



**AMERICAN CHAMBER OF COMMERCE IN LITHUANIA**  
**2020 PROPOSALS TO LITHUANIAN GOVERNMENT**  
 2020-12-23

**I. BUSINESS ENVIRONMENT**

	<b>Proposed change / improvement</b>	<b>Desired result</b>	<b>Arguments / Discussion</b>
1.	<b>Modernization of public sector services</b>	<ul style="list-style-type: none"> <li>• <b>Initiate structural reform</b> of public sector institutions relating to business. The aim of the reform should be to ensure that public sector and regulatory institutions are orientated to providing service to business and promoting fair and legal business development.</li> <li>• <b>Review the number of business supervising institutions</b>, at the same time <b>increasing the remuneration levels of essential public services providers</b>, this way increasing the efficiency and quality of service.</li> <li>• <b>Ensure that all essential business-related services and procedures are provided in English and by electronic means.</b></li> <li>• <b>Promote modern working environment and means of the public sector institutions</b> (cloud services, electronic communication, etc.);</li> </ul>	<p><b>We need lean, flexible, very well-paid public sector which attracts top talents of Lithuania. This would help achieving desired results in all sectors in a shorter period and with less cost / investment.</b></p> <p>Many strategic reforms and ideas are implemented poorly due to weak public sector which should be responsible for the result: public sector employees often lack competences and motivation; their professional development system is weak. There are too many institutions, the state has too many functions, there is too much bureaucracy that could be cut. Perhaps number of public servants could be cut and remuneration levels for the rest increased closer to market levels.</p> <p>Transparent legislation process is one of the key elements considering possibility to invest in Lithuania despite of the industry where business operates</p> <p>Government and other State institutions must follow principles of accountability, transparency, and participation. Lithuania transferred some competences to EU when joined it. Decisions on many legal acts that have impact on many businesses are made, discussions and negotiations are executed in EU Council. The Council's work is prepared by a considerable number of preparatory bodies (committees and working groups) composed of representatives from the Member States. Every week many representatives travel to the meetings of preparatory bodies where discuss and negotiates many different legislative and non-legislative documents that have an impact on business environment when adopted. Business society and society in general does not have sufficient information</p>



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		<ul style="list-style-type: none"> <li>• <b>Ensure transparency of public sector operation by making more of the decision-making process public</b> (publicizing drafts being considered, more on-line public discussions with business community);</li> <li>• <b>Ensure access of the public to the information about the decision making at the EU level. Provide for opportunities for businesses to access information, documents, offer opinions and suggestions in the process.</b></li> <li>• <b>Initiate decreasing bureaucratic procedures by permitting electronic voting</b> (for instance decisions made in relation to management of and investments in multi-apartment buildings);</li> <li>• <b>Provide better access to the information of the public registers for business use</b> (fee level is sometimes an impediment for the service).</li> </ul>	<p>either about agendas of the meetings of preparatory bodies, or about the positions representatives express in the name of State during the meetings.</p> <p>We propose to increase State institutions accountability greater transparency regarding agendas of and positions expressed during the meetings of Council preparatory bodies should be granted.</p>
2.	<b>Education and Retention of Talents</b>	<ul style="list-style-type: none"> <li>• <b>Specific targets and significant additional investments</b> to promote high quality education especially in technology-related fields. Quality should be assessed by ability of graduates to</li> </ul>	<p>By intentionally focusing on attracting top performers in the knowledge economy, Lithuania can further increase its brand as a highly capable and skilled workforce.</p> <p>This can be achieved by:</p> <ol style="list-style-type: none"> <li>1. Growing and attracting top talent into Lithuania through: <ul style="list-style-type: none"> <li>- Educating and incentivizing students and growing the talent pool organically</li> </ul> </li> </ol>



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		<p>compete in the market. Education institutions should be financed based on the success rate of graduates.</p> <ul style="list-style-type: none"> <li>• Form top-level Government <b>task force for promoting retention and return of talents.</b></li> <li>• Start a <b>State program to attract and retain talents to Lithuania.</b> Provide specific incentives (easier immigration, tax benefits, etc.) to attract talents to Lithuania. Consider innovative and attractive new ways of attracting young talents (such as e-Residency or similar programs). The program should apply not only to highly educated talents but also to skilled workers in demand in Lithuania.</li> </ul>	<p>- Incentivizing these professionals to stay and work in Lithuania  2. Marketing and going head-to-head with other “Silicon Valley” cities in Europe and the world.</p> <p>We have a lot to offer in the form of work ethic, highly qualified skilled workers, many English speakers, geographic centrality, technology acumen and culture. These qualities make Lithuania a potentially attractive destination for workers and for US companies expanding into EU and beyond.</p>
3.	<b>Elimination of risk of conflict of interests when state or municipality take part in commercial activity</b>	<ul style="list-style-type: none"> <li>• In several areas <b>public sector entities are competing with private sector.</b> It is important to make sure that the competition is on non-discriminatory and transparent terms. This is not always the case as <b>sometimes state and municipal controlled business entities are afforded preferential treatment.</b> This results in unfair competition and loss of attractiveness and credibility of the Lithuanian business environment.</li> </ul>	<p>Regulation, ensuring fair competition and transparent regulation shall ensure lower market entry barriers and shall improve competition in Lithuanian market.</p> <p>The Civil Code of Lithuania stipulates that in cities with a population of more than 100,000, the administrator may not be a supplier of heat, electricity, gas, drinking water, waste removal, elevator maintenance services. Such regulation restricts provision of Integrated Facility Management services which is unjustified by economic logic. Waiving current restrictions would allow business to offer boarder range of services in the biggest cities in Lithuania, which shall increase attractiveness of Lithuanian facilities management market and increase competition.</p>



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		<ul style="list-style-type: none"> <li>• <b>Initiate an independent review of possible discriminatory legislation and eliminating it</b>, especially in spheres of housing maintenance, energy and health care. Eliminate such cases of unjustified protectionism. Specifically, we propose to eliminate the limitations on provision of integrated maintenance services currently applicable in housing maintenance industry.</li> </ul>	
4.	<b>Reform of public procurement system, making it more simple, more transparent, and more efficient</b>	<ul style="list-style-type: none"> <li>• <b>Initiate reform of public procurement system, making the procedures more efficient and with less emphasis on formality.</b></li> <li>• <b>Establish independent body on solving public procurement disputes next to Public Procurement Office</b></li> </ul>	<p>The idea of independent and mandatory body next Public Procurement Office was raised by the President of the Republic of Lithuania. However, due to COVID this discussion went to backstage. Established independent body should consist of professionals from various business, legal, administrative areas and resolve most of procedural disputes within short terms.</p>
5.	<b>Tax incentives for re-invested profits</b>	<ul style="list-style-type: none"> <li>• Reinvested profit is subject to corporate income tax at a rate of 0%</li> </ul>	<p>This relief would allow companies to invest in means of production, carry out development, stimulate the country's economy, and help attract more foreign investment. It would also address the issue of financing ongoing investment projects, as companies have recently been facing external financing difficulties. Consequently, productivity would increase, and companies would create new jobs, which would help address employment issues. In addition, considering that neighboring countries (e. g. Latvia, Estonia) already apply distributed profit based corporate taxation, the change in Lithuanian corporate income taxation system could positively affect competitiveness. As</p>



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			a result, Lithuania would gain more attention from foreign companies and it could improve its position in Tax Competitiveness Index as well.

## II. INFRASTRUCTURE, MANUFACTURING AND LOGISTICS

	<b>Proposed change / improvement</b>	<b>Desired result</b>	<b>Arguments / Discussion</b>
6.	<b>COVID-19 restrictions for workforce</b>	<ul style="list-style-type: none"> <li>• Difficulty to invite foreign partners to send workforce for installing new equipment (isolation requirements) resolved.</li> </ul>	New equipment increases productivity and creates workplaces. Equipment, better and more reliable monitoring of workforce during the pandemic would alleviate the risks and dangers posed by the pandemic and untie businesses for more reliable, safer investments and consistent business activities. Certificates or other type of documentation on vaccination or COVID-19 diagnosis could create more clarity and predictability for businesses as well as allow for more reliable movement of human capital. The solution also could be allowing alternative for such specialists of foreign partners to work in a “bubble” instead of isolation.
7.	<b>Development of public-private partnership (PPP)</b>	<ul style="list-style-type: none"> <li>• Closer and more consistent cooperation between private businesses and public institutions.</li> <li>• More effective use of private and public funds to increase the welfare of the public.</li> <li>• More developed reciprocal approach towards the use of joint public and private capital.</li> </ul>	PPP development would allow for improved, faster and more effective creation and use of infrastructure. PPP is one of the most effective models for cooperation between public and private sectors which could not only increase the overall welfare of the public, but also create a better environment for investors. It is an intermediate measure between public procurements and privatization which both attract private capital, expertise and knowledge but also creating infrastructure for the public. The ownership of developed projects could be retained by the state at the end of the concessions.



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<b>8.</b>	<b>Lack of infrastructure</b>	<ul style="list-style-type: none"> <li>Improved infrastructure in free economic zones and other areas for the development of industry, production, and logistics.</li> </ul>	Presence of good infrastructures help to attract foreign investments. The aim is to improve the infrastructure (road, electricity and other communications) in free economic zones and other areas for the development of industry, production and logistics. For an example, Kaunas Free Economic Zone, which recent years attracted many investments, lacks good access by road. Infrastructure (roads) are often not installed, and EU funds are not allocated where they are needed first.
<b>9.</b>	<b>Air freight limitations</b>	<ul style="list-style-type: none"> <li>More direct flights</li> <li>Health / safety /security / speed testing for travelers to increase their numbers</li> <li>Airport fees review</li> </ul>	Lack of flights connections, (especially due to pandemics) stops imports and exports via air freight. More flights, especially direct, are vital for business, and not only air cargo transportation. Preparations should be taken to increase number of flights for reopening when COVID is over. Government subsidies would help the freight and passenger flights to recover faster. It is vital to have available direct business flights with the main directions and EU capitals to attract investments. One of proposed options – introduction of a private operator of Lithuanian airports that would ensure and monitor the aforesaid.
<b>10.</b>	<b>Lack of dialogue with business when imposing COVID related restrictions</b>	<ul style="list-style-type: none"> <li>Dialogue with business before imposing restrictions.</li> <li>Faster reaction from Government necessary to correct mistakes (which may be unavoidable when taking decisions rapidly).</li> </ul>	Consult with business when imposing new COVID-19 restrictions affecting specific industries (e.g., former quarantine restrictions initially prohibited factories' canteens' operation, pet food shops were closed (production sales limited), etc.)
<b>11.</b>	<b>Government support due to COVID-19</b>	<ul style="list-style-type: none"> <li>Faster recovery of businesses most susceptible to restrictions imposed due to COVID-19</li> <li>Long-term safeguard and more reliability for businesses of all scales</li> </ul>	Government support for businesses affected the most by the restrictions imposed due to the pandemic could solve short-term financial difficulties of many businesses thus allowing them to further plan and develop their activities. This would also have a long-term effect of faster overall economic recovery of the susceptible service-related markets after the pandemic.



### III. LIFE SCIENCES AND HEALTHCARE INNOVATIONS

	Proposed change / improvement	Desired result	Arguments / Discussion
12.	<b>Higher public healthcare financing</b>	High quality and affordable healthcare for all is important for sustainable economic growth and the overall quality of life of citizens. The underfunding of the health system undermines accessibility and equity. Lithuania spends much less on health than the EU, both in absolute terms and as a share of GDP. Therefore, not surprisingly, Lithuania has among the highest mortality rates from preventable and treatable causes in the EU. Many countries with comparable levels of health spending achieve better outcomes. The quality of outpatient and inpatient care is well below EU averages, although some initiatives to support improvements in quality of care have been undertaken in recent years.  This highlights a substantial need to develop more effective public health policies, as well as to reform and invest in improving the quality of the health care system.	
12.1.	<b>To achieve a sustainable healthcare system and invest in health innovations to ensure equal access for patients to the effective, innovative treatment they need, it is necessary to increase funding for the budget of the Compulsory Health Insurance Fund. The state must allocate at least 6.7 percent to health care from GDP.</b>	Sustainable, high-quality, and efficient health care system, patients' rights to receive effective, innovative treatment are guaranteed.	Lithuania is among the 5 European countries allocating the least funds for health care. Low health care funding leads to both large inequalities in the quality of health care, low access to quality health care, and low access to innovative treatments, including medication. At the European level, Lithuania ranks at the very end in terms of public spending on health care as a share of gross domestic product (4.29% of GDP). Only few countries such as Bulgaria (4.22%), Romania (4.06%) and Latvia (3.41) spend less on health care than Lithuania. Lithuanian patients, who have been lagging behind the OECD average (6.5% of GDP) for many years, are forced to pay for health services, medicines and medical supplies out of their own pockets (their funds cover third of health spending – one of the highest shares in the EU and amount to an additional 2.08% of GDP) <sup>1</sup> . In 2021, it is not planned to continue to pay on behalf of the state for its insured persons (~ EUR 700 million) and delegated state functions (~ EUR 97 million). All in all, next year's health sector budget will be > 1 billion. EUR or ~ 2.05% of GDP. Meanwhile, the European Commission, the World Health Organization, states that the health sector is an investment sector that brings not only significant quality of life benefits, but also financial returns to the state.

<sup>1</sup> [2019\\_chp\\_lt\\_english.pdf \(europa.eu\)](https://ec.europa.eu/economy_finance/2019_chp_lt_english.pdf)



	Proposed change / improvement	Desired result	Arguments / Discussion
13.	<b>Smart governance for value-based healthcare</b>	<p>High quality and affordable healthcare for all is important for sustainable economic growth and the overall quality of life of citizens.</p> <p>In April 2019, the State Control office performed an audit of NHIF activities over the period 2010-18 in Lithuania (State Control, 2019). The evaluation pointed out a few issues, such as of over-reliance on hospital care, and concluded that the health system lacks mechanisms to ensure optimal quality and accessibility of services.</p> <p>It is expected that by 2030, at least in the highest income countries, including Lithuania, the healthcare system will be patient centric, proactive and benefit from knowledge and know-how that create sustainable innovation and enable both precision and preventative fields in medicine. To achieve this, Lithuania has to create intelligent healthcare system, rather than focus on public healthcare expenditure alone, which raises barriers to embrace efficiency opportunities from the adoption of innovative treatments, technologies in medical devices, life sciences, ICT developments in telemedicine, as well as AI employment for faster scientific and clinical know-how aggregation. To deliver better quality healthcare at a lower cost to more people, healthcare needs to become more personalized, more digitally integrated, and more collaborative.</p>	
13.1.	<p><b>The criteria for determining and listing therapeutic value set by the Minister for Health must increase, not limit, the scope for reimbursement of innovative medicines with high therapeutic benefits that prolong survival, reduce morbidity and / or disability.</b></p> <p><b>The use of patient access schemes for</b></p>	<p>Sustainable, high-quality, and efficient health care system, patients' rights to receive effective, innovative treatment are guaranteed. An effective, clear, transparent, and reasonable system for evaluating reimbursable medicines.</p>	<ul style="list-style-type: none"> <li>• Efficiency and accessibility of health care are inseparable from the availability of innovation in the health system. However, innovations in health are not only innovative services or modern devices, but also innovative medical treatments. Medication is an important part of the health care system. The quality of human life, health and social well-being of the whole state depend on it. State-of-the-art treatment improves patients' health and quality of life and contributes to the sustainability of healthcare systems, so patient-centered innovation must be a priority for all of us.</li> <li>• Although since 2013 At the end of 2007, there were changes towards the transparency of reimbursement, more efficient management of medicines and the evaluation of reimbursement, but publicly declared ambitions ("reducing drug prices and savings to reimburse innovative medicines, improving access to them, ensuring greater transparency of the whole reimbursement process") is not reflected in reality - the availability of modern medical treatment in Lithuania remains one of the worst in the EU. One of the reasons for this is the artificial</li> </ul>





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	<p><b>innovative medicines needs to be expanded (risk-sharing, payment for results, etc. about 10 types; SVEIDRA, Cancer Registry, databases of rheumatic diseases, etc. are being developed to realistically assess the effect of medicines in practice).</b></p>		<p>creation of barriers to the inclusion of medicines in the list of reimbursable medicines.</p> <ul style="list-style-type: none"> <li>• However, even more expensive better health outcomes, shorter treatment and better security (with fewer side effects and / or better tolerance) save both PSDF budget and social security funds, and ensure a more stable labor market and employment, social inclusion and, ultimately, - collects more taxes. Funding for such innovative health care is not an expense but an investment.</li> </ul>
13.2.	<p><b>MEAT (most economically advantageous tender) promotion</b></p>	<ul style="list-style-type: none"> <li>• Wider utilization of quality criteria in tenders</li> <li>• Practical guidelines (not only law/regulation) on good practice in medical technology tendering</li> </ul>	<ul style="list-style-type: none"> <li>• The European Union is committed to encouraging smart procurement to foster sustainability and innovation. Directive 2014/24/EU on public procurement emphasizes the importance of value for money and quality, making the MEAT the default criteria. This approach can deliver true value for health systems and better outcomes for patients through addressing the whole patient pathway and total cost of care, while fostering technological innovation and investment in research.</li> <li>• Despite the above mentioned, in Lithuania tendering institutions still use “lowest price” as default single evaluation criteria in absolute majority of tenders.</li> <li>• MEAT is knowledge and experience demanding when it comes to tender specification design. We believe that guidelines and best practice examples on medical technology procurement issued by PPO would help healthcare providers to make progress in this field.</li> </ul>



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<b>13.3.</b>	<b>Transparent financing decisions and more open data</b>	<ul style="list-style-type: none"> <li>• Clearer procedure and instructions for the inclusion of new services/technologies into the list of reimbursed services</li> <li>• Wider statistics on health service utilization (number of procedures, DRG cases etc.) in dynamics</li> </ul>	<ul style="list-style-type: none"> <li>• Lithuania has made considerable progress during past years by defining criteria for inclusion of health services into the reimbursement list, as well as implementing the procedure and committee for assessing healthcare services to enter the reimbursement list. The prioritizing mechanism (assigning points) is enormous achievement on the way to more strategic purchasing of health services by NHIF.</li> <li>• However, steps can be taken to make the evaluation process smoother and prevent confusion within the physician and patient community in case of committee decision being negative or intervention being assessed as a low priority. Practical guidelines and detailed procedure description (visualized by a decision tree, as an option) would promote understanding and trust. Published committee protocols could help, as well.</li> <li>• Even basic statistics on number of particular procedures and hospitalizations is not always available publicly. It demands efforts and investment to map market needs and opportunities, thus weakening competition and serving as a barrier for SMEs and new players entering the medical technology market.</li> <li>• Open data can (and should) be used to benchmark between healthcare providers and incentivize quality of care, reduce variability of outcomes and make informed decisions on budget allocation. It also promotes public trust and financial literacy within health system by making finance flows transparent and available for analysis by various stakeholders.</li> </ul>
<b>14.</b>	<b>Promotion of remote healthcare</b>	<p>To face the healthcare challenges in general and management of chronic NCDs, healthcare stakeholders—individuals, physicians, payers, policymakers, and health technology companies—must converge on digital platforms to connect, combine and share data, which will allow for global innovation of care that includes social and environmental determinants of health. Such platforms will allow stakeholders to capitalize on knowledge about health factors both at the individual and population-level. These data-based approaches will lead to a new human-centered view of healthcare that includes personalized prevention and support.</p>	



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		<p>In a fast-growing technology era, quality of life is the most important benefit citizens expect from healthcare technology breakthrough. Preventive health plans are perceived as having the highest direct impact on people’s health. Patients also expect higher autonomy through better information and the ability to dispense treatments at home.</p> <p>The Internet of Experiences (IoE) will enable a shift to remote care and monitoring, leading to more proactive therapeutic solutions with personalized recommendations. The IoE will reshape the care delivery experience through ambulatory care, telehealth, wearable devices that monitor vital signs, at-home drug delivery devices reducing in-hospital treatments, and a wide panel of online services around prevention and behavior change.</p> <p>To foster and enable new ways of efficient healthcare delivery, regulative framework must be adjusted to incorporate all important aspects for safe and effective remote healthcare provision.</p>	
14.1.	<b>Improved access to remote healthcare services</b>	<p>Entitle licensed healthcare professionals to provide remote healthcare services individually (enabling registration of individual activities of healthcare professionals, without mandatory employment at the licensed healthcare institution); provide remote healthcare services remotely, waiving excess requirements to obtain premises/equipment for provision of services (virtual workplace possibilities for individual healthcare professionals); obtain liability insurance individually. Ensure such remote healthcare services are reimbursed from National Health Insurance Fund (subject to generally applicable requirements).</p>	<p>In April 2020, a few remote healthcare services (HCS) provided increased 68 times, compared to the services provided at the same time in the year 2019. This shows the relevance of the remote healthcare sector and necessity to adopt it to actual needs of the patients and other stakeholders, i.e., to remote HCS must be as “independent part of the HCS sector”, where requirements only relevant for contact HCS should not apply (e.g. requirement to obtain premises, certain equipment, etc.); Proposed changes would result in: saved costs on HCS. Obligation for healthcare professionals (HCPs) to be employed at particular healthcare institution when providing remote HCS creates no additional value (as HCPs could obtain liability insurance individually, and clinic premises for provision remote HCS are not necessary), but it creates additional costs to the patients or private/public insurers (should HCPs be entitled to enter into agreements with patients individually, competition would increase, also no additional costs of the clinics would be incurred);Improved accessibility and quality of the HCS in the regions. One of the main problems healthcare sector is facing – lack of professionals in the regions. Despite measures adopted by the Ministry of Health (e.g., program on Attracting professionals to reduce health inequalities), this problem remains. Possibility for HCPs to contract patients individually would increase number and variety of individual HCPs in remote HCS, such services may be used by patients in the regions more flexible, comparing it to regular HCS</p>



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			<p>(e.g., first visits for HCPs indicating actual patient’s needs, remote monitoring of patients, etc.); Reduced queues for patients to receive healthcare services. 55 percent of population in Lithuania consider queues for HCS the biggest problem in the sector<sup>2</sup>. National Audit Office Report<sup>3</sup> on patients’ accessibility to HCS shows, the queue reduction measures adopted by the Ministry of Health do not achieve the desired results, among others, this is due to unresolved e-health functioning and health care professionals structural imbalances. Addressing the issue of HCS availability, 17 percent patients use paid HCS (half of them do so due to large queues). Should remote HCS be effectively implemented and HCPs could easily engage in provision of such services, the average time of the HCS would decrease, this would contribute a lot in reduced queues for HCS. Improved patients’ access and quality of HCS. Possibility for HCPs to engage in remote HCS individually, would increase variety of HCPs providing remote HCS and competition in the sector – patients could benefit from cheaper and higher quality HCS.</p>
14.2.	<p><b>Improved access to innovative healthcare services</b></p>	<p>Establish legislation enabling use of remote monitoring devices and reimbursement of such devices.</p>	<p>National Audit Office Reports[3] show that (i) average number of doctor visits in Lithuania is higher than EU average; (ii) with proper outpatient care alterations, implemented by a family doctor institution, 20% of costs for hospital treatment could be saved. Saved costs could be spent on improvement of services quality. Use of remote monitoring devices (and reimbursement of such devices) could: (i) reduce number of regular doctor visits; (ii) save healthcare professionals’ time for regular patients’ visits and costs related to regular treatment; (ii) improve preventive medical care, saving costs on patients’ treatment; (iv) improve quality of healthcare services (as interactions with healthcare professionals could be automated and accessible when needed most by the patients);</p> <ul style="list-style-type: none"> <li>[3] National Audit Office’s Report on evaluation of the health care system, issued on 15 April 2019 (link available <a href="#">here</a>) and National Audit Office’s Report on</li> </ul>

<sup>2</sup> National Audit Office Report on evaluation of the health care system, issued on 15 April 2019 (link available [here](#)).

<sup>3</sup> National Audit Office Report on availability of healthcare services and orientation towards patient, issued on 16 November 2018 (link available [here](#)).



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			quality of healthcare system: its safety and efficiency, issued on 28 September 2018 (link available <a href="#">here</a> ).
15.	<b>Health innovation fostering</b>	<p>There is a common consensus, shared by international institutions, such as WIPO, OECD, WHO, as well as EU institutions that health-related research and development (R&amp;D) and health system innovations are not a luxury, but a necessity to secure any country’s potential for economic growth and improved wellbeing.</p> <p>Following the recommendations of the Global Innovation Index (GII), the most comprehensive tool for innovation progress measurement on national levels, some key health innovation policy priorities must be established, including “the importance of ensuring sufficient medical innovation funding, in particular for public sector research; building functional medical innovation systems; facilitating the innovation path from “bench to bedside”; establishing and maintaining a skilled health workforce; moving from research on cures to innovation in the field of prevention; carefully evaluating the costs and benefits of medical innovations; supporting new data infrastructure and digital health strategies to focus on creating data infrastructure; and developing processes for efficient and safe data collection, management, and sharing” (GII 2019).</p>	
15.1.	<b>Innovation supporting instrument, earmarked funding for innovative technologies reimbursement</b>	<ul style="list-style-type: none"> <li>• Separate instrument and criteria for initial funding of innovative therapies</li> <li>• Wider utilization of risk-sharing agreements for medical technology in general (not only pharma)</li> </ul>	<ul style="list-style-type: none"> <li>• For payers, there is uncertainty about the actual clinical and economic outcomes when innovations would be used in daily practice for the population covered. In many developed countries this problem is addressed by introducing specific funding programs, sometimes called Value-Based Access Programs VBAPs. For promising beneficial innovations VBAPs are an impactful instrument for both payers and industry. They can address the uncertainties on clinical and economic outcomes that payers face during the initial access period while evidence on these two elements is being collected.</li> <li>• Innovative payment mechanisms is another tool addressing the uncertainties of innovative therapies and helping to contain expenditure. Rather than focusing only on expenditure or patient quantity cap (which is obviously useful and widely adapted risk-sharing mechanism in pharmaceutical reimbursement), we call to put data in action and invest into developing outcome measurement mechanisms, as a prerequisite for personalized, patient-centric and value-based care. Patient</li> </ul>



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			outcome measurements enable paying for patient value instead of technology item.
15.2.	<b>Early adoption of EMA recommendation and guidelines for nucleic acid therapeutics, gene editing, cell technologies, SaMD and other technologies which are likely to drive healthcare innovation in the nearest future</b>	To adapt healthcare innovation related EU regulations and guidelines in the shortest possible terms allowed by the procedures of regulation implementation in Lithuania	<p>Agility in adopting EU regulations for innovative therapies, medical devices, including software as medical device regulations will both increase the attractiveness of Lithuania on global arena for innovative companies to invest and perform R&amp;D in Lithuania, as well as see the country as the market entry platform, but also contribute positively to the quality of clinical know-how and innovative treatment accessibility for patients in a safe and fully regulated way by supporting health professionals in clinical decision-making, enabling researchers and academics to enhance research quality, as well as helping industry to more efficient and effective therapy development and validation processes, providing the basis for more personalized decision taking in clinical practice.</p> <p>There is general understanding, that global nucleic acid therapeutics market holds a very lucrative scope as such class of compounds have emerged in recent years to yield extremely promising candidates for drug therapy to a wide range of diseases. Based on application, nucleic acid therapeutics are widely used for the treatment of mono-genetic disorders and multi-genetic disorders. The high prevalence of various monogenetic diseases is leading to the rising application of various nucleic acid therapeutics.</p> <p>Up until now, the fastest regional market was the Americas due to the presence of major players and the well-established R&amp;D infrastructure. Further, owing to the sudden outbreak of COVID-19, scientists are evaluating various biomolecules and synthetic inhibitors against COVID-19; where the nucleic acid-based molecules may be considered as potential drug candidates, which is posing as an opportunity for the market growth of the nucleic acid therapeutics globally.</p> <p>Market size data to support the argument: the global nucleic acid therapeutics market is expected to record a value of US\$7.23 billion in 2024, and the forecast for CRISPR &amp; Cas genes market value is US\$ 4.23 Bn by 2027.</p> <p>The software as a medical device market was worth US\$ 18,488.00 Million in 2019 and is expected to reach US\$ 86,451.62 Million in 2027.</p>



	<b>Proposed change / improvement</b>	<b>Desired result</b>	<b>Arguments / Discussion</b>
	<b>Improvement of business and investment environment</b>	<p>According to the Global Innovation Indexes of 2019 and 2020 (Cornell, INSEAD, WIPO), Lithuania's innovation performance is below expectations for the level of innovation development among the high-income countries, the overall country's rank being 38 in 2018 (out of 129 countries) and lowering to the 40th position in 2019 (out of 131 countries ranked in the index).</p> <p>When looking deeper, it is obvious that improvement of business environment (rank 71), education spending (72), general infrastructure (98), domestic credit market (80), level knowledge absorption (85), knowledge and technology outputs (48), as well as lack of intangible assets (66) are among key obstacles for Lithuania to achieve faster pace of innovation and higher economic and social value creation, which would allow us take higher position in the global ranking.</p>	
<b>16.</b>	<b>Development of an integrated framework for biotech startup development</b>	A framework of financing instruments for biotech startups should be developed.	A framework of financing instruments for biotech startups should be developed. The framework should allow higher financing with lower own contribution and higher risk tolerance. Also, should include financing from idea development to research and development activities, validation, intellectual property protection and market entry. All the instruments should be continuing, with constant rules but low bureaucracy and aligned in time frame that biotech startups would be able to use these instruments in sequence.
<b>16.1.</b>	<b>Improved skilled HR accessibility</b>	Reach EU average (8.71) for researchers per 1000 people employed in the country by 2023.	<p>One of the limitations for life science companies to grow faster in Lithuania is lack of qualified workforce. According to the OECD statistics, in 2018 there were 6.4 researcher per 1000 people employed in Lithuania, which is almost double than in Latvia (3.84), but much lower than in Estonia (7.74), Poland (7.2), EU average (8.71), OECD average (8.57) or USA (9.23). If compared to Denmark, which has the highest rate of researchers per 1000 people employed- 15.66, then situation looks even worsen.</p> <p>To solve this issue, Lithuania must expand the talent pool. Improvements in education, both primary and higher are highly needed and investments as well as quality reforms in education is seen as a compulsory long-term strategy for Lithuania. However, given the low rankings of Lithuanian universities (which gradually improve over the years but are very far from what is needed and seeing troubles in primary education, one can hardly expect fast talent pool growth from national education system: according to the Program for International Student Assessment (PISA), students in Lithuania score lower than the OECD average in reading, mathematics and science. Moreover, only 5% of students in Lithuania are top performers (OECD average: 9%) in reading;8% of top performers in mathematics (OECD average: 11%) and 4% in science ((OECD average: 7%). To illustrate</p>





	<b>Proposed change / improvement</b>	<b>Desired result</b>	<b>Arguments / Discussion</b>
			<p>the gap in even more rich colors -six Asian countries and economies had the largest shares of top performing students: Beijing, Shanghai, Jiangsu and Zhejiang (China) (44%), Singapore (37%), Hong Kong (China) (29%), Macao (China) (28%), Chinese Taipei (23%) and Korea (21%).</p> <p>Therefore, in the short to medium term Lithuania must focus on attracting skilled workforce from abroad, implementing highly targeted immigration fostering policies, to attract and anchor highly qualified workforce and ensure their knowledge and know-how dissemination in academic and business environments.</p>
<b>16.2.</b>	<b>Elimination of existing inefficiencies for international companies to establish top level management offices in Lithuania</b>	<p>Better integration of the systems (including authentication systems used at least in EU for login through the e-Government Gateway.) would allow better access to Lithuanian registrars and systems, which are essential for proper everyday functions. This would allow to avoid many unnecessary workarounds, such as Power of attorneys for local colleagues or lawyers, request for legal support for technical matters, etc.</p>	<ul style="list-style-type: none"> <li>• Officially all foreigners can establish the companies in Lithuanian online, however, in practice the systems do not recognize foreign e-IDs or similar authentication methods.</li> <li>• Not all systems have translations to English language, which makes the access useless.</li> </ul> <p>Foreign directors are usually forced to register as the taxpayer in Lithuania, although they supervise related companies in many other countries.</p>





#### IV. IT AND DIGITAL SOLUTIONS

	Proposed change / improvement	Desired result	Arguments / Discussion
17.	<b>Data Management, Data Analysis, Quality Open Data, Business Intelligence, Artificial Intelligence</b>	<ul style="list-style-type: none"> <li>• Data liberation - open data</li> <li>• Data governance and management (risk and data sensitivity assessment, data classification/security levels, low-risk, high volume, publicly available information suitability for public cloud)</li> <li>• Reuse existing secure and governed patterns, standards, assets of delivering end user products, instead of developing siloed custom applications</li> <li>• How to earn money from data? Data enablement. Agencies should earn money from their data (RC, LGT) but do not know how to do that.</li> <li>• Effective data sharing as a tool to reduce costs. Institutions still do not share data with each other. One reason is that organizations are afraid of errors in their data.</li> </ul> <p>Artificial Intelligence applications for Public Sector</p>	<ul style="list-style-type: none"> <li>• Data driven decisions</li> <li>• Digital Governance with digital service</li> <li>• Data commercialization</li> </ul>
18.	<b>Cloud: Public, Private, Hybrid</b>	<ul style="list-style-type: none"> <li>• Change Government perception that only on-premises solutions are safe and secure</li> <li>• Possibility for Public Sector Entities to choose from the best of breed and most appropriate IAAS/PAAS/SAAS solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Ability to experiment and innovate</li> <li>• Quick time to market</li> <li>• Iteration speed (fail fast)</li> <li>• Efficiency and agility</li> <li>• Scalability and balancing</li> </ul>



	<b>Proposed change / improvement</b>	<b>Desired result</b>	<b>Arguments / Discussion</b>
		<p>according to the needs using hybrid cloud approach (from on prem, on prem extended to cloud to public cloud). For instance public cloud could be used for disaster recovery, backups, business continuity, testing scenarios, DevOps and many other cases.</p> <ul style="list-style-type: none"> <li>• Enable unified modern and secure Government productivity platform for modern and secure communication and collaboration from anywhere</li> <li>• To determine eligibility of operational expenses and buying services in the upcoming projects that will be financed through Lithuanian Budget, Recovery and Resilience Facility and other long-term EU budget instruments. This approach has already been taken by EU member states led, among others, by examples of Spain, Malta, Latvia. Part of their expenses may consist of payment by services, thus departing from the principles of ownership and the durability of the investment understood in the traditional sense of these terms, while following criteria of economic rationality and adaptation to the "state of the art" of technology</li> </ul>	<ul style="list-style-type: none"> <li>• Cost efficiency</li> <li>• Resilience and security</li> <li>• Current DCs are often not the safest ones, have limited capacity and are not covering all the needs</li> </ul>



	Proposed change / improvement	Desired result	Arguments / Discussion
19.	<b>Digital Upskilling &amp; Reskilling</b>	<ul style="list-style-type: none"> <li>• Encourage public sector employees, including Education industry to dedicate time /funds for digital upskilling &amp; reskilling</li> <li>• Knowledge platform and quality content with learning paths for required skills, certifications, and tests. For instance, free <a href="#">Microsoft Learn</a></li> <li>• Certification options</li> <li>• Invest to platforms for skills demand planning</li> </ul>	Availability of material for IT skills upskilling and re-skilling, demand of skills in labor market

## V. HR AND MIGRATION. DUAL CITIZENSHIP

	Proposed change / improvement	Desired result	Arguments / Discussion
20.	<b>Attract qualified workforce to migrate to Lithuania by improving and simplifying migration laws</b>	<ul style="list-style-type: none"> <li>• Review migration laws and procedures: <ul style="list-style-type: none"> <li>▪ In case of EU Blue Cards, abolish the requirement for the employee's education to be the same as the job position (for non-regulated professions). If business is willing to pay the employee salary above the set Blue Card threshold, we should trust that the employee's education meets the employer's needs.</li> <li>▪ Improve application process by allowing fully online-application and online interviews with the migration authorities for all work- and business-related residence</li> </ul> </li> </ul>	According to the McKinsey Global Institute's report: "People on the Move: Global Migration's Impact and Opportunity", migrants contributed over 9 per cent, or USD 6.7 trillion, to global gross domestic product (GDP) in 2015. The study done by Eurostat shows that in 2019, percentage of Non-EU nationals as a part of country's total population in Lithuania was 1.7% or 47 thousand, that is 5th lowest percentage after Poland, Slovakia, Romania, Croatia and Bulgaria. The aging population, emigration and high demand of qualified workforce, speaking in other when national and English languages, creates significant barriers for Lithuanian business to expend or bring new positions to the country for Multinationals. Opening up Lithuanian boards for qualified migrants from Non-EU countries will allow Lithuanian businesses to invest in the growth opportunities as well the growing internal market will increase the GDP and governments budget from direct and indirect taxes.



	<b>Proposed change / improvement</b>	<b>Desired result</b>	<b>Arguments / Discussion</b>
		<p>permits (currently available only for Blue Card applications). Currently residence permit applications (except for Blue Cards) must be submitted in Lithuanian migration authorities, which makes it especially difficult considering the travel restrictions related to Covid-19;</p> <ul style="list-style-type: none"> <li>▪ Improve electronic migration service system by making it more user-friendly and allowing to submit the employer's mediation letter in English.</li> </ul>	
21.	<p><b>Develop and implement Lithuanian's immigration strategy allowing to increase workforce availability by improving admission of Non-EU citizens</b></p>	<ul style="list-style-type: none"> <li>• Develop a long-term Country's immigration strategy that is aligned to business needs and anticipated growth</li> <li>• Develop and offer programs for Immigrants including Employment and Relocation packages</li> <li>• Develop and introduces programs helping to educate and form positive public opinion on immigrants</li> </ul>	
22.	<p><b>Dual Citizenship in Lithuania</b></p>	<ul style="list-style-type: none"> <li>• Organize the second referendum to vote for Dual Citizenship in Lithuania</li> </ul>	<p>Existing regulation and restrictions on dual citizenship are outdated and do not meet today's needs. After 1990, the number of emigrants from Lithuania was about 900,000, which is almost 1/3 of the population; in various periods up to 1945. almost a million more have left Lithuania. Only a small proportion of those who left after 1990 have citizenship of another state. Brexit and US policy can lead to such a need, and we are supposed to</p>



	<b>Proposed change / improvement</b>	<b>Desired result</b>	<b>Arguments / Discussion</b>
			have every outgoing Lithuanian ambassador. The loss of Lithuanian citizenship may make it more difficult for emigrants to return.

## VI. TOURISM & HOSPITALITY

	<b>Proposed change / improvement</b>	<b>Desired result</b>	<b>Arguments / Discussion</b>
23.	<b>Effective financial grants to travel industry</b>	<ul style="list-style-type: none"> <li>To help the business saving the most critical jobs until the pandemic is over.</li> </ul>	The travel industry suffers the most worldwide. Majority of European countries support their travel industries by direct financial grants. The Lithuanian travel industry did not get any direct financial grants or subsidies despite the only industry to suffer 90% loss of turnover In Lithuania.
24.	<b>Other significant state aid measure packages: tax, regulatory environment, etc.</b>	<ul style="list-style-type: none"> <li>To encourage travel business owners to reopen and re-restart businesses most effectively.</li> </ul>	<p>Ministry of Economy and Innovation mostly invested only to promote or support incoming travel business. However, a small part of travel agents is only incoming travel providers. The only way to guarantee full-time jobs and sustainable business is to have mixed travel services: incoming, domestic, and outgoing.</p> <p>It is essential to support the industry's whole ecosystem and prepare for a successful restart after COVID.</p> <p>Most European countries introduced different programs to keep domestic travel providers busy during the pandemic and 2021. It not only helps save jobs in the travel industry but also supports the country's economy.</p> <p>To revise the legislation in Lithuania and adapt to a new business model, also introduce effective tax policy of the travel industry by classifying incoming tourism as export services "0%" VAT</p>



	<b>Proposed change / improvement</b>	<b>Desired result</b>	<b>Arguments / Discussion</b>
			To support the travel industry by state-issued travel vouchers for conference packages, teachers, and lecturers' vacations, etc. etc.
25.	<b>Improving the connectivity with Lithuania and ensuring the necessary connections by air, rail, and sea</b>	<ul style="list-style-type: none"> <li>• Connectivity strategy of Lithuania</li> </ul>	Without efficient connectivity, Lithuania becomes less attractive not only to tourists but to all business sectors. It is necessary to have long term strategy and financially support the carriers to grant the connections to the most important hubs and major European cities.
26.	<b>Preparation for effective promotion of inbound tourism to Lithuania</b>	<ul style="list-style-type: none"> <li>• To develop the strategy of the Lithuanian tourism sector</li> </ul>	<p>In 2019, tourism created 3% of GDP, in 2020 it will be almost 0% of GDP.</p> <p>The adequate resources are crucially essential to reopen the destination, therefore it is necessary to assign adequate human resources and the state budget funds to promote tourism.</p> <p>Lithuania has never used the full potential of incoming tourism yet because of the wrong funds in the last 10 years.</p>
27.	<b>Creating the right environment (institutional set-up, financial and human resources) for the implementation of the mentioned strategy</b>	<ul style="list-style-type: none"> <li>• Adviser to the Prime Minister on Tourism</li> <li>• Professional tourism vice minister to the minister of Economy and Innovation</li> <li>• Tourism commission in the Parliament</li> <li>• Independent supervisory board to "Keliauk Lietuvoje"</li> <li>• Advisory board to Tourism policy department</li> </ul>	Tourism is very dependent on different ministries' decisions, especially in such a challenging business environment. Existence of right institutional set-up would significantly facilitate development of tourism sector.