shall seek to achieve more even distribution of forests by initiating legal amendments allowing for afforestation also on more productive soils.

484. We shall encourage private landowners to take full advantage of the EU structural support for funding prompt afforestation of abandoned land areas or their recovery for active cultivation.

485. We shall ensure sustainable forest use and preservation of forest biodiversity as well as traditional landscape.

486. We shall make efforts to promote the best forestry practices in efficiently handling and using both logwood and other output of final, sanitary and intermediate felling.

487. We shall endeavour that all Lithuanian forests are restored after felling in the shortest time possible.

488. We shall design a forestry reform to achieve an efficient performance.

489. We shall assess the performance efficiency of the institutions responsible for the management of state-owned forests with the aim to optimise their management.

Waste management and prevention of physical pollution

490. We shall introduce integrated waste management based on the principle of subsidiarity.

491. We shall ensure the minimisation of waste disposed in landfills and its safe storage therein. Recycling will be ensured, and waste avoidance made an important goal.

492. We shall aim at effective implementation of the waste hierarchy principle: avoidance, sorting, reuse, recycling and safe disposal.

493. We shall accelerate sorting and recycling of household waste according to the “polluter pays” principle by trying to achieve that the waste producers or owners either ensure proper management of their waste or pay for it.

494. We shall ensure that illegal dumpsites are closed, regenerated and monitored.

495. We shall strive to achieve that waste with high energy content is used for heat and energy recovery.

496. We shall ensure protection of the environment from radioactive pollution and safe storage of nuclear waste during the decommissioning of the Ignalina Nuclear Power Plant.

497. We shall promote development and implementation on noise reduction programmes.

Environmental protection and national economy

498. We shall promote efficient use and saving of energy, increased use of renewable and other alternative energy sources, accelerating the use of wind power.

499. We shall encourage combustion power plants to switch towards cleaner combustion technologies.

500. We shall promote and support low-waste and cleaner production, saving of natural and energy resources as well as production of ecological products.

501. We shall promote a shift towards the production and use of reusable packaging and containers as well as reusable materials.

502. We shall encourage recycling and production of environmental technologies.

503. We shall encourage enterprises to introduce environmental management schemes.

504. We shall combine intensive and extensive farming methods. We are going to inoculate sustainable and organic farming (first of all in the carst region), and promote production of ecological agricultural products.

505. We shall promote and enforce safe use of plant protection means, fertilisers and other chemicals.

506. We shall prepare and implement in an organised manner a national programme on the renovation of energy systems of apartment houses with the target of renovating at least 2000 houses annually.

507. We shall draft new legislation providing for the simplest possible preparation and approval procedures for house renovation projects, as well as for efficient financial support and crediting mechanisms.

Sustainable development and territorial development

508. We shall apply the principles of sustainable development in territorial planning and urban development.

509. We shall minimise discrepancies in the development of cities and other populated areas by improving accessibility. To achieve a more rational and even distribution of the economic and social potential, we shall accelerate the development of weaker regions. In urban development, we shall seek to ensure consistency, sustainability and viability of all populated territories, be they metropolises, cities, towns or villages.

510. We shall develop the network of bicycle paths in towns and settlements as well as a nation-wide recreational bicycle route network.

511. We shall encourage private capital investment into modernisation of urban public transport.

512. We shall legally establish priority of the public transport; we shall create conditions for the development of multifunctional and multi-centred internal urban structure, we are going to create high quality public spaces, while preserving and properly using the available resources, natural and cultural values. We shall reduce fragmentation of towns, social polarisation and exclusion, develop urban infrastructure and ensure its accessibility; we are going to promote construction of new and integrated modernisation of the existing housing, to stop spatial scattering of towns resulting in excessive infrastructure spending and destruction of natural territories.

513. We shall restructure the existing territorial planning system transforming it into a modern, stable, transparent, understandable and logical system of territorial planning and its implementation, based on professional decisions. Such system would be designed to promote investment, ensure proper protection of natural values and cultural heritage, secure public awareness and constructive cooperation, would create alternative options for businesses and for the public, and would meet the commonly accepted principles of sustainable development.

514. We shall improve the efficiency of the planning system by shortening the time and resources spent on preparation of territorial planning documentation.

515. We shall draft a bill on the Implementation of development (or on infrastructure development for populated areas), regulating the principles of land consolidation, reservation and buyout for the development of public infrastructure.

Public and private interests

516. In legal acts regulating the use of natural resources and protection of the environment, we shall define and harmonise public interests (the principle of common good) and those of an individual.

517. We shall create a general system regulating both protection of nature and cultural heritage and development with clear delimitations of functions and responsibilities. We shall legitimate personal responsibility of the public officials for their action, even if their responsibility is established after they have quit public service.

518. We shall provide for personal responsibility of the offenders breaching the requirements of nature and heritage conservation, including an obligation to compensate for the damage caused by them.

519. In cases of illegal construction, we shall introduce severe sanctions for project authors, officials who approved the project and issued a construction license, and for the construction contractors.

520. We shall draft legislation providing for the prompt adoption of administrative and judicial decisions on illegal construction and that no time limitation applies to these decisions.

521. We shall review the limitations of activities in all protected areas. We shall tighten the limitations or control of their enforcement in the highest priority protected areas (strict nature reserves and various preserves). In protected areas of the lowest priority the limitations and bans will be replaced by the requirement to produce no negative impact on the environment.

522. We shall raise general awareness on sustainable development. We shall promote in all ways and forms education on sustainable development by strengthening education of children and adults in this field and preparing special programmes for that purpose.

523. We shall create a common environmental information system accessible to the public.

524. We shall seek for public and private capital partnership while combining the tasks of conservation and development.

525. We shall review the Law on Hunting taking into consideration the rights of private land owners and users.

526. We shall seek for publicity and transparency in making decisions on establishment of new economic entities or expansion of activities of the existing ones, abiding by the provisions of the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (the Aarhus Convention).

527. We shall promote the principle of “green procurement” in public and private sectors.

528. We shall encourage incentives of corporate social responsibility.

529. We shall review the goals and the measures of the National Strategy for Sustainable Development by deleting the tasks and activities that are included into the National Long-term Development Strategy. We shall ensure that the sustainable development principles are applied in drafting all sectoral strategies. We shall clearly define the indicators and develop achievement-benchmarking system that would allow timely evaluation of the progress and corrective actions, when needed.

530. We shall prepare a National Environmental Protection Strategy clearly indicating the long-term priorities for the environmental sector.

XVI. TOURISM POLICY

Lithuania's tourism resources provide possibilities to develop the products of active recreation, resort tourism, conference tourism, cultural tourism and ecological tourism, all capable to successfully compete on global tourism markets. Lithuania's convenient geographic location (proximity to large tourism markets of Western and Eastern Europe), as well as increasing international cooperation, offer especially favourable conditions for the development of conference (business) tourism. Growing flows of incoming and local tourists enable tourism business sector to exploit its potential and generate more revenues, to preserve jobs in the sector and to create new jobs, while also contributing to the positive image of our country. The tourism business offering products of recreational and wellness tourism is not only a tool for exploiting Lithuania's

recreational and medical mineral resources, it also allows to maintain health and working capacity of the country's population. In order to efficiently use its natural and cultural resources of interest for tourists and to address economic, social and regional development problems, the State, therefore, must provide a favourable legal and economic environment for the development of tourism business and actively contribute to creating an image of the country as a tourist attraction.

531. We shall update the National Tourism Development Strategy taking into consideration the changes in the international tourism market caused by the global financial crisis.

532. We shall minimise bureaucracy and requirements for the development of tourism business and promotion of investments.

533. We shall promote incoming and local tourism.

534. We shall increase the use of web marketing and other innovative digital technologies to increase the visibility of Lithuania and its tourism potential.

535. We shall develop resorts and resort areas as well as related services following the findings of resort science studies.

536. We shall ensure efficient use of the EU support dedicated for the development of public tourism infrastructure.

537. We are going to promote the development of conference tourism.

538. We shall improve accessibility of Lithuania by air and sea transport.

C. PUBLIC LIFE AFFAIRS

XVII. EDUCATION AND SCIENCE REFORM

Strategic policies in the field of education

539. We shall raise the following objectives of education system:

- to prepare a person for a successful and meaningful life,
- to educate a moral, creative, self-dependent, free-thinking person,
- to provide knowledge as well as develop skills and root values throughout one's lifetime,
- to educate a citizen of the Republic of Lithuania as a free and mature to make choices individual feeling responsibility for himself/herself, his/her family, community and the State,
- to ensure the continuity and development of culture and identity of the Lithuania's nation,

– to ensure that education and science become an accelerator in developing public-spirited, moral and creative opportunity society when forming dashing, competitive and modern democratic state.

540. In order to achieve the objectives in the field of education we shall raise the following objectives of education system:

- to achieve a better quality key education and science,
- to ensure access to education by providing each person with real opportunities to make a free choice and gain acceptable educational services for his/her competences, formation of values and development of skills,
- educator and scientist constantly improve their skills and knowledge, are creative and productive, receive adequate payment and are respected by schoolchildren and the society,
- schoolchildren, parents and the society appreciate education and seek it,
- harmonious and efficient functioning of the system of education and science.

541. We shall seek the planned objectives in line with the following principles:

- decentralization of the system of education and science, elimination of bureaucracy,
- transparent, moderate, friendly to the development of education and science state regulation based on respect and trust in an individual,
- active participation of schoolchildren and their parents and responsibility,
- independency of school communities,
- participation of teachers' associations in education content formation,
- professional management of education and science institutions,
- state financing of education system based on provision of finance to a schoolchild (schoolchild's basket and other methods),
- fair competition, equal rights and conditions for non-state education and science initiatives,
- strategic nature of state education and science policy.

542. We shall envisage the following major results to be achieved in the year 2012:

- increased trust of schoolchildren, parents, teachers and the society in quality and access to education services,
- essential improvement in schoolchildren's ability to apply knowledge, better social skills, more steady knowledge (evaluation according to the international comparative tests),
- educated people quickly find their place in a labour market, the number of people who work according to their acquired education is increasing,
- attractiveness of an educator's profession increases; this profession is chosen by motivated young people who are experts in this field and in pedagogy,

- wide use of modern teaching (learning) means and advanced methodologies,
- adequate learning environment, renovated education institutions,
- development of a non-state network of education service suppliers,
- increased amount of state and private funds invested into education,
- significant increase in participation of researchers of Lithuania's science institutions in international research projects.

General measures

543. We shall encourage permanent (continual) learning culture in the society paying attention to the way, how to develop person's ability of independent learning.

544. In the education process we shall widely employ informal, informal alternative education methodologies including support and incentive for the establishment of innovative and advanced practical models and access to them for all groups of society. We shall encourage the commencement of programmes, alternative to the national programme and meeting general education objectives.

545. We shall systematically develop the strengthening of health (self-knowledge, healthy lifestyle, physical culture, healthy nutrition, self-control), attention will be paid to sport and physical activity of schoolchildren.

546. We shall integrate children and the youth with special needs, without motivation or outside the education system into the education system, they will receive closer attention and will become the object of informal education and other recognized methodologies, individual education programmes.

547. We will promote the organization of representatives of the education sector aiming at improvement and expression of common interests.

548. We shall ensure efficient use of information technologies in education process.

549. We shall support activity of Lithuanian Saturday schools abroad and shall motivate teachers of such schools by granting awards. We shall develop and improve education programmes and distance education programmes targeted at Lithuanians living abroad and establish equalizer classes for schoolchildren coming from abroad.

550. We shall simplify the structure of the Ministry of Education and Science as well as the network of related institutions. Associated education structures, public experts, consumers and non-governmental sector will participate in the discussions on education issues.

551. We shall accelerate renovation of education institutions in line with the key improvement of quality teaching and ensure transparent financing procedure. Each year at least 100

schools and 100 pre-school education institutions as well as informal education institutions will be renovated.

552. We shall grant state education institutions opportunities to make free use of earned funds.

553. We shall simplify unfounded strict requirements (for example hygiene requirements) as well as other procedures for the establishment of education institutions, conformity of such requirements and decision making at all education levels.

Pre-school education

554. With adequate preparation we shall finance pre-school education according to a child's basket model which will include the financing of economy supply as well.

555. Aiming to achieve high quality of early child education we shall encourage educators and other staff of pre-school training institutions to improve their qualification by including funds for qualification improvement into the child's basket.

556. We shall increase opportunities to gain access to pre-school and preparation for school education by supporting (funds, premises and the like) the establishment of institutions that provide such education, by providing favourable conditions for legal and natural persons to provide non-state pre-school (preparation for school) education services. Child's basket will be of the same size for state and non-state institutions.

557. During the four-year period the average wage of educators of pre-school education institutions will reach the level of average wage of educators of general education institutions.

General education

Content of education

558. We shall integrate general education concerning knowledge, critical thinking, creativeness and values into general programmes.

559. In the education process we shall support value system that favours survival and prosperity of the nation and the State.

560. We shall make efforts to ensure that values become part of the spirit of a school: their integration into school surrounding, social relations.

561. We shall optimize learning load so as not to exceed schoolchild's abilities and leave time for selected education directions.

562. We shall make efforts to ensure that schools use different education methodologies, schoolchildren have as many opportunities as possible to evaluate knowledge through practice, personal experience, to link knowledge on different subjects, to choose the most appropriate methods of problem solving. The content of education will encourage the schoolchildren to act, think, apply the acquired abilities and knowledge in practice. We shall direct the content of education towards the development of competences, individualization of education taking into account the different needs of schoolchildren.

563. We shall establish a system for periodical check of a schoolchild's advance which will evaluate schoolchild's competence (values, abilities, knowledge) and motivation to learn.

564. We shall adjust the content of exams, substitute the current check of knowledge by evaluation of knowledge, personal abilities and attitude. The tasks of examinations will be in line with the content of education and will require not only knowledge but ability to apply them and thinking as well. (The final school graduation evaluation will cover the annual schoolchildren's achievement evaluation indicators).

565. We shall ensure transparent and efficient system of examinations as well as confidentiality of examination related information.

Improvement of teachers' working conditions

566. Each year we shall increase the wages of teachers until they become at least 20 per cent higher than the average monthly pay in the country.

567. We shall substantially reduce paperwork and red-tape. According to the results of an independent audit, we shall reduce the amount of paperwork that is a burden on teachers and schools by at least 30 percent in all education institutions.

568. We shall set up a model according to which once in seven year period the management of a school will have the right to grant teachers a paid long-term (up to 1 year) vacation for qualification improvement (for example, study visit, courses, etc.).

569. We shall make efforts to ensure that teachers will be provided with the opportunity to work longer than the pedagogical norm permits (nor exceeding the time limit set in the Labour Code).

570. We shall set up a model according to which a teacher with a minimum of 25 year long teaching experience will be entitled to earlier retirement and retirement pension.

571. Aiming at teacher and schoolchildren relationship based on respect, cooperation and responsibility for their actions we shall implement the most effective taunting prevention programmes, organize training on informal education for teachers and schoolchildren, amend

current school, schoolchildren and parents agreements and include certain sanctions for disrespect of teachers, absence from school and unsatisfactory behaviour.

572. In order to compensate for a short-term and long-term shortage of teachers we shall set up a system of replacement teachers by involving unemployed teachers and teachers from other schools and by employing the opportunities of distance teaching.

573. We shall provide teachers with modern work instruments.

574. We shall fix the optimal number of children in a class. We shall fix the maximum number of children in a class; the number of children in overcrowded classes will decline. Because of the establishment of a schoolchild's basket model that includes funds for surrounding (economy supply) the school will gain interest and will be able to regulate the number of schoolchildren in classes.

575. We shall give opportunities for all Lithuania's higher schools implementing study programmes that meet quality requirements to compete in preparing teachers.

576. We shall perform annual, independent, public investigation on how teachers evaluate teaching conditions and results as well as qualification improvement.

Independent school: strong role of community, modern and professional management

577. We shall provide transparent financing of schools; when ready, we shall apply a schoolchild's basket that will include funds for economy supply. The schoolchild's basket will be of the same size for state and non-state schools, municipalities will have no right to reallocate funds of schoolchild's basket that were allocated for schools, there will no longer be any allocations of the basket into targeted parts and its use will be left for the competence of schools.

578. We shall make efforts to ensure that parents who are the principal clients of the education system have the right to make decisions at schools. The head of school will be selected for a time-limited period by means of a competition taking account of the results of management test and psychological eligibility test.

579. In case the results of school activity are negative, there will be a possibility to depose the head of school prior to the fixed period. The school board will have the right to initiate such a procedure.

580. The school itself will in fact deal with the issues concerning the internal structure of school, economy, work visits, participation in associated structures.

581. We shall strengthen the quality of schools' management (government of schools): we shall establish the model for quality management system at school, we shall prepare a new system for appointment of heads and evaluation that assesses necessary abilities more precise, we shall

motivate heads of education institutions to improve their skills in the fields of management and strategic planning, advanced methodologies of informal, informal alternative education.

582. We shall evaluate the quality of teacher's work according to the evaluation of schoolchildren's competence and motivation advancement, ratings by schoolchildren and colleagues as well as other criteria established by the school community. By means of a simplified system we shall withdraw the current attestation of teachers and heads.

583. We shall withdraw centralized wage payment planning and staff needs planning; the schools themselves will be allowed to decide on what kind of and how many workers they need and on their wage. The head of school will employ teachers and decide on their wage on the basis of teacher's professionalism, quality of work in line with the procedure adopted by the school's board.

584. We shall change the centralized system of teachers' qualification improvement into the system when 'a teacher chooses the provider'.

585. On the basis of the results of the audit performed we shall withdraw at least one third of documentation that is not necessary for school. Having performed the audit of the current education information technology system we shall the universal electronic model for the exchange in data in the education system. We shall improve and use in all chains and at all levels e-daybooks and other necessary databases. This will speed up and simplify administration.

586. We shall distribute more clearly the functions of management of schools among the founders of schools: Ministry of Science and Education and municipalities.

Freedom of parents and schoolchildren to choose

587. We shall provide equal financing to schoolchildren in state and non-state schools. Parent community consisting of a fixed number of members will be able to initiate the establishment of non-state (as well as traditional religious community) schools. The State will support the initiatives of parents and will provide such 'parent initiated schools' with premises to be used.

588. We shall implement the optimization of the network of schools taking account of guarantees for quality education, interests of community and region in line with the concept of region development.

589. Schools providing training and education services that meet public needs, are of adequate quality and are financed from the schoolchild's basket funds will not be closed. If such schools collect small funds due to a small number of schoolchildren, the community itself and the parents will be free to decide on the future of such a school.

590. When optimizing the network of schools in rural areas we shall take into account the importance of an individual school to a certain community. An organization model as well as adapted education programmes will be developed that will allow to maintain schools that unite the community, educate and foster values and abilities by harmonizing their activity and funding with functions of cultural centres.

591. We shall provide the schoolchildren of schools that are unable to ensure quality education with the opportunity to reach the schools in neighbouring towns by organizing transport of children.

592. We shall establish a complex system for the evaluation of the added value provided by achievements of schools, quality of their activities and schools themselves by starting to apply the universal test of knowledge and skill after the fourth grade. We shall plan incentive measures for schools that provide the biggest added contribution by creating favourable conditions for them to repeat and transfer their success. We shall identify problematic schools and take measures to reorganize them in case the situation does not improve.

Informal education of children and youth

593. We shall make efforts to give the majority of children the opportunity to participate in the activity of at least one informal education. With proper preparation the suppliers of informal education services (artistic, sports, cognitive classes, schools, etc. integrating the content of informal education) will be financed by introducing the informal education basket.

594. The network of informal education suppliers will be classified according to the nature of education programme and informal education criteria that meet it.

595. We shall create a 'mobile' informal education basket consisting of municipal, state budget, programme funds. This basket will be used for accredited and licensed suppliers of informal education services selected by a child and his parents: centres, classes, public, non-governmental organizations, private persons.

596. The State will support the initiative of communities and youth organizations to establish non-state centres of informal education.

Professional education

597. We shall connect and harmonize the system of professional training, centres of training and employment exchange and system of life-long learning.

598. With the help of associated business structures we shall evaluate and form the prospective models of business trends and labour market development. We shall adjust the content of professional training programmes according to the actual need for specialists.

599. In co-operation with business structures we shall create and implement the model of early professional orientation.

600. In line with the principle that funds are granted to an individual and not to an institution, we shall reform the financing of professional education. We shall ensure the quality of professional education by promoting professional management of institutions and competition among them.

Lifelong learning and adult education

601. We shall strengthen the culture of a lifelong and multifold learning in the society.

602. We shall create actual opportunities for each person to make a free choice of education services acceptable to him and receive them.

603. We shall support the providers of informal, informal alternative education services and encourage to use innovative, advanced practical models, impart the best education practice of foreign countries.

604. We shall create a comfortable organizational surrounding for all fields of lifelong learning that are necessary for society and for qualified suppliers.

605. By means of targeted information campaigns that are oriented towards practical benefits of adult education and improvement of life quality we shall increase the number of people who study, improve their qualification or acquire new competence.

Science and studies

606. The major part of provisions under this chapter will be implemented in 2009.

Real autonomy of higher schools

607. We shall grant the higher schools that had performed certain reform real autonomy ensuring their accountability for the results of their activity in relation to society. Such an autonomy will cover freedom for high schools to define study programmes and content of studies, trends of scientific activity, internal structure, staff policy (organization of tenders, system of remunerations, etc.) as well the right to use assets acquired or trusted by the State. By granting real autonomy the

centralized management of the State will be withdrawn and other unnecessary restrictions will be abolished.

608. We shall grant the higher schools special legal status that ensures autonomy as provided in the legislation.

609. In case state higher schools ensure proper quality and accountability in respect of society, they will be provided with the rights to manage and use the assets.

Modern management of state universities

610. We shall modernize the management of state universities by making a clear distribution of functions and responsibilities among the Council, the Senate and the Rector of the higher school.

611. The properly functioning Councils of higher schools will make decisions on strategic issues concerning the higher school management and will select heads of higher schools by organizing competitions. The Councils of higher schools will be composed of properly selected representatives of society and higher school with proper repute and expertise in the field, willing to assume commitments. The number of external members of councils will account for more than half of the total number of members in a council.

612. The senates of higher schools will be provided with the opportunity to devote all their attention to discuss and solve academic issues.

Concentration of State's efforts to ensure quality

613. We shall introduce fair competition that ensured quality in the field of higher education primarily through mechanisms aimed at providing finance in the fields of science and education.

614. We shall restructure the Centre for Quality Assessment in Higher Education into an independent institution that will function impartially, professionally and in modern manner; experts from abroad will be invited.

615. We shall perform the overall accreditation of study programmes; study programmes that fail to meet minimum requirements will be withdrawn.

616. We shall set up the institution of an independent controller of academic ethics and procedures.

617. We shall create the system aimed at providing information to schoolchildren, organizing consultations, informing about possible studies and providing professional orientation. The rates of Lithuania's institutions of science and education will be announced by independent rating agencies.

Complex of measures for optimization and cohesion of higher school network aimed at creating preconditions for quality and more efficient use of current resources

618. We shall allocate more than 150 million Litai from the EU structural funds as support for the merger of higher schools.

619. In order to support merger processes we shall establish the know-how support group which will disseminate justified expertise of Western higher schools.

620. Programmes failing to meet the requirements will not receive repeated accreditation, efficient and cost-conscious use of funds will be promoted by clear financing rules.

Restructuring of study financing system

621. We shall restructure the financing of studies by granting state funds to the most talented young people. Starting with the study year 2009-2010 we shall start the financing of studies of first year students on the basis of the principle of the study basket. Which higher school (state or private) will receive money from the study basket will depend on the decision of a student who was entered on a list of state financed candidates.

622. We shall ensure accessibility to studies:

- we shall create a system aimed at providing with state supported loans which will start to function from July of 2009 at the latest. For this purpose we shall restructure the Lithuania's State Science and Education Fund and determine conditions for guaranteeing loans and interest compensation procedure.

- we shall ensure adequate grants for the most talented students as well as social grants for students having financial difficulties.

623. We shall provide targeted state financing for individual study programmes in line with the well-founded and publicly available analysis of state needs.

624. We shall make efforts to initiate a more even evaluation of study results, decrease in assessment differences among the study courses and individual higher schools.

Priorities of science development, management and financing

625. Taking account of the most advanced worldwide practice we shall create and implement a model to form, implement and finance science policy that will ensure transparent, targeted and strategically planned investment into scientific research. For the purpose of this model

the key role will be attributed to the Science Council of Lithuania consisting of two units: Committee of Natural and Technical Sciences and Committee of Humanities and Social Sciences as well as Science Fund under the Science Council of Lithuania.

626. By providing funds to scientific research we shall achieve the transition to a long-term financing based on organization of competitions. When organizing competitions and assessing results of scientific research we shall take account of external (international) expertise.

627. We shall provide real incentives to activities of societies and associations of researchers and students as well as their inclusion into the formation of science and study policy; they will be provided with power to make decisions on issues concerning self-governance of their field.

628. We shall gradually transit to financing (from state funds) of applied scientific research solely by organizing competitions.

629. We shall link the II and III stage university studies with the performance of fundamental research by providing finance to them on the basis of results of competitions from funds assigned to institutions with the highest ratings in certain fields of science.

630. We shall set up supervision group or agency to supervise the implementation of programmes of integrated science, study and technology centres (valleys).

631. We shall harmonize a model of cooperation between the Ministry of Science and Education and the Ministry of Economy in formulating and implementing policy on innovations.

632. We shall make efforts to achieve that Lithuania become the worldwide centre of Lithuanian research. We shall prepare and implement the strategy on humanitarian and social science development.

Unity of stage III education system

633. We shall integrate education of colleges into the remaining system of science and studies, we shall integrate professional education into the higher college education by foreseeing clear possibilities and requirements for equalizing courses when transferring from one system to another.

XVIII. CULTURAL POLICY

634. The principal strategic objectives of cultural policy of the Government are as follows:

– to return the role of the leader to the Ministry of Culture that initiates and coordinates national cultural projects and initiatives,

– to trust in humanistic tradition of Western culture – to develop programmes of national and civil education,

– to create a model aimed at forming modern State and identity of the nation by integrating the objectives of cultural and education policies; the formation of Lithuania's image is an integral part of this common strategy.

Lithuania in the world

635. We shall create and develop national identity in a global surrounding and develop respect for the history and symbols of the State.

636. We shall protect, enshrine and propagate the Lithuanian language, we shall make efforts to encourage to keep to the traditions of the language, we shall implement the programme aimed at systematic strengthening of the Lithuanian language.

637. We shall develop programmes aimed at introducing the Lithuanian language into the computer system space, promote the implementation of projects concerning automated recognition and translation of the Lithuanian language and create a state programme for the systematic strengthening of the Lithuanian language in public space.

638. We shall develop the export of culture by making use of common production opportunities of cultural and art projects as well as cultural attaché.

639. We shall take care of the security of the State and the nation in terms of culture and information. By neutralizing misleading information and spread of cultural production from non-democratic foreign states we shall create and implement the strategy on the protection of cultural and information space.

640. We shall enshrine the peculiarities and traditions of ethnic minorities and encourage their integration into life of the State.

Professional art and culture

641. We shall encourage charity and support to projects in the field of culture and art.642. we shall support artists by improving the system of state grants.

643. We shall make a provision that the status of an artist can not only be acquired but lost as well.

644. We shall create a programme aimed at ensuring social protection of artists (pension plans for artists).

645. We shall improve regulations of profile commissions and councils under the Ministry of Culture aiming to ensure that expert commissions consisted of authors and performers as well as of professional assessors and distributors in a certain field.

646. We shall initiate presentation and dissemination of the most important Lithuania's national events in the field of culture.

647. We shall set priorities of support in the field of culture and provide support to only representative and most promising festivals.

648. We shall create a mechanism aimed at the implementation of State initiated study programmes in the field of culture as well as procedure for study financing.

649. We shall implement a programme aimed at increasing salary of staff in the field of culture seeking to ensure that average salary of a person working in the field of culture reaches salary of a teacher.

Amateur art

650. We shall improve the self-governance of culture and make efforts to ensure that amateur art receives more support from local community.

651. Only representative and most promising projects of amateur art will receive financial support.

Cultural heritage

652. We shall protect and cherish cultural heritage as a sign of nation's and State's continuity by integrating it into projects in the fields of education, creative industry, cultural tourism and create a system of Lithuanian's ethnic culture development.

653. We shall set up a register (information system) of cultural values that were transported from Lithuania or probably destroyed.

654. We shall make efforts to ensure that national cultural heritage is accessible in a global public space; encourage the creation of creative projects that would propagate the culture of Lithuania by means of modern technologies and dissemination means.

655. We shall recognize the graves of people in exile and political prisoners as well as place of burial as cultural and historical heritage. We shall make efforts to ensure constant care of this heritage, create care programme and conclude certain agreements with foreign countries.

656. We shall take care of Lithuania's cultural and historical heritage in foreign countries by means of a certain programme.

657. We shall continue the implementation of programmes aimed at transferring data on national heritage into digital format and develop the use of new technologies for the development of national culture.

658. By means of economic means we shall make efforts to promote the fulfilment of the requirements for immovable cultural heritage protection and provide stricter sanctions in cases of failure to meet them.

659. We shall provide stricter sanctions in cases of unlicensed constructions in protected zones of immovable cultural heritage.

660. We shall perform a check-up of museum funds; on the basis of its results we shall draft a plan for the use of less valuable objects.

Creative industry

661. We shall make efforts to increase the percentage of creative industry in relation to Lithuania's GDP. For this purpose on the basis of the results of the feasibility study and strategy of its development we shall create the programme aimed at the development of creative industry in Lithuania, national, complex, integrated programme for art, science, education and business, which will include the following trends of creative industry development:

- implementation and development of scientific research, artistic and creative projects aimed at strengthening the potential of creative industry,
- integration and cooperation of sectors (sectors of art, science, education, business and community) forming creative industry,
- strengthening of infrastructure (as well as incubators) of creative industry,
- improvement of funds as well as other means for financing creative industry, use of EU structural funds,

662. We shall establish the system aimed at promoting foreign investments into Lithuania's cinema industry and direct resources form the Cinema Fund to national video and audio projects that are expected to be popular in international market, to strengthen Lithuania's image and (or) to encourage to learn about Lithuania's culture and history.

Culture for everybody

663. We shall create an individual friendly urban surrounding in which artistic elements could find their place.

664. In co-operation with the Ministry of Science and Education we shall make efforts to ensure that education in the fields of culture and art will be included into general curriculum.

665. We shall improve access to the values of culture and art for all the social sectors of Lithuania's population despite of their place of residence. We shall draft and implement programmes aimed at reducing regional isolation; implement programmes aimed at development of multifunctional centres.

666. We shall create the concept of development of multifunctional community centres for cultural education by integrating the development of such centred into regional policy and education policy. The establishment of such centres is very important seeking to maintain and concentrate cultural and social capital in rural regions.

667. We shall prepare a regional strategy for local cultural policy by connecting it to regional and social policy and prepared for implementation.

668. In co-operation with the Ministry of Transport we shall implement technical broadcast of TV programmes to communities in emigration.

669. We shall create ceremonials for State holidays and red-letter days.

Funds for culture

670. We shall audit the functions and finances of the Ministry of Culture and bodies under it; on the basis of the results of the audit we shall restructure or close bodies that are useless.

671. We shall audit investment projects and avoid expenditures that in the presence of economic crisis can be postponed to the future.

672. We shall carry out a stricter control on the financial and economic activity of national culture institutions.

673. We shall improve the regulation of procurement procedure in the field of culture and exclude the provision stating that price is the principal criteria in evaluating projects in the fields of art and culture.

Institutional strengthening of the Ministry of Culture

674. Having analysed the current situation and opportunities, we shall strengthen the inter-institutional co-operation between the Ministry of Economy and the Ministry of Culture aimed at the development of international tourism in Lithuania by including joint cultural, recreational and cognitive programmes in the tourism routes.

XIX. SOCIAL POLICY

The Government has inherited a distorted financial system of the social sector. Pensions paid from the State Social Insurance Fund Board (the Sodra) have been gradually reducing compared to the growth in salaries and GDP per capita since 2000. The National Audit Office has considerably criticised the performance of private pension funds. The Sodra budget 2009 may fall short of at least LTL 1.3 billion; notable, that no financial reserves had been provided for. Left unaddressed, these problems will cause threat to the entire national social policy. At the same time, it is necessary to improve the currently operating system to make the social support policy more effective. The above challenges and imperatives mandate our social political guidelines.

675. We shall draft a social insurance improvement programme encouraging relative growth rate of old-age pensions. We shall create preconditions for a wider application of private pension funds while maintaining solidary responsibility for the Sodra pension fund.

676. We shall revise the calculation method for the reimbursed remuneration as well as the requirements for the calculation of the maternity, paternity, maternity (paternity) allowances based on longer-term income and considering the interests of young mothers having been unable to have longer work experience due to studies or training.

677. We shall aim for maternity/paternity leave allowance not to exceed 100 % of previous earnings, while providing for supplementary child care benefit during the maternity leave of absence for the families with children born in successive years, twins or triplets.

678. We shall develop a new social support concept by reviewing the fragmented structure of inefficiently run support with a view to moving over to a common support scheme so that all the social payments are bundled up.

679. The Ministry of Family and Social Security will establish a special community department to focus on community development in Lithuania.

680. We shall continue to finance the involvement of non-governmental organisations and communities in decision-making, so that they could take an active part in building civic society.

681. The Community Department of the Ministry of Family and Social Security will have a division of religious communities which will develop and coordinate common community initiatives with traditional denominations.

682. We will provide access for non-governmental organisations, communities and parishes to equal financial support, which would encourage municipalities to conclude long-term service contracts regarding outpatient social service provision for different social groups: the elderly, the

disabled (adults and children) and children. Social services will be put out to tender providing for bids from non-governmental organisations.

683. Demographic changes in Lithuania as well as in other EU member states have brought about an increasing number of elderly and very old people, which has resulted in greater need not only for long-term social services but also for home nursing and day care. Today, social care and healthcare have been operating separately, though, in practice, they are related with the same individual. Therefore, we shall put together social and health services to provide an elderly person with a possibility of having both social and nursing services delivered at home from one and the same source.

684. In comparison to other EU member states, Lithuania has a relatively low number of social workers and a poor network of community social services. Despite a number of operating municipal day care centres for children, the disabled and the elderly, the lack of these services is obvious; for the time being, expensive institutional in-patient services prevail. In most cases, elderly parents are taken care of by their adult children, who also have to work and take care of their own children. The lack of community social day care services for the elderly, bring about confrontation between our daily work and care for the elderly. Therefore, we shall be providing support for the families attending to their elderly parents or relatives in need for social care so that work would be reconciled with the care for the elderly. Furthermore, we shall support programmes which help to develop out-patient community service network (day care centres, community centres) for the elderly.

685. Most parents do not want to leave their disabled children for the care of public care institutions, however, the lack of community services and social care at home, insufficient possibilities for the integration of disabled children in regular schools in their residence area, parents often have no other way out than entrusting their children to the care of a child care institution. Therefore, we are going to improve relevant legislation and allocate money for the integration of the disabled in regular schools, as well as for better access to rehabilitation services by disabled children and adults, and for better social integration and labour market participation, and for home and environment adjustments.

686. Problems related to family and child relations are multifaceted, therefore, we shall encourage and aim at cooperation between protectors of child rights, social workers, teachers and other professionals, who are the first to notice that something is amiss at home.

687. Social integration of orphans and parentless children living in child care institutions is still an open issue. The lack of independent living skills and life experience often translate in youth's inability to find their own place in life, and result in continuous resorting to social support. We shall work to achieve that these children are brought up only in families.

688. We shall continue and develop social support for freedom fighters, political prisoners and exiles, and arrange for their free recreation at a health spa once a year.

689. We shall continue the policy of equal opportunities with a view to preventing discrimination based on age, gender, ethnic origin, religious beliefs or health condition.

XX. FAMILY SUPPORT

New trends and areas

Previously run social policy was too little oriented towards the family. This has resulted in human estrangement, unstable families and a rising number of problematic families and stranded children. The weakening family institute has already been yielding negative fruit: family duties have often been transferred to the state. More and more money was being spent on different benefits and allowances, services for socially risky families and integration of institutionalized children; however, all these measures have not always proved efficient and often have not produced the expected results.

Several years of an intensive emigration have given birth to a new acute problem: children of the Lithuanian emigrants. Smaller children are left in the care of the relatives or neighbours, while teenage children often remain uncared for. This has produced a new child risk group: “emigration orphans”, devoid of family-transposed values as well as social and working skills; at odds with education system; exposed to abuse; more open to drug and alcohol addiction as well as crime and other social risk-related factors. We have to find ways to address the problem together with parents. The state has the right to demand parents’ as well as caretakers’ responsibility as regards proper treatment, education and care of their children.

Another thing of concern is actual nation’s erosion which manifests in falling birth rate, weakening family institute, growing emigration, aging population, spreading social pathology, increasing consumerism as well as deteriorating social ties and solidarity between generations.

The Eurostat projects 2.8 million population in Lithuania by 2050, given the current demographic trends continue. According to the forecasts, the number of working age population will start declining in Lithuania as well as in other EU member states as of 2017. Longer life span and large external migration will result in an increased number of elderly and very old people and, thereby, an increased need for social, health and non-formal care services. If left unattended, the demographic changes are highly likely to go out of hand and create pressure to open up for an untamed influx of incoming labour force.

To stop the erosion of the nation, we have to focus on the following three most important things: the family, children and eradication of behaviour poverty. Our major long-term goal is achieving population growth from 2.8 million to 4 million in Lithuania by 2050.

To tame demographic changes, we will act in the following areas:

- encourage living in the family;
- encourage birth;
- overcome the behaviour poverty.

690. On family policy, we shall develop preconditions for the implementation of the concept of the National Family Policy, and we shall put targeted efforts to overcome the rooted erosion of the family as the fundamental cell of society. We shall try to restore public trust in community and strengthen solidarity between generations with a view to ensuring full personal security. The implementation of the concept of the National Family Policy will ensure legal interests of those living outside marriage.

691. We shall initiate thorough research of demographic and social processes related to family institute as well as the monitoring of the building of the family institute.

692. We shall implement legislation fulfilling state's constitutional obligation to support the family the legislation will define major principles and fundamentals as regards state support provided for the family

693. The Family Policy will be implemented on the basis of the principle that the state is obliged to take care of all the children: both growing up in as well as outside families. To achieve family policy aims, we intend to reform institutional arrangements both at national as well as municipal levels. We shall strengthen municipal child protection services. In pursuance to the subsidiarity principle, we shall try to achieve that local communities and parishes, neighbourhoods and municipalities take competent measures to address social issues pertinent to their communities.

694. We shall mainstream and promote family values across the education system.

695. With a view to ensuring the possibility for both parents to have a full-fledged participation in child education, and encouraging their responsibility for the children, we shall aim at getting the right policies to help parents look after pre-school children and balance family duties with professional occupation. To this end, we shall adopt legislation encouraging the rise of pre-school education establishments, and providing for a more flexible regulation of parents' working hours. Once the child basket is fixed, we shall encourage the development of pre-school education network as well as private establishments, with a view to facilitating reconciliation between child care and career issues in young families. We shall continue to look for unconventional solutions to encourage childcare and rearing in the family.

696. Once non-formal education basket is fixed, we shall address the issue of child extra curriculum education.

697. We shall develop and implement the system of social requirements and criteria in urban planning by establishing rules and regulations for the development of social infrastructure (kindergartens, sport facilities and playgrounds, schools, gyms, etc).

698. We shall improve young family housing support instruments.

699. With a view to encouraging solidarity between the generations, we shall make arrangements and provide support for the families attending to the elderly parents or relatives in need of constant nursing. We shall also seek enhanced balance between work and family obligations in such families.

700. We shall improve calculation procedure as regards the paid parental leave. We shall provide for extra support for mothers (fathers) on maternity (paternity) leave of absence to parent twins, triplets or children born in successive years.

701. With a view to ensuring child's right to maintenance from both parents, we shall provide state support for the child in the case when the child does not receive court's awarded maintenance from the parents: we shall provide the child with a possibility of payment from Child Maintenance (Alimony) Fund, at the same time enabling the state to pursue claims from defaulting parents.

702. We shall continue to reform the system of childcare to achieve that parentless children are brought up in families, family-type community or parish care establishments located as close as possible to their place of residence. We shall provide extra support to these families with a view to ensuring adequate living conditions for the children in care.

703. We shall continue to decentralize child care establishments by transferring them to municipal competence, and developing mechanisms which would ensure quality and continuity of services provided. We shall try to achieve that the child is not moved from one care place to another.

704. We shall continue the programme for adequate preparation of future carers and foster parents to provide adequate care and serve best interests of the child; we shall work on improvement of adoption procedures and provide support for foster parents.

705. We shall strengthen our social work with social risk families in the community and carry out the programme of child day care centres.

XXI. HEALTH CARE

706. Major principles and aims of further health reform are as follows:

- health reform must be in line with the health concept in modern society, as well as EU public health and WHO “Health for All” strategic principles;
- a more rational management and funding of the health sector aimed at improved access and quality of health services;
- development of a friendly and patient-oriented health system which ensures respect to patient’s rights, service accessibility and quality as well as public participation in decision making;
- eradication of corruption and red tape in the health sector.

Strategic guidelines for health policy

707. We shall draft and have parliamentary approval of the Strategic Plan for Health System Development 2008–2012, and foresee specific implementing measures, time-table, implementers, as well as monitoring and supervision of the implementation of the plan.

708. We shall conduct cost-efficiency analysis related to spending on health prevention and other medical areas. Based on the findings, we shall increase and concentrate our financial and other resources in the medical areas which have the largest potential to effectively reduce morbidity and mortality rates.

709. We shall reform the system of contributions to the Compulsory Health Insurance Fund by introducing a separate health insurance contribution.

710. We shall calculate realistic rates as a precondition for the implementation of the supplementary voluntary health insurance.

711. We shall encourage the supplementary voluntary health insurance while clearly defining the object of the insurance.

712. We shall clearly define services funded from the state budget and the supplementary health insurance.

713. We shall attract private capital to the health sector and encourage the network development of private primary health care.

714. We shall change the current arrangement, where an individual, who is unemployed or employed abroad, gets free access to all personal health care services as soon as he pays a minimal contribution to the Compulsory Health Insurance Fund.

715. We shall develop a service-delivery-fee model encouraging healthy life-style and personal health investment.

716. To implement the principle “money follows the patient”, we shall develop an information system (health insurance account) enabling each tax-payer to have an easy access to

information on the total amount of health insurance contributions made and the amount used for personal health services.

717. We shall speed up state contributions for state-insured individuals.

718. With the aim of eradicating corruption and illegal payments in the health system, we shall replace them with official extra payments for services and shall allocate a part of these funds to raise salaries of medical workers.

719. We shall provide as many as possible services through communities and at patient's home; we shall encourage a rollout of new forms of health services.

720. We shall consider possibilities of leaving the rate of service-delivery- fee for the discretion of each medical facility.

721. We shall continue the implementation of the Mental Health Strategy.

722. We shall establish municipal responsibility for shaping and implementing of public health policy at local level. We shall develop a methodology for the calculation of grants earmarked for health care tasks delegated to municipalities.

723. We shall ensure fair treatment of public and private health care institutions.

724. We shall attract more EU funds ensuring their transparent and effective utilization.

725. We shall pay a particular attention to child healthcare. We shall seek to introduce a compulsory child health track and disease prevention programme from kindergarten to school graduation.

726. We shall develop scientific research in health policy and other areas.

727. We shall rollout a national electronic health system.

728. We shall encourage blood and organ donation.

729. We shall more effectively address problems related to family fertility.

Healthy individual means healthy society

730. We shall encourage people to take care and responsibility for their personal health.

731. We shall encourage each individual to seek to preserve and strengthen their personal health by quitting smoking, reducing alcohol consumption, giving more time to exercising, healthy diet and other ways.

732. We shall motivate the employer to invest in employee's health.

733. We shall take various measures to encourage people to take care of their physical and mental health.

734. We shall apply a more vigorous approach as regards the implementation of current health and prevention programmes and introduction of new ones.

735. We shall raise public awareness of diseases, their origin, bad habit impact on health, and develop healthy attitude towards living.

736. We shall enlarge competence of municipal public health offices to ensure better health care in schools, pre-school education establishments, and communities at large.

737. We shall apply a systemic approach towards health education (self-awareness, healthy lifestyle, physical education, healthy diet and self-control); and we shall pay more attention to exercising at school and physical fitness.

738. We shall seek that all draft legal acts and decisions regulating national economy should mainstream public health preservation and strengthening priorities.

739. We shall endeavour to reduce the availability and consumption of alcohol and tobacco.

Management changes in national healthcare system

740. We shall settle the management of healthcare institutions through the revision of the founder functions, and increased influence of municipalities, local communities, employees, patients and other NGOs.

741. We shall unbundle the functions of health policy making and executive institutions.

742. We shall improve the disbursement and utilisation of investment funds.

743. We shall review the activities and number of institutions subordinate to the Ministry of Health, particularly those effecting monitoring control.

744. We shall continue to prioritize the development of the services delivered by family physicians, specialized outpatient, day surgery, day inpatient and other outpatient establishments.

745. We shall seek to annul the legal provision categorizing health care facilities into those that belong to Lithuania's national healthcare system and those that do not.

746. We shall review the concept of the emergency medical aid.

747. We shall improve the pricing of the reimbursable and prescription drugs.

748. We shall provide equal conditions for all pharmaceutical companies.

749. We shall look for the ways to encourage Lithuanian pharmaceutical industry.

Inter-institutional cooperation

750. To address health and social care problems, we shall cooperate with the social care sector and integrate the services of nursing and care.

751. We shall work out a complex model of funding from both health and social security budgets to finance such fields as nursing delivered in personal health care institutions, nursing or care delivered at patient's home, treatment of social diseases, etc.

752. In cooperation with the Ministry of Education and Science and municipalities, we shall address the employment issue of young professionals and resident physicians in remote areas, as well as another acute problem related to the emigration of professionals.

753. Together with higher education establishments, we shall plan and ensure preparation of medical personnel which will meet public requirements.

Building a stronger medical community

754. By bringing changes in contributions to the Compulsory Health Insurance Fund, legislating supplementary voluntary health insurance and attracting private capital, we shall consistently ensure that healthcare professionals are paid accordingly.

755. We shall review and regulate medical work-loads. We shall make a clear distinction between services provided by physicians and social or other services which have no direct relation to personal health care.

756. We shall review working and payment conditions of public medical personnel.

757. We shall encourage autonomic processes in professional groups of physicians and other healthcare specialists, by encouraging their responsibility for their activities.

758. We shall empower professional medical organisations to address substantial problems related to medical specialists in different health care fields.

759. We shall develop a reporting and registration system for unwelcome events and medical errors to be subsequently analysed for the purpose of the prevention of future medical errors.

Patient rights and a more active public participation

760. We shall encourage an active participation of patient organisations in health-related decision-making.

761. We shall empower NGOs by involving them in the provision of individual health care services.

762. We shall involve patient and other NGOs in the management of individual healthcare institutions.

763. We shall improve the regulation and protection of patient rights by establishing ombudsman's institution.

764. We shall require that health care institutions make public the information related to the services provided, fees, staff, working hours, etc.

765. We shall review the Law on Patients' Rights and Compensation for Damage to Health, paying a particular attention to the development of the no-fault damage compensation system. We shall seek to ensure that damage compensation does not put health workers and patients in confrontation.

XXII. COMBATING IRRESPONSIBLE ALCOHOL CONSUMPTION AND DRUG ABUSE

Growing alcohol consumption and related harms have already become the problem of national concern.

766. In the process of the implementation of the Government Programme, we shall aim at the following:

- the reduction of total alcohol consumption across Lithuania;
- the prevention and reduction of alcohol consumption among teen-agers and the youth;
- the reduction of the scope of alcohol-related diseases and accidents.

Market regulation principles

767. Through a consistent policy on excise duties for alcohol, we shall aim at bringing down alcohol consumption.

768. We shall remove excise exemptions for smaller breweries.

769. We shall forbid alcohol bottling which encourages continuous consumption.

Reducing availability

770. We shall have a consistent enforcement and effective monitoring of the provisions of the Law on Alcohol Control, which came into effect in the beginning of 2009.

771. We shall provide municipalities with real powers to adjust the number and location of alcohol points of sale with due regard to the opinion of the community.

772. We shall particularly tighten the punishment for shop-assistants and owners for selling alcoholic drinks to the under-aged.

773. We shall establish a procedure requiring an obligatory health warning label on an alcoholic drink.

774. We shall establish a procedure for the use of alcoholic drinks in mass events with the under-aged among the audience.

Smuggling control

775. We shall promote confidence call providing for a possibility of reporting on illegal alcohol distribution points.

776. To prevent smuggling of the alcohol, we shall reinforce EU external border control.

777. We shall tighten the responsibility of illegal traffickers and smugglers (including seizure of their property).

Public information and awareness raising campaigns

778. We shall systematically promote health education (self-awareness, healthy life style, physical education, healthy diet and self-control); pay more attention to physical education and exercising at school,

779. We shall regularly do social advertising.

780. We shall develop the activities of municipal public health agencies, which will become centres for the promotion of healthy lifestyle and bringing the community together to fight against alcoholism and drug-use.

781. We shall be more active in supporting public organizations promoting healthy and sober lifestyle in Lithuania.

Medical aid measures

782. Once the financial situation is improved, we shall seek medication reimbursement for the individuals undergoing voluntary alcohol and drug treatment.

783. We shall seek to provide for free family physician consultations for individuals with alcohol problems and under voluntary treatment.

Tighter control on drunk driving

784. We shall establish zero percent blood alcohol content for learner drivers with less than two-year driving experience as well as for professional drivers (bus, heavy vehicle and taxi drivers).

785. We shall draft, as soon as possible, legal acts necessary for the implementation of the provisions of the Law on Alcohol Control, prohibiting in-car alcohol use.

Measures focussing on extra-curriculum activities

786. We shall seek in as much as possible to renew sport-grounds and other facilities around schools, in larger settlements and towns.

787. We shall provide better conditions for schoolchildren to participate in extra-curriculum activities. We shall seek to arrange for the children to be transported not only to the classes but also to extra-curriculum activities.

788. We shall develop and launch a national programme for the renovation of recreation (culture) centres which would serve as places for extra curriculum activities and community gatherings and events.

Drug control and drug-abuse prevention

The policy of drug control and drug abuse prevention constitutes an integral part of foreign and domestic policy. Therefore, it must receive relevant attention in terms of political considerations, finances and human resources.

789. We shall develop and launch a new national programme on drug control and drug abuse prevention focussing on the following priorities:

- drug abuse prevention among children and youth through education and self-awareness raising campaigns for children, youth and public at large;
- drug prevention: drug supply reduction through the fight against the production and sale of drugs;
- arranging for healthcare, rehabilitation and social reintegration for individuals who use narcotic drugs and psychotropic substances;
- encouraging civic society involvement in the fight against drugs;
- building closer cooperation, and international as well as national coordination as regards the activities of central and municipal institutions and agencies.

XXIII. MIGRATION POLICY

790. We shall have an active and targeted participation in the development of the EU asylum and immigration policy.

791. We shall have a more lucid regulation on the entry procedure for foreigners seeking employment, in light of the principle that the participation of third-country nationals in the labour market should not encourage emigration of the Lithuanian population.

792. We shall try to preserve national competence in managing economic migration and asylum issues.

793. We shall develop state common migration management policy.

794. We shall simplify requirements for high-qualification professionals and their families to enter Lithuania.

795. We shall step up the actions to prevent and control illegal migration.

XXIV. YOUTH POLICY

796. We shall work out and launch an optimum model for the institutional structure of youth policy by building on the representative and coordinative nature of the Youth Council, and empowering the Department of Youth with expert and advisory functions.

797. With a view to developing youth policy which would respond to youth attitudes and needs and meet state and public interests, we shall conduct regular social and cultural surveys and periodic monitoring of the youth as a society segment. The findings will serve the basis for youth policy making as well as the subsequent evaluation of the policy implementation results.

798. We shall develop a consistent long-term youth strategy providing for specific long term youth policy goals, objectives, measures and performance indicators. We shall have the strategy tuned with relevant national political strategies for education, science, family, social and regional matters, as well as the National Agreement.

799. We shall ensure the continuity of the youth policy as we seek a more effective implementation of the youth programme. We shall review and rationalize national institutional project support for youth organizations by focussing on membership organizations with the potential of long term social impact.

800. We shall encourage the participation of youth organizations in the activities of different international umbrella organizations by providing conditions for the events of these organizations to be arranged in Lithuania.

801. We shall enlarge the scope of possibilities for the state to buy various social services (prevention, education, culture, health, sports, leisure, etc) from the youth and youth-related organizations.

802. We shall review and update current youth civic development programmes. We shall develop the activities of organizations established on political and ideological basis in comprehensive and high education schools, and we shall provide them with the possibility of taking part in decision making. We shall enlarge the scope of possibilities involving school schoolchildren in political and social activities.

803. We shall develop integration and correlation between youth formal and non-formal education.

804. We shall reform operating youth employment centres and establish new ones based on the principles of pro-activeness and performance measurability. We shall develop and launch youth education, information and counselling services meeting the needs of as wide as possible array of youth groups.

805. We shall draft and put to practice a programme integrated in the regional development strategy, which would encourage the settlement and employment of young professions in smaller towns.

806. We shall address the issues of youth employment and integration in the labour market, encourage youth entrepreneurship, and provide support for youth start-ups.

807. We shall promote youth art and culture initiatives. We shall review the young artist support programme, providing for support for popular, mass culture and amateur artistic activity. We shall provide targeted support for the promotion of youth sub-culture by opening up the possibilities of financial support and the doors of cultural establishments and community centres.

808. We shall promote sports as an effective means ensuring healthy and active lifestyle. Sport development initiatives shall focus on the social function of the sports by promoting active recreation, developing healthy lifestyle attitudes, reducing social disparities and social risk.

809. We shall increase the role of non-governmental organizations and volunteers in sports. We shall improve access to sports clubs and movements, and enable all the segments of the society to do sports. We shall appropriately use current infrastructure and raise professional competence of youth instructors.

XXV. PHYSICAL EDUCATION AND SPORTS POLICY

810. We shall seek the change in public attitudes towards the sports by encouraging appreciation of sports not only in terms of great victories, international image and national pride,

but also as a very important social development factor which strengthens human health and develops physical, intellectual and moral powers. We shall consider the promotion of physical education and sports a fundamental priority of the state in terms of the development of healthy lifestyle and social cohesion; we shall provide for all the society groups to be involved in the activities related to physical education and sports.

811. We shall guarantee as large as possible funding and investment for physical education and sports.

812. We shall put to practice the principle of public-private partnership as we build and run sports and recreation facilities. We shall improve social programmes encouraging direct investment in physical education, sports and healthy lifestyle; we shall tune these measures with NGO and community building programmes.

813. We shall improve the preparation and selection of talented athletes and enhance the monitoring system. We shall improve the preparation of sports professionals based on medical and scientific expertise. We shall develop strategic disciplines, support athletes and teams capable of promoting Lithuania's name in Europe and world-wide.

814. We shall improve sports infrastructure, so that it is equally developed all over the country. We consider the development of modern and accessible sports infrastructure a major precondition for the implementation of sports- for- all practice and the preparation of high-performance athletes.

815. We shall consistently develop sports-related smaller infrastructure in housing areas, at work and at school, with a particular focus on the renovation and upgrading of the sports infrastructure at educational establishments. We shall encourage local communities and private business to build sports and recreation facilities, stadiums and pools, and arrange for more sport-adequate spaces in housing blocks. We shall make gyms and playgrounds accessible for children, the youth, the elderly and the disabled, and we shall make these facilities available for community needs.

816. We shall strengthen the role of the sports in education and training, and encourage heads of educational establishments to pay more attention to physical education at school. We shall have a more vigorous approach towards health development (self-awareness, healthy lifestyle, healthy diet and self-control) underscoring the impact of the sports on the quality of life. We shall pay more attention to additional physical activity of the child and ensure it is anchored in the extra-curriculum system through the introduction of the pupil's extra-curriculum basket.