**Lithuania**

**Strategic framework, action plan and scope for procurement for innovation policy**

There is growing attention towards demand-side innovation policies in Lithuania. Lithuania’s procurement for innovation action plan is part of the country’s general innovation and procurement strategy. The importance and potential of procurement for innovation is stressed in the Lithuanian Innovation Development Programme 2014-20. The necessity of the model of pre-commercial procurement was stated in the programme. The Ministry of Economy published Guidelines on Innovative Public Procurement. These guidelines describe how public procurers can buy goods, services or works of better quality, more adapted to their needs, services or goods that could enhance performance of public procurers and quality of their services, and increase demand for innovation on the market. To add, the Ministry of Economy has drafted and the government of Lithuania in 2015 has established the description of pre-commercial procurement. The survey of public purchases for pre-commercial procurement has been carried out recently and the need of approximately 80 pre-commercial procurements were recognised.

Lithuania follows EU strategies and definitions.

**Implementation**

Lithuania focusses on promoting PPI and PCP. A series of seminars is organised to improve public procurers’ understanding of PPI and PCP. Individual consultations are being carried out as well. However, guidelines on PPI and PCP are not considered the main instruments for increasing the number of procurement for innovation cases in country. Lithuania plans to develop methodologies related to PPI and PPC, which will provide procurers with all relevant and guiding information. A series of seminars and matchmaking events for public sector institutions and businesses are being organised in the near future. A financing scheme for PPC supports these efforts.

**Challenges, risks and solutions to overcome obstacles**

Lithuania observed a set of challenges in its procurement for innovation efforts. For example, contracting authorities (CAs) avoid carrying out innovative public procurement because of additional risks related to the acquisition of innovative solutions. CAs also lack competences and experience in this type of procurement. There is insufficient guidance on the implementation of innovative public procurement. While there are no legal obstacles in public procurement framework to use PPI by CAs, the traditional practice of using price as the single criterion for awarding contracts is dominating. It is more legally sound for CAs to follow more prescriptive arguments set in legislation and avoid the uncertainties of innovative actions. Even if CAs have strong arguments in favour of innovative practices, and determination to conduct procurement for innovation, they face pressures to prove that their choice is made without an intention to restrict competition and is not corrupt. Lithuania plans to solve these issues by adopting

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* OECD Survey Part I submitted by Aurelija Kazlauskienė, Head of Innovation policy division, Ministry of Economy.
recommendations, and by implementing demand-side policy tools in the 2014-20 financial period. There is high interest and need for innovative solutions. Therefore, while educating public procurers, Lithuania increases competences and understanding of the subject which will lead to the increase of use of PPI and PCP.

**Key lessons learned**

It is important to note that public procurers are keen on innovative solutions. However, public procurers often lean to the status quo, due to a lack of competency and understanding. Education and training improves capabilities, but also changes public procurers’ mind-set towards in a way that they seek out innovative and more effective solutions.

**Measurement and impact assessment**

The procurement for innovation has just begun to gain in importance. Therefore, up until now, there was no need to set up a system to evaluate the impact of procurement for innovation. With the basic regulation for PCP in place, Lithuania plans to monitor the implementation of this type of procurement and to measure the impact in the country.

In 2011, Lithuania’s the Public Procurement Office started collecting statistics on the number of innovative public procurement cases in the country. According to the Innovation Development Programme 2014-20, the share of innovative procurement should have accounted for 2% of all procurement in 2017 and 5% in 2020. A study evaluating the status quo and providing guidance for drafting legislation in the field of pre-commercial procurement was carried out and approved in 2013. The study relies strongly on best practice examples such as in Norway, the United States, and the Netherlands. The study examines in detail the process of pre-commercial procurement, issues related to IPR and the roles of all actors involved in procurement.