

Annex 2. Implementation of the Council recommendations for Lithuania within the period of 2014–2015

Recommendation 1. Reinforce the budgetary measures for 2014 in the light of expenditure growth exceeding the benchmark and the emerging gap of 0.3 % of GDP in terms of structural efforts based on the Commission services 2014 spring forecast, pointing to a risk of significant deviation relative to the preventive arm of the Stability and Growth Pact requirements. In 2015, strengthen the budgetary strategy to ensure the required adjustment of 0.5 % of GDP towards the medium-term objective. Thereafter ensure that the mid-term objective is adhered to. Complement the budgetary strategy with a further strengthened fiscal framework, in particular by ensuring binding expenditure ceilings when setting the medium-term budgetary framework. Further review the tax system and consider increasing those taxes that are least detrimental to the growth, such as recurrent property and environmental taxation, while continuing to improve tax compliance.				
<i>Target</i>	<i>Implemented measures and measures to be implemented</i>		<i>Deadline for implementation</i>	<i>Implementation progress</i>
<i>Reinforce the budgetary measures for 2014 in the light of expenditure growth exceeding the benchmark and the emerging gap of 0.3 % of GDP in terms of structural efforts based on the Commission services 2014 spring forecast, pointing to a risk of significant deviation relative to the preventive arm of the Stability and Growth Pact requirements.</i>	1.1.	To improve the general government balance GDP indicator by 1 percentage point in 2014 upon the assessment of all methodological developments related to ESA 2010, by comparing with the data from 2013, i.e. the consolidation of finances of the general government governed by the Law in Fiscal Discipline will be carried out.	December 2014	In 2014, the general government balance target improved by the level determined – according to the preliminary data, the general government deficit in 2014 was reduced by more than 1 percentage point of GDP (as compared to 2013) and amounted to no more than approximately 1 % of GDP).
<i>In 2015, strengthen the budgetary strategy to ensure the required adjustment of 0.5 % of GDP towards the medium-term objective. Thereafter ensure that the mid-term objective is adhered to.</i>	1.2.	To draw up the budget for 2015 which would ensure the improvement of the structural general government balance target governed by the provisions of the Stability and Growth Pact (as compared to the structural general government balance target for 2014) and would maintain the government expenditure growth benchmark intact. In the Republic of Lithuania Law on the Approval of Financial Indicators of the State Budget and Municipal Budgets of 2015 to enshrine the provisions applicable to municipalities with regard to the provision of information on credit debts and their reduction and to perform constant monitoring of the implementation of these provisions.	December 2014	The drawn up laws governing the financial indicators for 2015 of the state budget, Sodra and the Mandatory Health Insurance Fund lay down that in 2015 the structural general government balance will improve by 0.5 % of GDP as required and assessed by the EU Stability and Growth Pact, while the general government balance (nominal) will improve by at least 1 % of GDP (excluding the financial performance of the state company Deposit and Investment Insurance) and in 2015 the general government deficit will not exceed 1.2 % of GDP and the expenditure target estimated according to the requirements of the Stability and Growth Pact will not be exceeded. Currently, the information on the implementation of budgets is monitored and no material deviations from the targets of 2015 are predicted. Article 21 of the Law on the Approval of Financial Indicators of the State Budget and Municipal Budgets of 2015 contains provisions, according to which in 2015 the municipalities will provide prognostic information.

	1.3.	To adopt the Republic of Lithuania Constitutional Law on Implementation of Fiscal Treaty and the accompanying legislation.	December 2014	On 6 November 2014, the Republic of Lithuania Constitutional Law on Implementation of Fiscal Treaty was adopted.
	1.4.	To improve the financial monitoring system of the general government by incorporating the information provided by the local general government sub-sector on the expected indicators for the implementation of the municipal budgets of the current year.	December 2015	The measure is being implemented. Article 21 of the Law on the Approval of Financial Indicators of the State Budget and Municipal Budgets of 2015 contains provisions, according to which in 2015 the municipalities will provide prognostic information.
	1.5.	To draw up the Draft Law on Stockpiling for Economic Downturn Period.	December 2015	The measure is being implemented. The drawing up of the draft law will begin in the second quarter of 2015.
<i>Complement the budgetary strategy with a further strengthened fiscal framework, in particular by ensuring binding expenditure ceilings when setting the medium-term budgetary framework.</i>	1.6.	To implement the provisions of the Republic of Lithuania Constitutional Law on Implementation of Fiscal Treaty by consolidating the control functions of the budgetary policy.		The measure is being implemented. Upon the adoption of the Republic of Lithuania Constitutional Law on Implementation of Fiscal Treaty and the amendment to the Republic of Lithuania Law on National Audit Office, As of 2015 the budgetary control authority began operating and it will evaluate the compliance of the public finances indicators with the fiscal rules.
<i>Further review the tax system and consider increasing those taxes that are least detrimental to the growth, such as recurrent property and environmental taxation.</i>	1.7.	To conduct a more detailed study in order to determine which measures (economic and financial) implemented at the lowest cost and without adversely affected economy and its growth could effectively reduce pollution. After the study is conducted and the results are obtained, the evaluation of possible options for imposition of potential new taxes on environmental pollution by vehicles will be carried out..	December 2015	The measure is being implemented. The tender conditions for additional study on criteria for determining the rate of the vehicle tax, based on experience in other countries and statistical data, have been prepared.
<i>Continuing to improve tax compliance.</i>	1.8.	To optimise the provision of information for the tax authority. For that purpose: - to put financial market participants under an obligation to periodically inform tax authority about the opened and closed accounts, their turnovers and balances, interest, debt obligations, securities, insurance contributions, pension insurance contributions;	December 2015	The measure is being implemented. The Draft Law on Tax Administration has been drawn up. It was presented to the Seimas of the Republic of Lithuania in April 2014.

		<ul style="list-style-type: none"> - to put legal persons under an obligation to periodically inform the tax authority about cash contributions of natural persons; amounts received as settlements, the legal person's expenditure paid; also about services received in Lithuania from foreign legal entities and employees hired from abroad; - to put residents under an obligation to inform the tax authority about sources of income received and property acquired (including cash borrowings) (except for the cases where these sources have been declared by the taxpayer itself or by third persons in accordance with the procedure established by legislation), they are also obliged to substantiate through documents having legal effect the sources of property acquisition and receipt of income. 		
	1.9.	To limit cash transactions.		The measure is being implemented. The Draft Law on Limiting Cash Transactions whereby it is prohibited to settle in cash if the amount exceeds EUR 3,000 (when a business entity is involved in the transaction) or EUR 5,000 (for transactions between natural persons) has been drawn up. In December 2014, the draft law was presented to the Seimas of Republic of Lithuania.
	1.10.	To increase excise rates for alcoholic beverages and tobacco products.		Implemented. On 25 November 2014, the Republic of Lithuania Law on Excise Duty was adopted.
	1.11.	To approve the concept of the tax administration information systems based on the latest technological solutions ("Smart tax administration system") which would consist of 7 subsystems: standard audit data file, cash registers, electronic invoices, electronic consignment notes, remote services for small businesses,	December 2015	The measure is being implemented. The concept of the smart tax administration system (i.MAS) has been developed. The Government of the Republic of Lithuania endorsed its introduction in the State Tax Inspectorate by the protocol decision taken in March.

	continuous control, analysis and risk management of taxpayers.		
1.12.	To introduce a standard accounting data file which is formed and submitted upon request for the purpose of tax inspection (according to the established technical specification and technical requirements).		The measure is being implemented. In 2014, the draft technical specification and technical requirements for the standard accounting data file were drawn up.
1.13.	To develop electronic services provided for taxpayers through the use of the authorised electronic services area "My STI" in the State Tax Inspectorate portal "e.STI".		In November 2014, 46 electronic services were developed and introduced, also works related to the adaptation of services to the euro were carried out.
1.14.	To make public the information on taxpayers' tax debts and taxes paid. To form replacement VAT returns for taxpayers who have not provided them.		The measure is being implemented. The information on taxpayers having the highest debts is periodically published. A publicly available software tool allowing to receive data on tax arrears of all legal persons has been developed.
1.15.	To implement the project "Development of electronic services information system designed for the administration of non-contentious fines for natural and legal persons" (E-Fine) which is aimed at combining at the state level the fine information and to pursue their recovery.		The measure is being implemented. The State Tax Inspectorate (STI) Under the Ministry of Finance is involved in the implementation of the project "Development of electronic services information system designed for the administration of non-contentious fines for natural and legal persons", after the implementation of which the STI will administer fines for administrative offences as of 1 July 2015.
1.16.	To develop a single system of data on personal debts in the public sector and to use it for imposing sanctions on persons by promoting payment of debts.		The measure is being implemented. The implementation will start on 1 July 2015 in the framework of the project "Development of electronic services information system designed for the administration of non-contentious fines for natural and legal persons" (E-Fine).
1.17.	To carry out targeted projects "Wheels", "Transparent Production", "Show Without Shadows", "Responsible Construction", "White Coats", "Dwelling Without Taxes", "Unprofitable Business".		The measure is being implemented. More than 1,600 control actions have already been carried out and they found more than EUR 6.7 million of additional taxes payable to the budget. In 2015 it is planned to implement 2 new projects in the fields of sports and wood trade and processing.
1.18.	To implement other complex measures provided for in strategic documents of the tax administrator's activities, both promoting voluntary payment of taxes and ensuring the prevention and control of violations of tax laws.		The measure is being implemented. Priority activities: <ul style="list-style-type: none"> - ensuring accounting for income; - improvement of the VAT administration; - taxes related to labour relations; - control on taxation of personal income and property acquisition sources;

				<p>- reduction of illegal circulation of goods subject to excise duties. The result of implementation of the measures over the 9 months of 2014 – EUR 363.7 million, including the amounts that were paid by taxpayers on a voluntary basis following the imposition of appropriate sanctions. The control actions carried out in 2014 found EUR 100 million of additional amounts payable.</p>
<p>Recommendation 2. Adopt and implement legislation on a comprehensive pension system reform. In particular, align the statutory retirement age with life expectancy, restrict access to early retirement, establish clear rules for the indexation of pensions, and to promote the use of complementary savings scheme. Underpin pension reform with measures that promote the employability of older workers.</p>				
<i>Target</i>	<i>Implemented measures and measures to be implemented</i>		<i>Deadline for implementation</i>	<i>Implementation progress</i>
<i>Adopt and implement legislation on a comprehensive pension system reform.</i>	2.1.	To draw up draft legislation in order to reform social insurance pensions by further reinforcing the contribution-benefit relation: to separate the share of the basic pension (this share is practically not related to the level of contributions paid) from social insurance and its financing from general taxes. (The researchers developing a new legal-administrative model have to put forward proposals before December 2014.)	December 2015	The measure is being implemented. Before the second half of the year to draw up draft legislation necessary for implementation of the pension system reform.
<i>To align the statutory retirement age with life expectancy.</i>	2.2.	To increase the retirement age – 61 years and 4 months for women, 63 years and 2 months for men in pursuit of the long-term objective to reach 65 years until 2026.	May 2015	The measure is being implemented. Before the second half of the year to draw up draft legislation necessary for implementation of the pension system reform.
<i>To establish clear rules for the indexation of pensions.</i>	2.3.	To draw up draft legislation on the procedure for the indexation of pensions. (The researchers developing a new legal-administrative model have to put forward proposals before the end of 2014.)	December 2015	The measure is being implemented. Before the second half of the year to draw up draft legislation necessary for implementation of the pension system reform.
<i>Underpin pension reform with measures that promote the employability of older workers.</i>	2.4.	To draw up/improve draft legislation governing support for employment, promoting the integration of elder people into the labour market.	December 2015	The measure is being implemented. On 1 September 2014, the amendments to the Law on Support for Employment were adopted, whereby, in arranging the measure supporting the acquisition of professional skills, employees are encouraged to keep older workers (over 50 years) – in cases where they train the employed young persons (under 29) by compensating more costs than for other persons.

Recommendation 3. Better target active labour market policy measures to the low-skilled workers and long-term unemployed. Improve coverage and adequacy of unemployment benefit and link them with activation. Address persistent skill mismatches by improving the labour-market relevance of education, *inter alia*, based on skills forecast systems and promote life-long learning. In order to increase the employability of young people, prioritise quality apprenticeship, other forms of work-based learning, and strengthen partnership with the private sector. Review the appropriateness of labour legislation, in particular with regard to the framework for labour contracts and for working-time arrangements, in consultation with social partners.

<i>Target</i>	<i>Implemented measures and measures to be implemented</i>		<i>Deadline for implementation</i>	<i>Implementation progress</i>
<i>Better target active labour market policy measures to the low-skilled workers and long-term unemployed.</i>	3.1.	To continue the implementation of the ESF project "Improving competences of low-skilled people" by involving in the activities of the project 10,824 persons (vocational training – 6,353, job rotation – 235, acquisition of job skills – 1,803, vocational guidance services – 2,433) (During the project more than 13,950 low-skilled unemployed registered with local labour exchanges. During the project, the vocational training and non-formal education programme, the consulting and vocational guidance measure for the low-skilled unemployed and supported employment measures – support for acquisition of job skills and job rotation will be implemented.)	July 2015	The measure is being implemented. Since the launch of the project until 31 December 2014, 1,671 persons participated in it. 1,635 persons attended vocational training.
	3.2.	To continue the implementation of the ESF project "Supporting employment of the long-term unemployed" by involving 5,359 persons in the activities of the project (vocational training – 2,234, territorial mobility – 265, subsidised employment – 2,102, support for acquisition of job skills – 758) (During the project more than 10,760 long-term unemployed and persons who have been unemployed for a long time, i.e. have been unemployed 2 years and more before registering with the local labour exchange, registered with local labour exchanges.	July 2015	The measure is being implemented. Since the launch of the project until 31 December 2014, 1,796 unemployed were sent to the project activities. 845 persons attended vocational training, 733 persons were involved in subsidised employment, 184 persons attended support for job skills acquisition, 34 persons participated in the support for territorial mobility of the unemployed measure.

		During the project, vocational training, support for job skills acquisition, subsidised employment and support for territorial mobility of the unemployed measures will be implemented.)		
<i>Improve coverage and adequacy of unemployment benefit and link them with activation.</i>	3.3.	As of 1 January 2015, to restore the level of the unemployment benefit to the level of 2009. The existing maximum level of unemployment benefit – EUR 188 from 2015 will be increased to EUR 301.70 and will make up more than 70 % of the most recent insured income EUR 431 of the current year approved by the Government.	January 2015	Completed. As of 1 January 2015, the pre-crisis level of the unemployment benefit has been restored.
<i>To improve the employability of young people, for example through a Youth Guarantee programme.</i>	3.4.	To improve the coverage of youth employment centres – to set up 12 new youth employment centres ensuring the provision of services in each municipality.	December 2015	Completed. At the end of 2014, 29 youth employment centres were operating in the country.
	3.5.	To continue the implementation of measures provided for in the implementation plan of the Youth Guarantee initiative promoting integration of youth into the labour market. In 2015, the measures provided for in the Youth Guarantee initiative implementation plan will be implemented: <ul style="list-style-type: none"> - To draw up draft legislation governing projects on working with youth; - To increase the accessibility and improve the quality of vocational guidance (career) services; - To develop the monitoring system of the Youth Guarantee initiative; - To provide for inactive youth social, educational, psychological and intensive long-term assistance services promoting youth motivation to integrate into the labour market and/or education system; - To enable young people to participate in 	December 2015	The measure is being implemented. On 19 August 2014, the description of the procedure for Approval of description of procedure for implementation of the Youth Guarantee initiative was adopted. The forms of monitoring implementation, process targets and criteria of the Youth Guarantee initiative have been established, weekly, monthly, half-yearly report forms have been approved. The application for “Adaptation of the Lithuanian Labour Exchange information system Edbirža to the activities of the Youth Guarantee initiative projects” has been submitted to the European Social Fund.

		<p>voluntary activities;</p> <ul style="list-style-type: none"> - To provide opportunities to receive subsidies for setting up own business; - To introduce for young unemployed the complex active labour market policies; - To develop cooperation among the state, local municipal authorities, non-governmental organisations and business entities by providing more apprenticeship and traineeship opportunities for youth. 		
	3.6.	To implement projects funded by the Youth Guarantee initiative (one of them will be implemented by the Lithuanian Labour Exchange together with the Department of Youth Affairs through the early intervention and activation measures. The second project will be implemented by the Lithuanian Labour Exchange through the integration into the labour market measures).	December 2015	The measure is being implemented. The early Intervention and activation project being prepared will be funded by the ESF.
<i>To strengthen partnership with the private sector.</i>	3.7.	To sign 7 cooperation agreements between the Ministry of Education and Science and the organisations/associations uniting economy sectors' employers, with which it would be agreed to cooperate in addressing issues related to the legal regulation of vocational training, organisation of vocational training in order to meet the labour market demands, practical training, vocational training through apprenticeship form, vocational guidance etc.	December 2014	6 cooperation agreements have been signed. In 2014, amendments to the Description of Formal Vocational Training Procedure designed for improving the implementation of organisation of vocational training through apprenticeship form were drawn up.
<i>Enhance the implementation and effectiveness of apprenticeship schemes.</i>	3.8.	To draw up amendments to legislation implementing the Law on Vocational Training, which facilitates implementation of vocational training organisation in the form of apprenticeship and to expand the extent of practical training in actual workplaces: <ul style="list-style-type: none"> - The amendment to the Order of the 	December 2014	In 2014, 4 draft legal acts implementing the Law on Vocational Training were drawn up: Description of Procedure for Preparation and Validation of Formal Vocational Training Programmes; Description of Formal Vocational Training Procedure; Rules of Formal Vocational Training Licensing; Description of Procedure for Contents, Form and Issuing of Vocational Training Diplomas and Certificates.

		<p>Minister of Education and Science of 27 August 2010 on Approval of Description of Procedure for Preparation and Validation of Formal Vocational Training Programmes;</p> <ul style="list-style-type: none"> - The amendment to the Order of the Minister of Education and Science of 11 December 2012 on Approval of Description of Procedure for Evaluation of Acquired Competences of an Individual; - The amendment to the Order of the Minister of Education and Science of 15 March 2012 on Approval of Description of Formal Vocational Training Procedure. 		<p>On 14 January 2015, the Description of Procedure for Evaluation of Acquired Competences of an Individual was approved by the order of the Minister of Education and Science.</p>
<p><i>To give priority to the proposal for quality apprenticeship schemes and other forms of workplace learning.</i></p>	3.9.	<p>To continue the implementation of the ESF project "Organisation of Vocational Training Through Apprenticeship Form in Labour Market Training Centres" during which it is planned to train 900 persons as apprentices (giving priority to youth), to prepare tripartite contracts for training through apprenticeship form, also to prepare recommendations for organisation of this form of training.</p>	May 2015	<p>The measure is being implemented. 5 labour market training centres through the project "Organisation of Vocational Training Through Apprenticeship Form in Labour Market Training Centres" funded by the ESF in 2014 trained 700 persons (giving priority to youth) through apprenticeship form. On 23 April 2014, the national conference "The role of practical training: apprenticeship in the development of practical skills" was organised to discuss issues of apprenticeship.</p>
	3.10.	<p>To prepare the apprenticeship review in Lithuania in cooperation with the experts of CEDEFOP (the European Centre for the Development of Vocational Training), on the basis of which recommendations for the development of apprenticeship will be drawn up.</p>	September 2015	<p>The measure is being implemented.</p>
	3.11.	<p>To implement the pilot project "Apprenticeship – the possibility of the development of export" aimed at the introduction of informal apprenticeship in small and medium-sized industrial</p>	July 2015	<p>The measure is being implemented. The pilot project "Apprenticeship – the possibility of the development of export" is being implemented. It is a consulting project based on the dual training model encouraging the companies to invest in education of a skilled employee.</p>

	<p>companies. The aim of the project is to test measures how to help companies to train in the workplace the persons chosen by themselves and thereby to fill the posts in skilled, but unpopular jobs. The help includes consultations (training) about the company's demand for workers, staff (workers) search and selection as well as application of apprenticeship in the company. Not less than 20 industrial, construction, transport and logistics sector SMEs from Vilnius and Šiauliai regions will participate in the project. Not less than 150 employees will be prepared for skilled jobs during the project.</p>		<p>During the two phases, 22 manufacturing, transport and construction companies were selected, 165 consultation packages were allocated to them. During the project, consultations about the demand for workers with particular expertise in the company, workers search and selection, application of apprenticeship and other issues relevant to companies were provided. In December 2014, the first 6 apprentices completed training.</p>
<p><i>To address persistent skill mismatches by increasing matching of skills provided by the education system with labour market needs, inter alia, on the basis of skill forecasting system and to promote lifelong learning.</i></p>	<p>3.12. To implement measures which will allow to periodically collect and assess data on the links between specialist qualifications and jobs:</p> <ul style="list-style-type: none"> - To draw up the Draft Law on the Amendment of the Law on Education which forms legal basis for collecting data necessary for the specialist qualifications map. - To carry out a one-off preliminary analysis of demand for specialist qualifications for the Research and Higher Education Monitoring and Analysis Centre on the basis of Sodra, the State Tax Inspectorate (STI) data, as long as there are no amendments to the Law on the Amendment of the Law on Education allowing to ensure data protection. - To introduce linkages with Sodra, STI, the Lithuanian Labour Exchange databases, the Residents' Register, 	<p>December 2014 December 2014 December 2015</p>	<p>In 2014 the Draft Law on the Amendment of the Law on Education was drawn up. The adoption of the amendments to the law is scheduled for the spring session of 2015 of the Seimas of the Republic of Lithuania, In 2014, the Research and Higher Education Monitoring and Analysis Centre (MOSTA) carried out the one-off preliminary analysis of the demand for specialist qualifications on the basis of Sodra and STI data. It was agreed that the data collected from different data sources (Sodra, STI, LLE, Residents' Register, Register of Diplomas and Certificates etc.) on the Lithuanian employees' occupations, education, career, migration etc. will be stored at the Education Management Information System (EMIS). Data source interfaces have been created: (a) EMIS was prepared for retrieval of data from Sodra; (b) the Register of Diploma and Certificates was supplemented with data since 1995; (c) data from 4 years have been received from Sodra for carrying out the preliminary analysis; (d) the interface between EMIS and MOSTA have been designed.</p>

	<p>which will allow to switch to the continuous career tracking of graduates.</p> <ul style="list-style-type: none"> - To prepare the analysis of specialist qualifications matching with jobs. 	December 2015	
3.13.	To draw up descriptions of 53 study areas (the plan was 50 – the target exceeded), in order to increase the matching of study areas with the labour market and the society needs.	September 2015	The measure is being implemented. In 2014, the descriptions of 53 study areas were drawn up. In 2015, following methodological editing of the descriptions, they will be submitted for the approval of the minister.
3.14.	To draw up 5 professional standards and 40 modular vocational training programmes.	December 2014	In 2014, 5 professional standards and 40 modular vocational training programmes were drawn up.
	To draw up 5 professional standards and 20 modular vocational training programmes.	December 2015	The measure is being implemented.
3.15.	To implement the action plan for the Development of vocational training for 2014–2016.	December 2015	The measure is being implemented.
3.16.	To draw up amendments to the Law on Higher Education and Research in order to enable students to do voluntary practice or internship that do not form part of the study programme.	December 2014	In 2014, the Draft Law on the Amendment of the Law of Higher Education and Research was drawn up.
3.17.	To draw up by-laws implementing the provisions of the Republic of Lithuania Law on Amendment of the Law on Nonformal Adult Education No VIII-822.	2014 – December 2015	The measure is being implemented.
3.18.	To implement the measures of the development plan for Non-formal adult education for 2014–2016.	December 2015	The measure is being implemented.
3.19.	To apply the funding model of the non-formal adult education programmes designed for promoting the cooperation between higher education institutions and business and improving staff qualifications.	December 2015	The measure is being implemented.

	<p>3.20. To implement the measures set out in the inter-institutional actions plan “Enhancing the matching of skills of workforce with the labour market needs” of the Employment Enhancement Development Programme for 2014–2020 with a view to addressing persistent skill mismatches.</p> <p>For this purpose, three tasks have been provided for:</p> <ul style="list-style-type: none"> - to increase the accessibility and improve the quality of vocational guidance (career) services; - to ensure the acquisition of quality skills in the education and training system; - to develop the competence evaluation and recognition system. 	December 2015	The measure is being implemented.
	<p>3.21. To develop methodology for linking occupations subgroups of the Lithuanian Classification of Occupations with the study and training programmes.</p> <p>The methodology will help to determine the matching of the qualifications of specialists trained by educational institutions according to study or training programmes with the requirements of the relevant subgroup of occupations, which are set out in the Lithuanian Classification of Occupations.</p>	December 2014	<p>The methodology for linking the occupations subgroups of the Lithuanian Classification of Occupations with the study and training programmes has been developed.</p> <p>The linking of the study and training programmes with the groups and subgroups of occupations set out in the Lithuanian Classification of Occupations will be carried out while creating conditions for establishing whether a person works in accordance with the acquired qualification.</p>
	<p>3.22. To carry out the linking of the study and training programmes with the groups of occupations set out in the Lithuanian Classification of Occupations while creating conditions for establishing whether a person works in accordance with the acquired qualification.</p>	June 2015	<p>The measure is being implemented.</p> <p>On 5 January 2015, the criteria which will make a part of the technical specifications of the procurement of services for linking the occupation subgroups of the Lithuanian Classification of Occupations with study and training programmes were approved, the linking of study and training programmes with the occupation groups and subgroups will be carried out.</p>
<p><i>Review the appropriateness of labour legislation with regard to flexible agreement conditions,</i></p>	<p>3.23. To draw up a legal act governing labour relations determining more flexible regulation of labour relations and ensuring</p>	December 2014	<p>The measure is being implemented.</p> <p>Proposals for improvement of regulation of labour relations have been put forward in the draft social model. Currently, a new Draft Labour Code is</p>

<i>dismissal provisions and flexible working time arrangements in consultation with social partners.</i>		employment security, including flexible regulation of working time by taking into account regulation of rest time; the adaptation of dismissal provisions to the market conditions; reduction of administrative burden for employers; the diversity of contract types and establishment of their features by satisfying the needs of employees and employers and taking into account the characteristics of jobs applicable to particular categories of employees; regulation of salary, mechanism for determining it, the analysis of compliance with the EU labour law directives and EU employment promotion programmes.		being drawn up.
Recommendation 4. Ensure adequate coverage of those most in need and continue to strengthen the links between cash social assistance and activation measures.				
<i>Target</i>	<i>Implemented measures and measures to be implemented</i>		Deadline for implementation	<i>Implementation progress</i>
<i>Ensure adequate coverage of those most in need.</i>	4.1.	<p>To implement the Operational Programme for the EU Investment Funds 2014–2020 for Lithuania:</p> <p>Until July 2015, with a view to implementing the measure “Development of Social Housing Fund”:</p> <ul style="list-style-type: none"> - To draw up the national strategic planning document “Social Housing Development Programme”; - The planning documents for implementation of the EU support measure have been drawn up: Description of the operational programme indicators, the measure implementation plan, the description of project financing conditions; - To prepare project proposals (drawn up by municipalities) (together with investment projects). 	July 2015	<p>The measure is being implemented.</p> <p>The action plan for the use of funds of the European Regional Development Fund for the development of municipal social housing.</p>

<i>Continue to strengthen the links between cash social assistance and activation measures.</i>	4.2.	To continue the cash social assistance system reform and as of 1 January 2015 to establish a uniform model of cash social assistance provision for poor residents in all municipalities in order to ensure that assistance is provided for persons who need it most.	January 2015	The measure has been implemented. On 2 December 2014, the Law on the Amendment of the Law on Cash Social Assistance for Poor Residents was adopted.
	4.3.	To continue the development of open youth centres and open spaces in order to increase the motivation of youth for better integration into the labour market: - to provide motivation services for young people and to offer employment opportunities in open youth centres and spaces; - to establish new or renovate open youth centres and spaces: to start training for employees of open youth centres and child day centres with an open space; to organise public procurement for establishment or renovation of centres and spaces. (It is planned to establish or renovate 8 open youth centres and 5 child day centres with an open youth space until the beginning of 2016 and to provide services for young people in them).	July 2015	The measure is being implemented. In 2014, the Department of Youth Affairs financed 33 programmes of open youth centres/spaces during which 15.6 thousand persons from 14 to 29 were provided with motivation, general skills development, inclusion in the socially useful activities, individual social-educational consulting services. Of that number, unemployed, not studying and not participating in training persons accounted for 0.8 thousand, of that number, 205 (25.1 percent) persons integrated into the labour market or education system, 127 (15.5 percent) registered with the labour exchange.
Recommendation 5. Complete the implementation of the reform of state-owned enterprises (SOE) as planned; in particular by finalising the separation of commercial and non-commercial activities, further professionalising executive board and closely monitoring compliance with the requirements of the reform.				
<i>Target</i>	<i>Implemented measures and measures to be implemented</i>		<i>Deadline for implementation</i>	<i>Implementation progress</i>
<i>To complete the reform of the state-owned enterprises, to closely monitor the compliance with the requirements of the reform.</i>	5.1.	To develop the procedure for selection of independent members for collegial bodies of public limited companies (AB) and private limited companies (UAB).	May 2015	The measure is being implemented. In autumn of 2014, the Seimas adopted amendments to the Law on State and Municipal Enterprises laying down the possibility of admitting both public officials (representatives exercising their rights of owner) and natural persons (independent board members) to the boards of state-owned enterprises. With a view to enforcing the law, the draft resolution of the Government is

				being drawn up, which would establish the procedure for selecting candidates for board members of state-owned enterprises.
	5.2.	To monitor the compliance with the requirements of the reform. To periodically prepare aggregate reports on the activities of SOEs and their performance, annual reports of the corporate strategies implementation, to provide state representing institutions with recommendations concerning operational improvements in the state-owned enterprises.	December 2015	The measure is being implemented. In 2014, the Governance Coordination Centre (GCC) prepared 4 interim aggregate (3, 6, 9 and 12 months) SOEs activity reports and one detailed annual SOEs activity report for 2013. In 2014, together with the annual SOEs activity report for 2013, GCC submitted the first special obligations study and the financial indicators report of SOEs special obligations. In 2014, GCC prepared the SOEs strategies evaluation report and the SOEs strategy implementation evaluation report which analysed how enterprises managed to reach the goals set in their strategies.
Recommendation 6. Step up measures to improve the energy efficiency of buildings, through a rapid implementation of the holding fund. Continue the development of cross-border connections to neighbouring Member States for both electricity and gas to diversify energy sources and promote competition through improved integration of the Baltic energy markets.				
<i>Target</i>	<i>Implemented measures and measures to be implemented</i>		<i>Deadline for implementation</i>	<i>Implementation progress</i>
<i>Step up measures to improve the energy efficiency of buildings, through removing disincentives and a rapid implementation of the holding fund initiative.</i>	6.1.	To continue the implementation of the new renovation (modernization) of multi-apartment buildings programme model which is primarily aimed at improving energy efficiency in multi-apartment buildings with the largest energy consumption whose owners incur major costs of house maintenance.	December 2015	The measure is being implemented.
	6.2.	Upon the technical and energy assessment of selected buildings, to choose energy saving measures on the basis of cost-benefit analysis and to prepare their renovation (modernisation) investment projects.	December 2015	The measure is being implemented.
	6.3.	To finance from the public funds the costs of preparation of multi-apartment buildings renovation (modernisation) projects implemented before 1 October 2015, construction technical supervision, administration of project implementation costs, when their thermal energy consumption is reduced by at least 20 %.	December 2015	The measure is being implemented.
	6.4.	To provide the additional state support of 25 percent for the implementation of energy	December 2015	The measure is being implemented.

		saving measures from the funds of the Special Programme for Climate Change for owners of multi-apartment buildings who have prepared the multi-apartment renovation (modernisation) projects as of 20 September 2009, concluded construction works contracts before 31 December 2014 and implemented the projects before 1 October 2015, when their thermal energy consumption is reduced by at least 40 %.		
	6.5.	To continue monitoring of the approved multi-apartment buildings' renovation (modernisation) projects implementation in order to use the funds of the holding fund in time.	December 2015	The measure is being implemented.
	6.6.	To develop financing mechanisms for public energy efficiency improvement projects controlled by municipalities by the right of ownership or by the right of trust according to the Public Buildings Energy Efficiency Improvement Programme, encouraging municipalities to improve energy efficiency of public buildings.	September 2015	The measure is being implemented. On 26 November 2014, the Government of the Republic of Lithuania approved the Public Buildings Energy Efficiency Improvement Programme.
	6.7.	To provide training and education for the participants in the process of improving energy efficiency of multi-apartment residential buildings and public buildings.	December 2015	The measure is being implemented.
<i>Continue the development of cross-border connections to neighbouring Promote competition in energy networks by improving interconnectivity with other Member States for both electricity and gas to diversify energy sources and promote competition through improved integration of the Baltic energy markets.</i>	6.8.	To implement the project of the liquefied natural gas (LNG) terminal in Klaipėda. To implement this project: - The installation of the LNG terminal infrastructure is being finished. The quay works have been completed. The construction and testing works of the gas pipeline which will connect the vessel/storage facility to the main gas transmission pipeline are underway.	December 2014 December 2014	On 3 December 2014, at the southern part of Klaipėda seaport the Liquefied natural gas (hereinafter referred to as "LNG") terminal officially started its activities, where liquefied natural gas is received and stored, gasified and supplied to the main gas pipeline network. As of 1 January 2015, the commercial activities of the LNG terminal have started.

6.9.	To complete the construction of the second line of the main gas distribution pipeline Klaipėda – Kuršėnai (increasing the capacity of the main gas pipeline Klaipėda – Kiemėnai). This project aims at building sufficient capacity of the Lithuanian gas pipeline system which will allow to make the maximum use of the possibilities of the LNG terminal while reducing the LNG terminal operating costs. The implementation of the project will provide access to the LNG terminal for consumers of Latvia and Estonia thereby enabling the participants of the Baltic market to diversify sources of gas supply and to improve the competitiveness of the market.	December 2015	The measure is being implemented.
6.10.	When implementing the project of gas interconnection Poland–Lithuania (GIPL) which will connect the Lithuanian gas system to the EU gas networks and markets: <ul style="list-style-type: none"> - To prepare the environmental impact assessment report; - To sign a contract with the EC for allocation of funds of the Connecting Europe Facility; - To begin preparing the special plan for the gas interconnection Poland–Lithuania in the territory of the Republic of Lithuania; - To begin the process of concluding easement contracts with land owners for the gas interconnection Poland–Lithuania in the territory of the Republic of Lithuania. 	June 2019 July 2015 March 2015 January 2015 August 2015	The measure is being implemented.
6.11.	To put into service the connections with Poland (LitPol Link) and Sweden (NordBalt). NordBalt: <ul style="list-style-type: none"> - To carry out works of laying cable on land and in the sea; 	December 2015 July 2015	The measure is being implemented.

	<ul style="list-style-type: none"> - To carry out construction works of the buildings of back-to-back station (BTB converter); - To carry out installation and testing of equipment of the BTB converter. <p>LitPol Link:</p> <ul style="list-style-type: none"> - To carry out 330 kV Alytus transformer substation switchyard works, 400 kV overhead line Alytus/Poland border construction works, construction works of the buildings of BTB converter; - The position of the Lithuanian, Swedish, Norwegian and German national regulators on LitPol Link cost distribution according to the cost-benefit analysis carried out by LITGRID AB and provided on 18 April 2014; - To carry out installation and testing of equipment of the BTB converter; The synchronization with the Continental European networks (CEN) project; - To conduct the feasibility study of the second connection between Lithuania and Poland. LITGRID and PSE are completing the study on the establishment of the connection route; - To conduct the joint study on integration of a high-power reactor in the framework of synchronisation of the Baltic states with the continental Europe networks. 	<p>July 2015</p> <p>December 2015</p> <p>July 2015</p> <p>November 2014</p> <p>December 2015</p> <p>January 2015</p> <p>April 2015</p>	
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