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EVALUATION OF THE DEFENCE AND SECURITY INDUSTRY WITHIN THE AREAS OF RESPONSIBILITY OF THE MINISTRY OF THE ECONOMY AND INNOVATION

EVALUATION SUMMARY

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EVALUATION PURPOSE, OBJECTIVES AND SCOPE

The purpose of the evaluation is to assess the scale of funding provided for dual-use technologies and defence and security industry technologies and/or products under the 2021–2027 European Union (EU) Funds Investment Programme (IP), and to formulate recommendations for improving the currently funded activities as well as proposals for the new 2028–2034 EU Funds investment period.

The scope of the evaluation covered activities under four Progress Measures included in the Ministry of the Economy and Innovation's Economic Transformation and Competitiveness Development Programme for 2022–2030, financed through the IP and potentially eligible for financing under the future 2028–2034 EU Funds programming period. These Progress Measures contribute to the implementation of Strategic Objective 1 of the National Progress Plan for 2021–2030: "To transition towards sustainable economic development based on scientific knowledge, advanced technologies and innovation, and to increase the country's international competitiveness".

To achieve the overall purpose of the evaluation, six specific objectives were defined:

1) To assess whether activities and projects promoting the development of the defence and security industry, with separate consideration given to the development, production, commercialisation and export promotion of dual-use technologies, were financed under Priority axis 1 "A More Competitive and Smarter Europe" and Priority axis 10 "Strategic Technologies for Europe Platform (STEP)" of the IP.
2) To assess whether activities and projects promoting the development of the defence and security industry, with separate consideration given to the development, production, commercialisation and export promotion of dual-use technologies, were financed from other sources, including the Recovery and Resilience Facility (RRF) and the State Budget.
3) To assess the participation of Lithuanian defence and security industry companies in programmes directly managed by the European Commission (EC) (Horizon Europe and the European Defence Fund (EDF)), the NATO Innovation Fund (NIF), NATO DIANA and the Defence Investment Fund managed by ILTE, in areas related to dual-use technologies and the defence and security sector.
4) To formulate proposals regarding the coherence and complementarity of activities financed under the Progress Measures and those supported through the programmes directly managed by the EC, NIF, NATO DIANA and the ILTE Defence Investment Fund.
5) To develop recommendations and proposals for future dual-use technology and defence and security industry interventions, taking into account the EU Competitiveness Compass and focusing on activities that would best contribute to the changes pursued through the Progress Measures and could be financed under the 2028–2034 EU Funds investment period.
6) To provide proposals regarding the application of funding instruments (grants and/or financial instruments) for dual-use technology and defence and security industry activities under the Progress Measures and their successor measures, ensuring coherence with EC programmes, NIF, NATO DIANA and the ILTE Defence Investment Fund. Also to provide proposals regarding opportunities for implementing projects jointly with partners from other countries.

Investments Assessed. The evaluation covered the funding allocated to the analysed Progress Measures and the projects selected and financed up to the end of 2025 for the implementation of activities under those measures. The total planned budget for the analysed Progress Measures amounts to approximately EUR 1.5 billion, of which EUR 829.46 million is financed from EU Funds, EUR 481.14 million from private sources and EUR 70.25 million from RRF. An additional EUR 103.58 million is financed from the State Budget, EUR 7.35 million from EU co-financing, and EUR 3.6 million from municipal budgets.

EVALUATION METHODS

The evaluation is based on a **theory of change approach**, which enables the analysis of causal relationships between interventions, intermediate results and the intended changes. The evaluation examined how the activities implemented under the Progress Measures during the 2021–2027 period contribute to the development objectives of Lithuania's defence and security industry, the achievement of which is assigned to the Ministry of the Economy and Innovation under the Law on the Defence and Security Industry of the Republic of Lithuania, as well as how these activities contribute to addressing the key challenges constraining the development of the defence and security industry ecosystem.

Given that military expenditure cannot be financed directly from EU Funds during the 2021–2027 investment period, **the evaluation applies a broader definition of the defence and security industry**. For the purposes of assessing projects financed under the IP and activities implemented under the Progress Measures, the defence and security industry is understood as a sector engaged in the development, production, commercialisation and/or export of **dual-use** technologies and products. Activities and projects contributing to the development of the defence and security industry were identified on the basis of the priority development areas set out in the Guidelines for the Development of the Defence and Security Industry of the Republic of Lithuania for 2023–2027.

The evaluation combined qualitative and quantitative analytical methods. It included a review of strategic documents, legislation, previous studies and evaluations, semi-structured interviews, a focus group discussion with ecosystem stakeholders, and a survey of defence and security industry companies. The evaluation also analysed data from more than 1,500 projects financed through EU Funds, the State Budget and the RRF. The relevance of activities was assessed through intervention logic and contribution analysis, effectiveness through monitoring indicator analysis, and efficiency through project cost-efficiency analysis. Based on the evidence collected and the insights generated during the evaluation, recommendations and strategic proposals were formulated to support the further development of Lithuania's defence and security industry.

KEY EVALUATION FINDINGS

DUAL-USE PROJECTS FINANCED DURING THE 2021–2027 PERIOD

As of the end of 2025, a total of **72 projects related to the development, production, commercialisation and/or export promotion of dual-use technologies or products had been** financed under the Progress Measures covered by the evaluation. The total funding allocated to these projects under the IP amounts to EUR 63.81 million, of which EUR 36.47 million is financed from EU Funds and EUR 26.01 million from the State Budget.

The largest share of financed dual-use projects is focused on the development and commercialisation of products or technologies (37.5%) **or exclusively on product and technology development** (29.2%). A somewhat smaller share of projects relates to commercialisation and export promotion (20.8%) or exclusively to export promotion activities (18.1%). The smallest number of projects has so far been financed in the area of production, with only two projects identified. However, the number of such projects is expected to increase significantly during 2026–2027, as EUR 46.58 million has been allocated under Priority axis 10 of the IP to support STEP technologies in the defence and security domain.

More than one-third (34.7%) of the identified dual-use projects are related to laser and optical technologies. Approximately one in seven projects (13.9%) focuses on advanced communication management, mapping, satellite-based or positioning systems. One in eight projects (12.5%) is related to cybersecurity products and processes or advanced surveillance systems and sensors, while 11.1% of projects focus on unmanned aerial systems and other unmanned vehicle solutions. In addition, five projects were dedicated to financing

national pavilions at international defence and security industry exhibitions, while two projects supported the organisation of Baltic Miltech Summit events

CONTRIBUTION OF THE PROGRESS MEASURES TO THE ACHIEVEMENT OF DEFENCE AND SECURITY INDUSTRY DEVELOPMENT OBJECTIVES

A number of activities implemented under the Progress Measures, which primarily aim to support broader economic transformation and strengthen Lithuania's international competitiveness through investments in business digitalisation, the development of innovative digital solutions, research, development and innovation (R&D&I), internationalisation, job creation and export growth, **are also expected to contribute to the achievement of defence and security industry development objectives and to addressing the key challenges facing the sector**.

The financed activities focus on the development of high value-added innovations, the growth of start-ups and micro, small and medium-sized enterprises (SMEs), the advancement of STEP technologies, international cooperation and export development, as well as the integration of Lithuanian companies into EU and NATO defence and security industry value chains. The largest share of funding has been allocated to the development of innovative technologies and products, R&D&I activities, and the strengthening of the start-up ecosystem, thereby creating conditions for the long-term growth of innovation capacity, including among companies developing, manufacturing or exporting dual-use solutions. Activities supporting STEP technologies and the participation of Lithuanian companies in NATO DIANA and NIF also have significant potential to improve opportunities for Lithuanian companies to attract investment and expand international partnerships in the dual-use and defence sectors.

Overall, **the identified activities contribute, at least in part, to almost all key defence and security industry development objectives**, including increasing exports of Lithuanian-origin products, strengthening the integration of companies into international defence and security industry value chains, promoting cross-sectoral cooperation, and supporting the development of innovative and competitive dual-use products and technologies. The Progress Measures **also address, at least partially, a number of important challenges constraining ecosystem development**, including insufficient investment in R&D&I, limited institutional support for companies, inadequate levels of internationalisation, insufficient cross-sectoral cooperation, and relatively low volumes of high value-added dual-use exports.

Nevertheless, **some important intervention areas receive comparatively less support**. Relatively limited funding has been allocated to the promotion of dual-use exports, while long-term and comprehensive internationalisation support measures remain insufficient. In addition, some of the financial instruments currently in place have not attracted a sufficient number of eligible applicants. Further efforts are also needed to strengthen support for activities at lower Technology Readiness Levels (TRLs 1–6), the acquisition of prototypes and development of testing infrastructure, the licensing of dual-use products, and improved access to venture capital financing.

It should also be noted that the planned interventions do not address all challenges facing the defence and security industry ecosystem. The continued development of the sector will require more active involvement of the Lithuanian Armed Forces and the Ministry of National Defence in innovation development processes, clearer long-term capability planning, stronger feedback mechanisms for industry, more effective inter-institutional coordination, and a more consistent strategic approach to defence and security industry development.

Overall, the selected directions of the Progress Measures and the majority of the funding allocated to them are considered appropriate for achieving the identified objectives. However, greater impact in the future will require a more balanced approach between support for innovation development, production capacity expansion, export promotion and the practical deployment of innovations, as well as a stronger focus on the needs of the defence and security industry ecosystem.

EFFECTIVENESS AND EFFICIENCY OF THE ANALYSED PROGRESS MEASURES

The majority of the Progress Measure activities supporting the development of the defence and security industry are expected to achieve a medium or high level of effectiveness by the end of the investment period. Although the planned targets had been fully achieved for only two activities at the time of the evaluation, almost half of the activities (10 out of 22) demonstrated a high likelihood of achieving their intended results in the future. This is primarily due to the ambitious target values for monitoring indicators included in existing project agreements and the planned launch of additional calls for proposals. A relatively high probability of achieving the planned indicator targets was also identified for activities financed through financial instruments. The extended implementation period for financial instruments (until 2029) provides favourable conditions for achieving the expected results, provided that a sufficient number of eligible applicants emerge. To increase the attractiveness of financial instruments for businesses, improvements to existing instruments and additional facilitation measures are being actively introduced.

Only one of the analysed activities, aimed at promoting innovation in the public sector through pre-commercial procurement, was assessed as having a low likelihood of achieving its planned monitoring indicator targets. The low level of effectiveness is primarily attributable to limited interest and participation by applicants in the calls for proposals launched under this activity.

It should be emphasised, however, that the majority of projects financed under the analysed Progress Measures are still under implementation, while additional calls for proposals are scheduled to be launched in 2026 for a significant share of the activities. The effectiveness assessment could not yet be carried out for approximately one-third of the Progress Measure activities (8 out of 23), as calls for project proposals had either not yet been launched or had not yet closed. Consequently, **it would be appropriate to reassess the actual level of achievement of results once implementation has progressed further**.

By the end of 2025, a total of 689 projects had been selected for funding under the IP activities assessed in the evaluation. Only 4.8% of all project contracts financed through the IP had been terminated, while a further 2.3% of selected projects did not result in signed grant agreements. The highest share of terminated contracts was observed under the "InoConnect" call (02-017-K), where 23.1% of contracts were terminated. However, this was largely attributable to bankruptcies among project beneficiaries and decisions by project implementers to prioritise other projects. In all other calls, the share of terminated contracts did not exceed 7.4% of selected projects.

The project cost-efficiency analysis found that **dual-use projects demonstrate slightly lower cost-efficiency on average than non-dual-use projects**. However, **the difference is not significant** and can be partly explained by the smaller sample of dual-use projects and the greater diversity of project outputs.

Importantly, no **significant signs of systemic inefficiency were identified**. Across the projects analysed, investment levels were generally proportionate to the expected results. Although substantial deviations from the average efficiency level within individual calls were observed in some cases, these were primarily attributable to the specific nature of the projects. For example, some projects involve the development of products that cannot be mass-produced because they are tailored to individual clients, while others are subject to highly specific requirements, particularly in the medical sector. In addition, some project beneficiaries adopted very conservative assumptions regarding revenue generation and achievement of results due to the absence of comparable products on the market or other uncertainties. This resulted in relatively lower efficiency scores. In such cases, the actual efficiency of projects is likely to prove higher than estimated in the analysis. The overall efficiency of EU Funds investments may also improve over time as resources from certain financial instruments are reallocated to instruments with higher demand.

It should be noted that, at the time of the evaluation, the majority of projects had not yet been completed. Consequently, cost-efficiency was assessed on the basis of the target indicator values and eligible

expenditure amounts specified in project agreements. For this reason, **it would be appropriate to reassess the actual cost-efficiency of projects once implementation has been completed**.

PARTICIPATION OF LITHUANIAN COMPANIES IN INTERNATIONAL PROGRAMMES AND INSTRUMENTS

During the 2021–2027 investment period, a total of 49 Lithuanian companies participated in programmes directly managed by the EC, the NATO DIANA accelerator programme, and activities financed under the MILInvest Defence Investment Fund financial instrument managed by ILTE. As of the end of 2025, the largest number of unique companies (24) had participated in the MILInvest pre-acceleration and acceleration programmes and/or had received venture capital investments. During the same period, 10 Lithuanian companies participated in projects funded by the EDF, with a total of EUR 8.84 million allocated to their activities. At least 13 Lithuanian companies developing dual-use products or technologies participated in Horizon Europe, representing 14% of all Lithuanian companies involved in the programme. Two Lithuanian companies participated in the NATO DIANA accelerator programme, although only during the programme's first year of implementation (2023).

Although the participation of Lithuanian companies in international programmes and instruments remained relatively limited during the period under review, the companies involved were predominantly developers of high value-added technological products. Across all programmes and instruments analysed, the **most active participants** by the end of 2025 **were Lithuanian companies developing laser and optical technologies, unmanned aerial vehicle (UAV) solutions, and software technologies, including artificial intelligence applications**.

MAIN EVALUATION CONCLUSIONS

Although only a small proportion of the Progress Measure activities were directly targeted at the development of the defence and security industry, a significant share of the activities implemented contributes to the growth of the sector. Their continuation and a stronger alignment with the needs of the defence and security industry could create favourable conditions for accelerating the sector's development during the 2028–2034 investment period.

Although only a limited number of dual-use projects had been financed by the end of 2025, and **only two Progress Measure activities** (out of 51) **contribute exclusively to the development of the defence and security industry, a substantial share of other measure activities and sub-activities creates favourable conditions for the sector's development**. Existing and planned grant schemes and financial instruments provide opportunities to support companies developing, manufacturing or exporting dual-use products and technologies. A total of EUR 1.08 billion has been allocated to Progress Measure activities and sub-activities that contribute, or could potentially contribute, to the development of the defence and security industry. Of this amount, EUR 1.04 billion has been allocated under the IP (including EUR 610.25 million from EU Funds, EUR 397.83 million from private sources and EUR 31.82 million from the State Budget), while EUR 40.43 million has been allocated through the RRF.

Almost all Progress Measure activities analysed in the evaluation that contribute, or could potentially contribute, to the development of the defence and security industry are expected to remain relevant during the 2028–2034 investment period. This is due to their alignment with at least one of the three enabling policy priorities identified in the EU Competitiveness Compass. The majority of activities implemented during the 2021–2027 investment period contribute to the development of strategic sectors within the EU Single Market by supporting the growth of high value-added industries, including the defence and security industry. These activities focus on industrial digitalisation, export development, the development and manufacturing of STEP technologies, as well as the advancement of artificial intelligence and other emerging technologies. A significant share of activities is also targeted at companies operating within the priority domains of the Smart Specialisation Strategy or developing solutions aligned with those

domains. Some of these thematic areas are directly linked to EU strategic sectors. Furthermore, most of the analysed Progress Measure activities contribute to the technology development and start-up growth priority identified in the EU Competitiveness Compass, as they improve access to investment and other forms of support for start-ups while promoting the development, commercialisation, production and export of high value-added technologies and products.

Almost all analysed Progress Measure activities are also aligned with the investment priorities envisaged under the proposed European Competitiveness Fund. Activities supporting industrial digitalisation and the development of advanced technological solutions contribute directly to the Fund's "Digital Leadership" priority. Planned investment areas of the European Competitiveness Fund are likewise supported through measures promoting start-up development and acceleration, research and experimental development, the expansion of innovation supply, the certification of high value-added products, and the promotion of products and companies in international markets. Investments in the development and manufacturing of STEP technologies are directly linked to all priority areas of the European Competitiveness Fund, while activities aimed at attracting sustainable investment in the Central and Western Lithuania region contribute to the Fund's "Clean Transition and Industrial Decarbonisation" priority.

Furthermore, the EU's emerging strategic focus on eastern regions bordering Russia, Belarus and Ukraine suggests that more favourable conditions may arise during the next investment period for financing activities aimed at strengthening the national defence and security industry.

The evaluation found that the Progress Measure activities demonstrate a high degree of coherence with Horizon Europe and the EDF, as well as with NATO DIANA, NIF, and the Defence Investment Fund managed by ILTE. In most cases, these instruments are complementary and do not result in duplication of support.

Progress Measure activities cover a broader range of interventions across different stages of the innovation cycle and are generally better suited to the needs of Lithuanian start-ups and young SMEs. In contrast, EC and NATO programmes tend to focus on international consortia, large-scale long-term projects, or the development of cutting-edge deep technologies, making them accessible to a more limited group of Lithuanian companies in practice. The Progress Measures and their funding instruments not only complement international programmes but also help address funding gaps across different stages of innovation development. The highest degree of complementarity was identified at the pre-seed and early-stage phases of the innovation cycle, where grants, loans, acceleration activities and venture capital investments financed under the Progress Measures create more favourable conditions for the establishment and growth of Lithuanian start-ups and SMEs. NATO DIANA, NIF, EDF and Horizon Europe are generally focused on activities requiring higher levels of technological maturity, international competitiveness and partnership capacity.

The evaluation found that different forms of support (grants and financial instruments) are, in most cases, coherent and targeted at distinct business needs and stages of innovation development. Nevertheless, a **shortage of loan instruments remains at the scale-up stage, particularly those aimed at expanding the production capacities of more mature defence and dual-use companies**. Limited accessibility of existing support instruments was also identified for some **young companies and firms operating in specialised fields**, which are unable to access relevant financial instruments due to limited capital resources or insufficient operating history. In addition, current interventions are not sufficiently focused on adapting existing industrial capacities to support the development of the defence and security industry.

Although international programmes and instruments play an important role in supporting the development of Lithuania's defence and security industry, they cannot, in most cases, substitute for national interventions. Activities financed under the Progress Measures, such as export promotion, certification, production capacity expansion and internationalisation support, often have no direct equivalents within NATO or EC programmes. Furthermore, ecosystem stakeholders identified an additional

need for interventions targeting both lower (1–5) and higher (6–9) TRLs, as well as greater emphasis on practical prototype testing and production scale-up activities to further accelerate the development of the defence and security industry.

The results of the survey of defence and security industry companies, together with insights gathered through additional interviews with representatives of companies, business associations and public sector institutions, indicate that **greater participation of sector companies in international programmes will primarily require structural changes within the ecosystem**.

To date, the participation of Lithuanian companies in international R&D&I projects has been limited, as the country's defence and security industry ecosystem remains relatively small and has only recently begun to expand. A significant share of innovative companies is still at an early stage of development. Programmes directly managed by the EC, such as the EDF and Horizon Europe, are characterised by intense competition at the EU level, lengthy implementation periods, long time horizons between the start of research activities and the generation of commercial returns, and complex consortium requirements. These factors create particular challenges for the participation of new and early-stage defence and security industry companies in international programmes. More established companies with stable turnover and sufficient human resources are generally better positioned to participate in such projects.

It is expected that, over the medium term, the number of successfully scaling defence and security industry companies will increase, creating a stronger core within the national ecosystem. **Such companies are likely to possess greater capabilities and stronger incentives to engage more actively in international R&D&I projects**. Early signs of this transformation are already visible, as an increasing number of Lithuanian companies are participating in European Defence Fund activities.

The most effective way to increase Lithuanian companies' participation in international programmes would be to support the establishment of partnerships with major European defence companies and international consortia. Cooperation between public authorities and business associations in representing Lithuanian companies and proactively supporting their integration into international consortia could make a significant contribution to increasing participation in international projects, strengthening the internationalisation of the ecosystem, and expanding export volumes. **To further promote internationalisation, it is also important to address other challenges identified in this and previous evaluations and studies**. These include the limited scale of pilot procurement programmes implemented by the Ministry of National Defence, the insufficient involvement of the Lithuanian Armed Forces in innovation development processes, and the need to review the transfer and export licensing system. Continued implementation of initiatives financed during the 2021–2027 investment period and positively assessed by ecosystem stakeholders, such as the financing of national pavilions at international defence and security industry exhibitions and the organisation of targeted business missions, will also remain important.

MAIN EVALUATION RECOMMENDATIONS

Based on the evaluation findings and conclusions, as well as the insights provided by stakeholders within the defence and security industry ecosystem, **a set of recommendations and strategic proposals has been developed to support the continued development of a strong and innovative defence and security industry in Lithuania**. The recommendations are focused on the 2028–2034 investment period and are structured around six proposed strategic objectives at the national policy planning level.

The first strategic objective is to **increase investment in defence and security-related R&D&I and strengthen cross-sectoral cooperation**. Drawing on the experience gained during the implementation of activities in the 2021–2027 investment period, continued support is recommended for the **development,**

commercialisation, production and export of high value-added products, with a stronger focus on dual-use and defence-related products in the future investment period. It is also important to further develop measures that enable Lithuanian companies to **participate more actively in NATO, EU and other international technology development programmes**. To strengthen the defence and security industry ecosystem and reinforce the innovation pipeline, greater attention should be given to the **development of early-stage (TRLs 1–5) defence and dual-use technologies**, while ensuring clear pathways for successful projects to progress to later stages of technological maturity.

The second strategic objective is to **increase demand for innovative products and services developed by the domestic defence and security industry**. It is recommended to ensure the continuation and expansion of the planned activities under Priority axis 11 of the IP, including support for **prototype testing, procurement of pilot production batches, and the development of private testing infrastructure**. It is also proposed to establish a permanent **state order mechanism** for the development of defence technologies, expand the use of **innovative public procurement**, and strengthen the **involvement of the Lithuanian Armed Forces** in technology development, testing and refinement processes. Closer cooperation between the Armed Forces and industry would facilitate the identification of emerging needs and promote the practical deployment of innovations.

The third strategic objective is to **strengthen national defence and security industry capabilities**. The evaluation identified a funding gap at the scale-up stage of business development; therefore, expanding opportunities for **venture capital investment** through the enhancement of existing or the creation of new financial instruments is recommended. It is also proposed to expand **loan instruments** aimed at increasing the production capacities of companies manufacturing dual-use and defence-related products, including investments in infrastructure, equipment and reserve production capacities. Additional support should be provided for **joint Lithuanian-Ukrainian defence industry initiatives** and technological cooperation.

The fourth strategic objective is to **strengthen the integration of Lithuanian companies into EU and NATO defence and security industry value chains**. Continued and expanded support is recommended for **national pavilions** at international exhibitions, **business missions** and other internationalisation measures. It is also proposed to establish a **proactive support system for developing partnerships** between Lithuanian companies, international consortia and major European defence firms, thereby facilitating greater participation in projects financed under the future European Competitiveness Fund and in international defence industry consortia. To reduce administrative barriers, the **transfer** and export licensing **system** for defence products should be reviewed and more favourable conditions created for participation in international defence industry projects.

The fifth strategic objective is to **ensure a more coherent strategic planning framework for the defence and security industry**. Recommendations include strengthening the activities of **the Defence and Security Industry Council**, preparing **long-term guidelines** for the development of the sector, and improving coordination of defence and security industry policy. Consideration should also be given to more clearly incorporating defence and space technologies within Lithuania's **Smart Specialisation Strategy** and establishing a **monitoring system** to assess the use of Lithuanian-developed defence and security products by the Lithuanian Armed Forces.

Finally, the sixth strategic objective is to further **develop defence and security industry infrastructure and support services**. It is recommended to ensure the long-term **financing and expansion** of the **Miltech Sandbox** platform, providing companies with improved access to specialised infrastructure, expert knowledge and testing services. Additional support should be provided to cover part of the costs associated with **product certification in foreign countries** and preparation for entry into international markets. More flexible conditions should also be created to facilitate the participation of **new partners** within the platform's ecosystem.

In addition to the long-term recommendations, a number of **specific recommendations are proposed for the 2021–2027 EU Funds investment period**. These include ensuring continued co-financing for EDF projects selected during 2024–2027, providing letters of support for promising EDF projects that fall outside national priorities but address the needs of the Lithuanian Armed Forces, and carrying out a follow-up assessment of the effectiveness and efficiency of the analysed Progress Measure activities.

Implementation of the proposed recommendations would create favourable conditions for the accelerated development of Lithuania's defence and security industry, the creation of innovative dual-use and defence-related products and technologies, and the deeper integration of Lithuanian companies into international value chains. The proposed measures would also help ensure that the defence and security industry becomes a significant component of Lithuania's high value-added economy and contributes more substantially to strengthening national security and addressing emerging security challenges.