

SYSTEM FOR PROMOTING BUSINESS INNOVATION

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SUMMARY

The relevance of the audit

In order to enhance the country's international competitiveness, the creation of science-intensive businesses, cooperation between science and business, and the development, implementation and dissemination of advanced technologies and innovations are being promoted. Lithuania has set itself the target of ranking among the 20 most innovative countries by 2030 and increasing the business sector's expenditure on research and experimental development (R&D) to 1.3 percent of GDP. In 2024, this figure stood at 0.43 percent (0.39 per cent in 2018). In 2025, Lithuania ranked 33rd in the *Global Innovation Index*¹ (40th in 2018).

One of the factors determining the successful creation and development of science-intensive businesses is the transparency and accountability of public administration bodies, the efficient and high-quality provision of administrative and public services, and the proportionality between the administrative burden and the intended benefits. In order to ensure a coherent and clear system of support for business and to provide the services required by businesses in a single location, the functions of innovation support agencies were consolidated in 2022 and the Innovation Agency was established.

The innovation system comprises many different institutions and organisations that can contribute to the promotion of business innovation and provide a range of services to businesses. In addition to the Innovation Agency, there is the Central Project Management Agency, the Lithuanian Science Council, UAB ILTE, as well as science and technology parks, business incubators, clusters and science and business consortia. These organisations help businesses to access financial, advisory and infrastructural support, to collaborate with research and higher education institutions, and to develop and implement innovations. However, it is important to ensure that the system for promoting business

¹ *Global Innovation Index 2025 – GII 2025 at a glance*. Available online: <https://www.wipo.int/web-publications/global-innovation-index-2025/en/gii-2025-at-a-glance.html> (accessed 18 March 2026).

innovation operates in a coordinated manner, is clear and accessible to businesses, and contributes effectively to the development of an innovation-based economy.

Audit objective and scope

The objective of the audit is to assess whether businesses are being effectively encouraged to invest in innovation.

Key audit questions:

- ✓ whether favourable conditions have been created for businesses to develop and implement innovations;
- ✓ whether innovation promotion measures motivate businesses to create and implement innovations.

Entities audited:

- ✓ The Ministry of Economy and Innovation of the Republic of Lithuania, which formulates policy on technological development and innovation and organises, coordinates and supervises its implementation;
- ✓ The Ministry of Education, Science and Sport of the Republic of Lithuania, which formulates state policy in the field of science (in the areas of research and experimental development at scientific and higher education institutions), and organises, coordinates and supervises its implementation;
- ✓ The Innovation Agency, a public institution, which implements innovation policy;
- ✓ The Central Project Management Agency, which administers programmes and projects funded by the European Union, the European Economic Area and Norwegian Financial Mechanisms, the Swiss-Lithuanian Cooperation Programme, international institutions, the state and other sources;
- ✓ UAB ILTE, which implements and administers financial instruments for business;
- ✓ The Lithuanian Science Council, which implements science and higher education policy.

We would like to thank the audited entities, the Public Procurement Service, the State Data Agency, the State Patent Bureau, the Lithuanian Confederation of Industrialists, the Conference of Rectors of Lithuanian Universities, the Conference of Directors of Lithuanian Colleges and the Lithuanian Association for Quality Management and Innovation for their cooperation.

The audit period covered 2022–first half of 2025. In order to assess trends and changes, in some cases we used data from previous periods, as well as from the second half of 2025 and 2026.

The audit was conducted in accordance with the international standards of supreme audit institutions². The audit criteria, procedures performed and methods applied are described

² ISSAI 3000 - Performance Audit Standard, available online: <https://www.valstybeskontrolė.lt/LT/post/15649/> (accessed 18 March 2026).

in more detail in Annex 2, “Audit Criteria, Procedures Performed and Methods Applied” (p. 73).

Key audit findings

The promotion of innovation in business is not sufficiently effective: a consistent process for creating value through innovation is not ensured, the continuity of funding is not planned, and the activities of innovation infrastructure entities (science and technology parks, clusters, business incubators) lack focus. The use of R&D tax incentives is limited. The impact of innovation promotion measures could be greater if their need was supported by data, sound selection criteria were established, and an assessment was carried out to determine whether the results achieved correspond to those planned.

1. The innovation promotion system is not sufficiently effective in promoting business innovation

Total investment in R&D in 2024 amounted to EUR 825.3 million (1.05 percent of GDP), of which public investment accounted for EUR 447.6 million (0.57 percent of GDP). State support for the business sector rose from EUR 2.4 million to EUR 2.7 million between 2022 and 2024, remaining below 0.01 percent of GDP. In 2025, Lithuania ranked 18th in Europe (91.2 points) according to the composite innovation index. Business R&D intensity (expenditure in the business sector) fell from 0.53 percent to 0.43 percent of GDP between 2022 and 2024. The current overall level of R&D investment, at 1.05 percent of GDP, is 1.3 times (EUR 243.6 million) lower than the target level of R&D investment set out in the European Union’s strategic documents; this contributes to limiting the development of innovation and the growth of a high value-added economy. Official statistics do not draw on all sources of information regarding entities carrying out R&D activities (e.g. information from the Central Project Management Agency, the Lithuanian Science Council, and ILTE on companies that have received funding for R&D projects or innovative activities), therefore the actual scale of expenditure may be higher (Section 1.1, p. 18).

Patenting activity in Lithuania remains low – in 2024, the number of applications per million inhabitants (45) was three times lower than the European Union average (152). Between 2022 and 2025, an average of 26 patents per million inhabitants were granted annually in Lithuania; between 2022 and 2024, Lithuanian entities were granted 8 European and 74 international patents per million inhabitants. The low level of patenting activity may be influenced by the mismatch between the financing conditions for patenting and the duration of the process: although the annual patent fee in Lithuania is low (an average of 244 euros), the process takes 2–5 years, while compensation for patenting costs is only available for 1–24 months, so companies may not be able to take advantage of the patent cost reimbursement schemes within the specified period. Businesses lack information on intellectual property protection. We found that, out of 30 selected projects, only one result was patented, even though products were developed or commercialised in 27 cases. The lack of information on intellectual property protection and shortcomings in the patent cost reimbursement scheme limit patenting activity (Section 1.2, p. 21).

Between 2022 and 2024, income tax relief measures designed to encourage innovative activity cost the state budget an average of EUR 179 million per year. The limited impact of these tax incentives is due to the complexity of their administration, a lack of expertise

and limited benefits for businesses; consequently, only 41 percent (122 out of 301) of beneficiaries took advantage of the R&D incentives. The terms and conditions for project funding under the three funding instruments stipulate an obligation for the project implementer and partners to declare expenditure allocated to R&D activities; 13 (out of 62) beneficiaries failed to comply with this requirement (for 2024), while the Innovation Agency failed to ensure compliance with the declaration requirements. In order to benefit from the income tax relief for R&D activities, companies may apply to the Innovation Agency to have their activities classified as R&D. Between 2022 and the first half of 2025, the Agency received 101 applications; the average time taken to assess an application was 24 days (the stipulated assessment deadline is 60 days). Unless further proactive measures are taken to increase the availability of tax incentives, private investment in R&D activities will not increase (Section 1.3, p. 22).

The government encourages the use of innovative public procurement to harness the public sector's potential for promoting innovation. The number of innovative public procurement contracts in Lithuania rose from 34 to 52 between 2022 and 2025, while the number of new contracting authorities grew by an average of 16 percent (22 organisations in 2025). The Ministry of Economy and Innovation allocated EUR 5 million in funding for methodological support and the implementation of procurement; the Centre of Excellence for Innovative Public Procurement was established, while the Innovation Agency and the Public Procurement Service conducted training, provided consultations and prepared methodological guidelines. A risk-sharing (compensation) mechanism, which could be applied to cover part of the costs incurred by contracting authorities in the event of technological failure, could bring about a major breakthrough in the field of innovative public procurement. We found that the data on innovative public procurement is inaccurate: the figure published on the Public Procurement Service's dashboard is EUR 7.3 million (12.8 percent) lower than the actual value of the contracts; it excludes project competitions, defence and security procurement, concessions and low-value procurements. Given the limited scale of innovative public procurement, sufficient conditions are not being created for businesses to participate in the development and implementation of innovations (Section 1.4, p. 25).

2. The system for promoting innovation lacks consistency and does not ensure continuity of funding

Lithuania's smart specialisation (S3) policy aims to concentrate investment in areas with the greatest potential for research, experimental development and innovation. In the first half of 2022–2025, 174 funding instruments were used to promote innovation, with a total allocation of EUR 3,017.1 million; 30 percent of these funding instruments (accounting for 61 percent of the funding) were directly linked to S3 priorities. The geographical distribution of funding is uneven: while opportunities to receive support were available to all regions, more than half of the funding was allocated to legal entities registered in Vilnius (758.8 out of 1,502.7 million euros in support). The innovation funding system is more focused on the later stages of innovation development (EUR 1,832.8 million is earmarked for the development and export of existing products), while funding allocated to the early stages (EUR 206.7 million for research and EUR 491 million for prototyping) is relatively lower, meaning that the innovation process from research to market is not sufficiently seamless. The innovation system operates as a set of separate instruments rather than a coherent chain, which is why projects often fail to reach the market. The situation is further exacerbated by insufficient S3 coordination: the Council for Science, Technology and Innovation has not met since December 2024, and its membership has

not been updated. Meanwhile, the S3 Coordination Group has been operating consistently: it has held regular meetings, examined issues relating to the implementation of S3, and provided comments and proposals to the Ministry of Economy and Innovation. The lack of sufficient coordination between institutions limits the scope for targeted decision-making to improve innovation policy and enhance its economic impact (Section 2.1. p. 27).

Among the 174 funding measures assessed, no specific measure was identified that was directly aimed at attracting highly qualified specialists. Between 2023 and 2025, more than EUR 3.5 million was allocated to attracting specialists, but the number of specialists attracted declined: there were 444 in 2023 and 111 in 2025. Since 2020, around 1,200 scholarships have been awarded to students on science, technology, engineering and mathematics (STEM) degree programmes at regional higher education institutions, in 2024–2025, funding of EUR 94,400 was allocated for seven non-state-funded places on the “High-Tech Business” degree programme. The initiatives implemented by the Ministry of Economy and Innovation to attract and retain highly qualified specialists contribute to increasing the supply of talent, but they are not linked to innovation policy priorities or the innovation value chain (Section 2.2, p. 31).

In the first half of 2022–2025, the majority of innovation funding in Lithuania (EUR 2.1 billion, 70 percent) was provided through the 2021–2027 European Union programmes and the Economic Recovery and Resilience Plan. This highlights the significant dependence of innovation funding on European Union support. In 2027–2028, innovation funding from the state budget will decrease significantly – from EUR 1,014.6 million in 2026 to EUR 311.9 million in 2028. The continuity of innovation funding in the future will depend on the new European Union funding model for 2028–2034 – the multiannual financial framework currently being drawn up, one component of which is the European Competitiveness Fund, amounting to approximately EUR 400 billion. The ability to attract investment will depend on the countries’ preparedness. The Ministry of Economy and Innovation has not yet established clear priority areas for innovation policy with a view to fully exploiting the opportunities presented by the 2028–2034 European Union funding period. Unless proactive measures are taken, opportunities to ensure the continuity of innovation creation and implementation will be missed (Section 2.3, p. 33).

Following the reform of the innovation system in 2022, the Innovation Agency was established in Lithuania, which actively advises businesses on innovation matters. Measures to promote innovation are administered by several institutions (the Innovation Agency, ILTE, the Central Project Management Agency, and the Lithuanian Science Council); information on these measures is published via six different channels, in which we identified discrepancies – for example, only two out of 15 calls for proposals were published in the funding measures guide, and the information in one of them was inaccurate; The website of the Ministry of Economy and Innovation contains inaccurate information about the innovation funding measures implemented by the Innovation Agency. No common principles have been established for the provision and updating of information on innovation funding measures across different institutions. This indicates that the dissemination of information remains fragmented and insufficiently reliable, making it more difficult for businesses to assess innovation funding opportunities in a timely and accurate manner and to take advantage of them (Section 2.4, p. 35).

3. The infrastructure established for the creation and implementation of innovations is not operating at full capacity

Science and technology parks should promote the dissemination of scientific and technological knowledge, support experimental development and facilitate the commercialisation of research results; however, their activities in Lithuania are not managed in a targeted manner. The current legal framework does not define the criteria for identifying science and technology parks or the procedure for classifying them under this category with sufficient clarity, and therefore neither the Ministry of Economy and Innovation nor the Innovation Agency, which is tasked with monitoring the activities of these parks, has information on all the parks operating in the country. The Innovation Agency monitors 7 parks, although there are more operating in Lithuania (we identified a further 53 entities carrying out activities similar to those of the parks). Between 2022 and 2024, the 7 parks were monitored on three occasions, however, the Ministry of Economy and Innovation has not planned any improvement measures by the end of 2025 to address the identified issues (ambiguity of indicators, data reliability, administrative burden, and weak links to innovation policy objectives). The operations of five out of the seven monitored parks depend on state funding, while no R&D activities were carried out in three parks in 2024–2025. Between 2009 and 2020, EUR 11.6 million was invested in the parks' infrastructure; there were no further investments after 2020. In 2025, 331 business entities were operating in the seven parks; of these, 141 (44 percent) had indicated, according to the classification of economic activities, that they were capable of carrying out innovative activities. However, the proportion of innovative enterprises in individual parks remains very low (e.g. at the Panevėžys Science and Technology Park – 2 out of 37, or 5 percent). Due to insufficient monitoring and shortcomings in management, it is difficult to quantitatively assess the parks' contribution to the development of the country's innovation system (Section 3.1, p. 37).

Science and business consortia operate under mission-based science and innovation programmes designed to promote the creation, implementation and dissemination of advanced technologies and innovations. To this end, the project “Implementation of Mission-Based Science and Innovation Programmes”, with funding of EUR 88.3 million, is being carried out until the end of the second quarter of 2026; the project is being implemented by three consortia (universities and their partners). By the end of 2025, work had not yet begun on 6 out of 9 project indicators, while the remaining ones had not been achieved. The implementation of these complex mission-based projects was hampered by complicated public procurement procedures, protracted construction and renovation works, and changes to design solutions. Failure to implement the planned stages and indicators in accordance with the commitments will result in the loss of planned European Commission payments (up to EUR 76.7 million). In such a case, the shortfall in funding required to complete the activities would have to be covered by the state budget, thereby offsetting part of the unmet targets (Section 3.2, p. 40).

The development of clusters was intended to increase the competitiveness of the Lithuanian economy, promote industrial restructuring and boost exports. The promotion of clustering should be focused on digitalisation, industrial restructuring, the creation of added value within the European Union, and local short value chains. The 2014 Cluster Development Concept³ noted that there is no unified system for identifying and registering clusters in Lithuania. There is still no data on clusters: the Ministry of Economy and Innovation does not hold such information, and the Innovation Agency does not carry out any evaluation of cluster activities. Without continuous monitoring of cluster

³ ‘Concept for the Development of Lithuanian Clusters’, approved by Order [No. 4-131](#) of the Minister of Economy and Innovation dated 27 February 2014, paras. 7 and 34.

development and feedback, it is not possible to adjust cluster policy decisions in a timely manner or to assess the impact of the measures implemented on the competitiveness of the Lithuanian economy (Section 3.3, p. 42).

The Ministry of Economy and Innovation has no information on the number of business incubators operating in Lithuania or their results – it has information on only one European Space Agency business incubator in Lithuania (ESA BIC Lithuania). In the first half of 2022–2025, only one of the 174 funding measures was dedicated to business pre-acceleration, the incubation and development of small and medium-sized enterprises, “Spiečius” potential, and consultancy services. EUR 3.8 million has been earmarked for this measure, and funding agreements have been signed for 65 percent of this amount. No conditions are being created to assess the efficiency of business incubators’ activities; there is no way to evaluate the impact of funding measures or to make informed decisions regarding policy or funding adjustments (Section 3.4, p. 43).

The number of start-ups in Lithuania increased by 13 percent between 2022 and 2025 (from 1,088 to 1,230), with 97 out of 172 funding instruments (EUR 2,523.5 million) being applied to them. The monitoring of start-ups carried out by the Innovation Agency is not geared towards assessing the achievement of the objectives set out in the concept for the Lithuanian start-up ecosystem: no systematic data collection is carried out on sales, exports and investments, and no proposals are formulated for improving the measures. Furthermore, the methodology used by the Innovation Agency in its monitoring of the start-up ecosystem focuses on the development of the Lithuanian start-up and technology ecosystem; it is broader than the definition of a start-up enshrined in the Law on the Development of Small and Medium-sized Enterprises. Consequently, the statistics on start-ups also include companies that have been operating for more than 10 years, even though they no longer formally meet the criteria for the duration of a start-up’s operations as set out in the Law. Due to insufficient monitoring and an inadequate assessment of the scale of start-ups, state support is directed at a broader target group than defined, thereby reducing the effectiveness of the support (Section 3.5, p. 44).

4. Funding instruments are not managed in a way that achieves the expected results

Innovation funding measures in Lithuania are not sufficiently based on needs and impact assessments, as out of the 28 measures assessed, only 6 (21 percent) were based on a needs analysis and had a clearly defined link between the identified problem, the funding measure and the intended outcomes. In the first half of 2022–2025, the ministries did not carry out systematic impact assessments of completed funding measures that would allow them to evaluate the effectiveness of the measures and justify decisions on their continuation or improvement. Evaluations of previous programmes (the 2014–2021 European Economic Area and Norwegian Financial Mechanisms, and the 2021–2027 European Union Funds Investment Programme) have shown that, where the need for measures is not substantiated, some indicators are not met or are inappropriate or insufficient; there is a lack of intervention logic and coherence; fewer projects are implemented than planned; and the impact of interventions is limited to individual projects. Inadequate needs assessment affects the utilisation of funding: funding for 15 out of 28 measures (53 percent) did not reach 90 percent of the allocated amount; consequently, during the period under review, EUR 1,006.6 million (60 percent) of the EUR

1,683.5 million remained unspent⁴. This indicates that the funding measures do not meet actual demand, which is constrained by overly strict requirements and the specific nature of the measures. Due to inadequate planning and monitoring, the unspent funds must be reallocated. Without sufficient justification of the need, given limited demand and a failure to assess the impact, a situation arises where it is impossible to objectively evaluate the effectiveness of the measures, and the funding system fails to deliver the planned economic outcome (Section 4.1, p. 46).

The project selection and evaluation system is not sufficiently well-founded or results-oriented, as 7 criteria relating to applicants' experience and financial standing (e.g. the number of activities carried out, the number of members in the applicant's group and their required experience, the level of revenue in a specific sector) were not assessed in terms of their relevance, and this may have limited demand for the measures. Although there are criteria relating to the characteristics of the product being developed (e.g. novelty), the Innovation Agency did not assess whether the products created during the projects met the specified characteristics, and so the actual achievement of results is not guaranteed. Having examined 30⁵ (out of 177 completed) projects, we found that, when assessing the implementation of projects under the "Defence Innovation Vouchers" measure, the Innovation Agency limited itself to document checks without carrying out physical on-site inspections. The Central Project Management Agency assessed similar projects and carried out on-site checks. Unjustified selection criteria and insufficient verification of results lead to a situation where funding is allocated without ensuring that the planned impact will be achieved and the expected outcome delivered (Section 4.2, p. 49).

The administrative burden on applicants is being reduced; the Ministry of Economy and Innovation is coordinating these measures, while the Innovation Agency, ILTE, the Central Project Management Agency and the Lithuanian Science Council are optimising document submission processes and implementing electronic systems. This has enabled a reduction in the administrative burden for 2024–2025: the Innovation Agency saved clients EUR 3.04 million in 2024, while the Central Project Management Agency reduced the administrative burden for project implementers by EUR 4.7 million in 2025 (ILTE and the Lithuanian Science Council do not quantify reductions in the administrative burden). Nevertheless, project funding conditions still require the repeated submission of data that is already available in government information resources (e.g. the State Data Agency or the State Tax Inspectorate). Measures to reduce the administrative burden are not being fully utilised, and the duplication of data limits their impact (Section 4.3, p. 52).

Recommendations

To the Government

1. To ensure the consistent promotion of innovation from research to market, by moving from the funding of individual projects to an integrated innovation chain model, ensure that innovation funding is organised as a coherent chain from research to

⁴ Data as at August 2025.

⁵ All completed projects administered by the Innovation Agency (11), ILTE (1), the Lithuanian Science Council (5), and, following a selection process, those administered by the Central Project Management Agency (13 out of 160).

product launch, creating conditions for the continuous funding of high value-added projects and removing barriers between different funding stages (Audit findings 2 and 4).

To the Ministry of Economy and Innovation

2. In order to ensure the coherent promotion of innovation from research to market and to strengthen the compatibility, continuity and coordination of funding instruments (Audit findings 2 and 4):
 - 2.1. ensure that, before decisions are taken on state subsidies and/or grants allocated to promote business innovation, the need is assessed by evaluating demand, alternatives and compatibility with other state support currently provided or planned;
 - 2.2. ensure that the impact of funding instruments is assessed, including their benefits, the achievement of objectives and their contribution to innovation;
 - 2.3. improve the innovation funding model by moving from individual funding instruments to integrated programmes addressing technological challenges and/or innovation, thereby enabling consistent funding from research and experimental development through to product development, deployment and export, while at the same time facilitating a more flexible reallocation of funds, taking into account progress in implementation, demand and the state's strategic priorities.
3. In order to enhance Lithuania's competitiveness, ensure the efficient implementation of innovation policy, increase the return on public investment and strengthen the public sector's role in creating demand for innovation (Audit finding 1):
 - 3.1. ensure that ministries and the institutions within their remit set targets and indicators for the application of innovative public procurement in line with the specific nature of their activities and innovation needs, and monitor their implementation;
 - 3.2. apply additional risk management measures for innovative public procurement that reduce the risk to contracting authorities when implementing innovative solutions.
4. In order to ensure the continuity of funding for business innovation from the future European Competitiveness Fund and/or other funding sources, prepare proposals for the funding of strategic areas in which business innovation would yield the greatest benefits for the state (Audit finding 2).
5. In order to better meet the needs of the innovation system for specialists who create high added value, assess the need for the competences and specialists required by the innovation system and plan for the systematic integration of this need into human resources development and talent attraction measures (Audit finding 2).
6. To ensure that the innovation infrastructure contributes to the development of business innovation (Audit finding 3):

- 6.1. to clarify the legal framework governing the identification, monitoring and performance evaluation of innovation infrastructure entities (science and technology parks, business incubators) (by establishing the criteria for identifying these entities and the principles for their inclusion in monitoring and evaluation);
- 6.2. to allocate institutional functions and responsibilities in the area of monitoring innovation infrastructure entities (science and technology parks, business incubators);
- 6.3. ensure the systematic assessment of needs, anticipated impact, regional characteristics and innovation policy priorities, and the use of the results of such assessments when making decisions on the development and maintenance of innovation infrastructure.
7. To promote the development of clustering, clarify the legal framework governing the identification, monitoring and evaluation of clusters, as well as institutional functions and responsibilities (Audit finding 3):
8. To increase the effectiveness of state support for start-ups (Audit finding 3):
 - 8.1. to establish the objectives and distinctions regarding the application of the methodological criteria used for monitoring the start-up ecosystem and the definition of a start-up as set out in legislation;
 - 8.2. ensure consistent monitoring of the start-up ecosystem by integrating key indicators, assessing trends and utilising the results in the formulation and improvement of start-up policy.
9. To create business-friendly conditions for accessing up-to-date information on innovation funding opportunities, as well as on the development and implementation of innovations, and to establish and implement common principles for inter-agency cooperation, information exchange and the provision of information, ensuring consistent and up-to-date access to information through a one-stop-shop approach (Audit finding 2).
10. In order to enhance the effectiveness of the patenting system in Lithuania and its alignment with the innovation system, measures should be put in place to ensure consistent support for applicants throughout the patenting process, from the generation of research and experimental development results to securing the long-term validity of the patent (Audit Finding 1).
11. In order to increase the effectiveness and accessibility of tax incentives in the field of innovation for businesses, in collaboration with the Inter-institutional Working Group established to improve legislation governing research, experimental development and innovation (Audit finding 1):
 - 11.1. streamline the administrative processes for tax incentives applicable to research, experimental development and innovation, reducing the administrative burden on businesses and ensuring that controls are based on risk assessment;
 - 11.2. apply standardised rates when declaring research, experimental development and innovation costs, thereby simplifying administrative processes while ensuring adequate controls and compliance with applicable requirements;

- 11.3. extend the application of tax incentives for innovation, which would encourage the creation, protection and commercialisation of intellectual property.
12. In order to reduce the administrative burden on businesses, develop solutions for the exchange of information between the State Tax Inspectorate, the State Data Agency and the administering authorities regarding the use of R&D expenditure data, clarify the descriptions of project funding conditions, and ensure that applicants are not required to resubmit data already held by state institutions (Audit finding 4).

We note that the measures proposed by the Ministry of Economy and Innovation to implement the third recommendation are focused on strengthening methodological support and monitoring, and on the use of pre-commercial and innovative public procurement as one of the means of introducing innovation and stimulating demand; but do not provide for additional incentives or risk management measures that would increase contracting authorities' motivation to take on the risks associated with innovative public procurement. We believe that these will contribute in part to the achievement of the recommendation's objective (for further details, see Table 2 of the "Plan for the Implementation of Recommendations", p. 67).

In a letter to the Office of the Government, we made a recommendation regarding the activities of the Council for Science, Technology and Innovation; to the Ministry of Economy and Innovation – regarding statistics on innovative public procurement; to the Innovation Agency – regarding the evaluation of the selection criteria used to award funding to applicants following the completion of projects, to the Lithuanian Science Council – regarding the possibility, within funding schemes providing for project funding from the state budget, of financing expenditure using simplified rates for eligible costs⁶.

The measures and deadlines for implementing the recommendations, the expected impact of the audit and the indicators for assessing the changes are set out in the section of the report entitled "Plan for the Implementation of Recommendations" (p. 55). Up-to-date information on the status of the implementation of the recommendations, the results and the changes that have taken place is published in the open data section of the National Audit Office's website at <https://www.valstybeskontrole.lt/LT/AtviriDuomenys>.

⁶ 25 June 2026 National Audit Office letters: No. SD-(210-9.3.1-E-6268)-574 to the Office of the Government, No. SD-(210-9.3.1-E-6268)-575 to the Ministry of Economy and Innovation, No. SD-(210-9.3.1-E-6268)-576 to the Innovation Agency, No. SD-(210-9.3.1-E-6268)-577 to the Lithuanian Science Council.