Conveners Group
Wednesday 18 June 2025
4th Meeting, 2025 (Session 6)

Committee travel and expenses request

Nature of request

1. The Conveners Group is invited to consider a request from the Finance and Public Administration (FPA) Committee to hold a fact-finding visit to Lithuania on 22 to 25 September 2025 as part of its pre-budget 2026-27 scrutiny and legacy work.

Background

2. A key area of the Committee's work until the end of the session is pre-budget scrutiny and subsequent consideration of the Scottish Budget 2026-27. This year, the Committee has agreed to focus its pre-budget 2026-27 scrutiny on Responding to Long-Term Fiscal Pressures.

3. This scrutiny will be informed by the Scottish Fiscal Commission's (SFC's) [Fiscal Sustainability Report – April 2025](#), which highlights that "the Scottish Government will face significant challenges funding devolved public services in the future, particularly over the next twenty-five years […] because the population in Scotland will age earlier than in the rest of the UK". The SFC identifies an 'annual budget gap'[1], which it describes as "the Scottish specific fiscal sustainability challenge", averaging -1.5% between 2030-31 and 2049-50 and 0.9% between 2050-51 and 2074-75, because demographic pressures in Scotland "are greater than in the rest of the UK over the next twenty-five years".[2] The annual budget gap could, the SFC suggests, be reduced by better population health.

4. Under the pre-budget theme of Responding to Long-Term Fiscal Pressures, the Committee has agreed to—

    *   consider what steps the Scottish Government is taking now in response to fiscal pressures arising from the population trends highlighted in the SFC's report,

    *   assess the Scottish Government's approach to increasing productivity and economic activity,

    *   continue to examine the steps being taken by the Scottish Government to support growth sectors in Scotland with a view to increasing economic performance and tax revenues, given productivity levels in Scotland are low and largely static[1] and economic inactivity levels have increased[2], and

    *   examine the extent to which the Scottish Government's key financial planning documents demonstrate improved medium- and longer-term financial planning

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[1] [The Productivity Institute, Scotland's Productivity Challenge: Exploring the issues – 2025.](#)
[2] [Scottish Labour Market Insights: February 2025](#)

by the Government given the Committee has found it to be lacking in this area during this parliamentary session[3].

5. The Committee is also currently gathering evidence to inform a legacy report for its successor. This will include making recommendations in relation to areas of continuous improvement in relation to its remit, scrutiny of financial issues (including encouraging more medium and longer-term financial planning), public service reform such as digitalisation and AI, the National Performance Framework, and public administration.

Why Lithuania?

Responding to population trends

6. Lithuania is experiencing similar demographic challenges to Scotland, with a decreasing working age population and a declining birth rate. However, according to Migration in Lithuania (2022), "positive net migration, which started in 2019, continued in 2022, with 72,000 more inhabitants coming to the country than leaving". Since 2020, Lithuania has seen an increase in migrants from Ukraine, Belarus, and Central Asia.

7. The Government of the Republic of Lithuania has developed a series of policies aimed at attracting people to live and work in the country and to encourage inward investment and sectoral growth. According to the EU, Lithuania "demonstrates a strong commitment to engaging with its diaspora community by producing numerous strategic documents that prioritise initiatives such as digital skills development and the use of digital tools to strengthen economic and social ties between Lithuania and its diaspora".[4] Such initiatives include the following:

    - The state programme 'Global Lithuania' which started in 2012 and was updated in a 2022-2030 strategy co-ordinated by the Global Lithuania Department within the Ministry of Foreign Affairs.

    - A return migration project Gal į Lietuvą? co-ordinated by the Employment Service, providing information to Lithuanians residing abroad on Lithuania's labour market and potential employers.

    - I Choose Lithuania, a 'one-stop shop' "for all migrant needs" which is implemented by the International Organisation for Migration (IOM Lithuania).

    - Work in Lithuania (WIL) which aims to encourage highly skilled professionals living abroad to build their careers in Lithuania. WIL is run by Invest Lithuania which has the main goal to attract foreign investment.

    - Create Lithuania which supports professionals with international experience to advise public sector bodies in Lithuania on issues such as digitalisation, e-governance, enhancing competitiveness, the business environment, and

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[3] These documents include the Medium-Term Financial Strategy, Fiscal Sustainability Delivery Plan, Public Service Reform Strategy, Framework for a Scottish Spending Review and Infrastructure Investment Plan pipeline refresh.

[4] Country profile paper, April 2023

improving public governance – especially in the fields of innovation, sustainable development, and mental health. 80% of the alumni stated that this programme was the primary reason to come back to Lithuania and its model and success "were recognised in two UN reports, which mentioned Create Lithuania as "a great tool for talent development and retention".

- [Global Lithuanian Leaders Talent Reach programme](#) which connects companies to a network of Lithuanian professionals from across the world.

Growing the economy

8. Of further interest to the Committee are Lithuania's policies in relation to economic activity and productivity. In 2024, the employment rate for 15 to 64 year olds was 73.6%, 2.8 percentage points higher than the EU27 average. (The employment rate has increased 6.4 percentage points since 2015.[3]) According to [Emerging Europe (2025)](#), Lithuania has striven to diversify away from traditional sectors which have significant competition from other parts of Eastern Europe and Asia, towards electronics, machinery and advanced manufacturing. Automation and technological investments are increasing, fuelling productivity growth.

9. The Emerging Europe article states that "the services sector, for its part, has not been idle […;] Fintech stands out", adding "the government's efforts to streamline financial regulations and attract foreign start-ups (as well as develop its own) have succeeded in turning Vilnius into a regional hub for innovative digital finance". Lithuania has the largest Fintech hub in the EU. innovation while ensuring stability".

10. [The Baltic Times](#) highlight that, "according to a report by Invest Lithuania, the number of FinTech companies in Lithuania has tripled over the past five years, and the sector now employs over 3,500 people". The country's FinTech success, it argues, "can be attributed to several factors, not least of which is a highly skilled workforce and an education system that puts a strong emphasis on STEM subjects".

11. The Lithuanian Government's Ministry of Finance has produced [Guidelines for the Development of the Lithuanian Fintech Sector for 2023-28](#) with the strategic goal to—

> "further strengthen its position as a high value-added European Fintech hub by promoting the qualitative growth of the sector, opening up to companies creating innovative solutions, building competencies, strengthening risk management procedures and increasing our global recognition."

12. [Innovation Agency Lithuania](#), in its Operational Strategy 2023-25 highlights other "breakout areas" including hubs for biotech, manufacturing, ICT, Space, and GovTech for public innovation, all areas that Scotland is currently exploring.

Digitalisation and AI

13. The Committee agreed previously to include public service reform as an integral part of its annual pre-budget scrutiny. According to the EU "Lithuania is widely recognised as a highly digital country, with a robust ICT infrastructure, a tech-focused population, and a government that prioritises digital innovation and the adoption of new technologies".[5] This, the EU notes, is evidenced by the State Digitisation Development Programme 2021-2030 which aims to enhance digital opportunities for public sector, businesses and academia, promoting the development and use of innovative digitalisation. The Baltic Times also state that "Lithuania has emerged as a key player in the digital development landscape thanks to its substantial investment in technology infrastructures [and] consequently, the country has attracted a significantly high percentage of start-ups and tech firms in recent years, particularly in the field of FinTech".

14. According to the State Data Agency, in 2024, 8.8% of the country's companies use AI technologies compared to 4.9% in 2023. In 2024, 31.2 per cent of large companies used AI technologies, compared to 21.3% in 2023.

15. Lithuania Co-Create (LCC) highlights that the Ministry of the Economy and Innovation has rolled out substantial financial support mechanisms to fuel AI growth, including the launch of a €15 million funding call for startups working on cutting-edge technologies, including AI, blockchain, and robotic process automation. An additional €110 million has been earmarked for the digitalisation of public services, with AI solutions set to play a pivotal role in this transformation.[6]

16. According to LCC, the planned AI sandbox "is one of Lithuania's standout initiatives", a "regulatory pilot environment will provide AI companies with a controlled yet supportive setting to test their technologies, fostering experimentation without the immediate pressure of full regulatory compliance".

Government policy making and long-term thinking

17. The Scottish Government is currently reviewing the National Performance Framework (NPF). Similar to the NPF, Lithuania's State Progress Strategy 'Lithuania's vision for the future 'Lithuania 2050'' was approved by its Parliament in December 2023 and was drawn up by the State Progress Council and co-creators "to reflect on and outline the development of the State in the coming decades". This Strategy, however, goes further than just the ambition of the NPF. Its vision is implemented through the National Progress Plan 2021-2030 "which encompasses a strategic framework consisting of goals and targets, as well as a financial plan that will guide the country's progress over the next decade". Implementation of the vision is overseen by the State Progress Council.

18. The Parliament of Lithuania has a Committee for the Future which reviews and proposes legislation and resolutions related to future-focused strategies and national reforms. The Committee makes recommendations on issues such as science, demographics and the environment after consulting various experts,

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[5] Country profile paper, April 2023
[6] Lithuania – the next AI hub? | Lithuania

and Ministries are required to report on their actions in response. This is relevant in relation to the Committee's ongoing concerns regarding the Scottish Government's lack of strategic financial planning.

19. The OECD in 2023 highlighted that over the last two decades, Lithuania has invested substantially in modernising its public administration. It goes on to note that "substantial improvements have been made to public governance in the past 25 years. The Committee would be interested in exploring how these substantial improvements have been made including those that Scotland can learn from.

20. More broadly, Lithuania in 2024 topped the World Happiness Report[7] rankings for children and young people under 30, who rated themselves 7.76 out of 10 on the happiness scale, ahead of the UK and the US, at 32nd and 62nd respectively.[8] Reporting on the findings, the Guardian newspaper highlights that university is free for most students, Lithuania's tech sector counts the 'unicorns' Vinted and Nord Security among its exports, and last year, average gross earnings in the country increased by 12.6%.

Summary

21. A fact-finding visit to Lithuania is key to informing the Committee's pre-budget, budget and legacy work. It would enable the Committee to make informed and practical recommendations to maximise opportunities for the Scottish Government to respond more effectively to the significant fiscal pressures Scotland faces, including population trends, growing the economy, productivity and economic activity, and to further develop its public service reform priorities like digitalisation.

22. A visit in September 2025 would allow quicker progress to be made, with recommendations being included in the Committee's pre-budget report in October 2025, and an opportunity for the Scottish Government to take these on board when developing its Scottish Budget 2026-27, forthcoming Spending Review and its policies focused on the longer term. It would also allow broader learning to be factored into Committee's legacy report to be published before the end of the parliamentary session.

23. A detailed programme of meetings would be arranged over two days to enable Committee Members to hear first hand from a range of people and organisations about how Lithuania is responding to the above fiscal challenges. This type of dedicated programme, and outcomes that will arise, would not be able to be achieved without an in person visit.

24. It is anticipated that up five or six Members would attend this visit[7], given its importance in informing the Committee's pre-budget and legacy work, with each Member bringing different perspectives to the visit. Having this number of Members attending would also maximise the Committee's ability to reach consensual, informed and impactful recommendations.

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[7] This proposed visit would only be the Committee's second visit outwith the UK over the course of the Parliamentary session.

Draft programme

25. Should approval be granted for the Committee to hold this fact-finding visit, a visit programme would be designed around the Committee's key areas of interest, including possible meetings with the following people and organisations—

Parliament of the Republic of Lithuania (Seimas)

- Committee on Budget and Finance: reviews budget proposals and National Audit Office reports.

- Committee on Economics: examines the long-term strategy of developing Lithuania's economy, economic competitiveness, investment policy, digitisation and innovation.

- Committee for the Future: reviews and proposes legislation and resolutions related to future-focused strategies and national reforms.

Government of the Republic of Lithuania

- Ministry of Finance: formulates fiscal policy and is responsible for Guidelines for the Development of the Lithuanian Fintech Sector 2023-2028.

- Ministry of Economy and Innovation: responsible for business environment, investment, innovation, digital policy, industry, Work in Lithuania, Invest in Lithuania, the State Digitisation Development Programme 2021-2030, and funding and focus on AI. The National Productivity Board also sits within this Ministry.

- State Progress Council: responsible for Lithuania 2050 (similar to the NPF) and is chaired by the Prime Minister.

External bodies

- National Audit Office of Lithuania: equivalent of Audit Scotland. Lithuania's independent fiscal institution, the Budget Policy Monitoring Department, also sits within this office.

- Fintech Hub LT: represents Lithuania as the global Fintech centre and the GovTech Lab Lithuania which helps the public sector identify challenges and find innovative technological ideas to solve them.

- Innovation Agency Lithuania: a non-profit agency under the Ministry of Economy and Innovation, which aims to create a globally strong Lithuanian innovation ecosystem.

- Invest Lithuania: attracts foreign direct investments.

- Create Lithuania: supports professionals with international experience to advise public sector bodies in Lithuania.

- Statistics Lithuania: a Government agency similar to the Office for National Statistics in the UK which produces employment, labour market participation, and productivity data.

26. Meetings would be arranged to take place over 2.5 days on 23, 24 and 25 (am) September 2025. The outward and return travel would therefore need to take place on 22 and 25 September respectively when flights to and from Edinburgh (via Helsinki/Frankfurt) are scheduled.

Travel and costs

27. The anticipated costs for the visit are around £8976. A detailed breakdown is provided below—

Travel for up to six MSPs, and a maximum of two clerks and one SPICe researcher	£3570
Accomodation for three nights, breakfast, lunches and dinners	£4590
10% contingency	£ 816
Total	**£8976**

Decision

28. The Finance and Public Administration Committee seeks Conveners Group approval for travel to Lithuania (Vilnius) and for the associated expenditure as detailed in the Annexe below.

Clerks to the Finance and Public Administration Committee
June 2025

Annexe: fact-finding visit to Vilnius

Travel

Flights Edinburgh to Vilnius and return (£380 x 9)	£3420
Taxis/mileage for travel to and from airport	£ 150
Subtotal	**£3570**

Expenses

Hotel accommodation, breakfast, lunch and dinner for 9 people for 3 nights (£170[8] x 9 x 3)	£4590
Subtotal	**£8160**
Contingency (10%)	£ 816
Total	**£8976**

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[8] The SPCB overnight rate is £250.