



2019 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

Lithuania

June 2020

Cover Photo: Members of the Beresan Youth Bank present their achievements at the 2018 Annual Civil Society Development Forum, an event organized by Ednannia with support from USAID. The Forum is the largest national platform for learning, communication, and experience sharing among nonprofit organizations in Ukraine, typically bringing together approximately 2,500 participants from the non-profit and private sectors, donor community, media, governmental bodies, and local authorities.

Photo Credit: Ednannia, Ukraine

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For Lithuania

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LOCAL PARTNER

Všį Bendruomenių Kaitos Centras (Community Change Center)

Jolanta Blažaitė
Birutė Jatautaitė

PROJECT MANAGERS

FHI 360

Michael Kott
Eka Imerlishvili
Alex Nejadian

INTERNATIONAL CENTER FOR NOT-FOR-PROFIT LAW (ICNL)

Catherine Shea
Jennifer Stuart

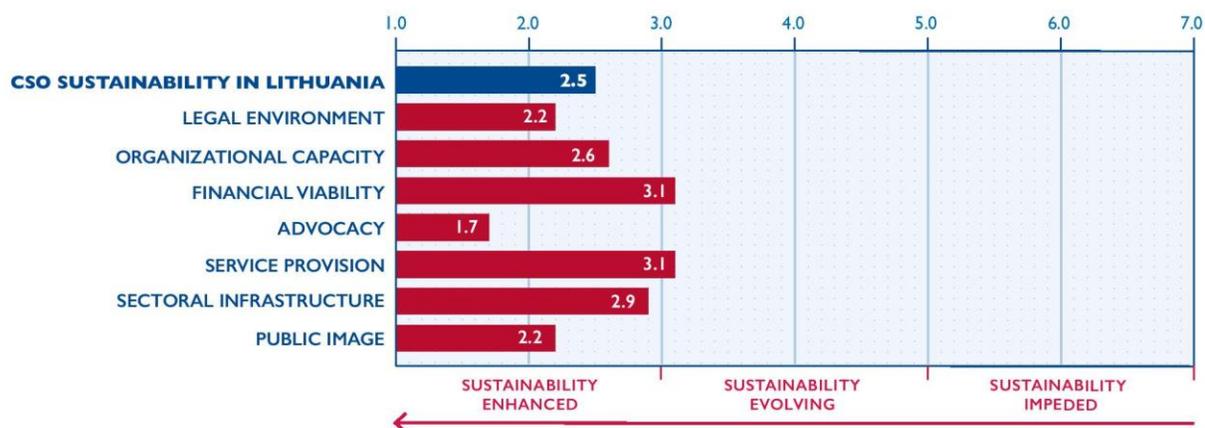
EDITORIAL COMMITTEE

Erin McCarthy, Asta Zinbo, Michael Kott, Jennifer Stuart, and Tamás Scsaurszki

LITHUANIA

Capital: Vilnius
Population: 2,731,464
GDP per capita (PPP): \$32,400
Human Development Index: Very High (0.869)
Freedom in the World: Free (91/100)

OVERALL CSO SUSTAINABILITY: 2.5



Three elections were held in Lithuania in 2019. Local elections were organized in March and presidential and European elections were held in May. The results indicate that to date Lithuania has largely avoided the wave of populism and Euroscepticism observed in much of Europe. In both the European and local elections, traditional parties—both conservative and social democrat—received the most votes, while populist candidates failed to gain much traction. In the presidential elections, the two candidates who made it to the final round both based their campaigns on rational arguments rather than populist ideas. Youth organizations and civil society in general actively engaged in pre-electoral debates and monitored the elections. In addition, a constitutional referendum on the legalization of dual citizenship was held in May, with wide engagement of the Lithuanian population and the diaspora. While 71.8 percent of those who voted approved of the referendum, this was equivalent to just 38 percent of eligible voters, falling short of the requirement that 50 percent of eligible voters in the country approve a constitutional amendment.

Overall CSO sustainability improved slightly in 2019, with improvements recorded in the legal environment, financial viability, advocacy, and service provision dimensions. A highlight of the year was the passage of the new Law on the Development of Non-governmental Organizations (NGOs), which clarifies the concept of an NGO and establishes the National NGO Fund. CSOs defended their legal interests and advocated with more confidence. There was some progress in the transfer of public services to the CSO sector, and CSOs diversified their funding sources.

There are approximately 35,000 registered nonprofits in Lithuania, including public institutions established by the government. About half of registered organizations are estimated to be active.

LEGAL ENVIRONMENT: 2.2

The legal environment governing CSOs in Lithuania improved in 2019, with important developments in the legislation regulating Lithuania's third sector.

CSOs continue to register and operate under the Laws on Associations, Charitable Foundations, and Private Nonprofit Entities. In December, the Seimas (parliament) approved a new version of the Law on the Development of NGOs, which will come into force in March 2020. This long-awaited law clarifies the concept of an NGO as a public legal entity that acts on a voluntary basis and is independent of the state or municipal authorities and bodies. An NGO acts for the benefit of the public or a group and does not pursue political ends or purely religious objectives. Not all associations or private nonprofit entities will qualify as NGOs under the new law.

The law also establishes the first dedicated NGO financing mechanism from the state and municipal budgets in Lithuania. Instead of ministries channeling government funds to NGOs through various thematic programs,



beginning in 2020, the government will make budget allocations to the National NGO Fund equivalent to 20 percent or more of the total income tax allocated to nonprofit entities by individual taxpayers in the previous year. Based on tax designations in 2018, it is estimated that the initial size of the National NGO Fund will be over EUR 4 million. The law also clarifies the principles for the formation and functioning of NGO councils at the municipal level, which were initially established in 2014. Municipal NGO councils will consist of both representatives of municipal institutions and representatives of NGOs operating in the municipality, with NGO representatives comprising at least half of the council.

Although the law's passage is significant, CSOs objected to amendments introduced at the last minute in response to lobbying by the Conference of Lithuanian Bishops that replace obligatory CSO financial reporting with voluntary declarations to the Center of Registers. CSOs felt that this change undermines the sector's long-term efforts to increase transparency.

The Law on the Development of Community Organizations came into force in March 2019. This law provides for the establishment of a National Council of Community Organizations and for municipal level Councils of Community Organizations composed of representatives of the government and community organizations on a parity basis. The main activity of the newly established Councils is to submit proposals to state or municipal institutions, something that was possible even before the law was passed. In addition, all municipalities already have NGO councils that include community representatives. Although the new law does not give community organizations any specific rights or functions or additional funding, CSOs still hope that in time the law's by-laws and amendments will benefit the sector.

The draft Law on Social Business Development, which had been stalled since 2017, was submitted for consideration by the Seimas in May 2019. The National NGO Coalition and several other organizations are advocating for changes to the current version of the law, which was developed by the Ministry of Economy and Innovation. CSOs have voiced concerns about several aspects of the law, including the provisions governing accreditation and reporting and the requirement that 50 percent of the income of social enterprises comes from commercial activities.

CSOs continue to register with the Center of Registers. Since 2017, CSOs have been able to register online, which has made the process faster and easier. Deregistration, on the other hand, remains complicated and takes between two to three years.

Individuals can assign 2 percent of their income tax obligations to CSOs but do not receive any tax benefits for donating to CSOs. Businesses can deduct twice the amount of their charitable donations from their profits when calculating income tax.

CSOs are able to earn income from the provision of goods and services. According to tax reforms adopted in 2018, however, the profit tax exemption that CSOs previously received will gradually be abolished beginning in 2019. As of 2020, CSOs will pay the same profit tax rates as businesses—5 percent for small CSOs on all goods and services sold and 15 percent for large CSOs. In addition, the period during which CSOs may save profits before they must use them in the pursuit of public interests will be reduced from five years to two years. The reduced time for pooling funds will affect the long-term planning capacity of CSOs, as well as their investment in infrastructure.

In December 2018, the Ministry of Finance supplemented the two original CSO financial reporting forms with seven appendices requesting detailed data on financial supporters and voluntary work contributions; reports covering 2019 are due in mid-2020. CSOs believe that these additional reporting requirements make nonprofit accounting more complex than business accounting. In addition, gray areas exist in the legislation, including the lack of a clear definition of public interest which has made it possible for the Tax Inspectorate to create rules prohibiting CSOs from acquiring fixed assets.

Although the Public Procurement Office has agreed that CSOs are not contracting authorities, the lack of legal provisions to support this statement puts CSOs at risk of being considered contracting bodies, which would subject them to more complicated procurement procedures and reporting requirements. In one case, for example, the Lithuanian Business Support Agency doubted the Youth Association Tau Penki's contracting status and refused to sign a funding agreement with it.

Several instruments allow the government to impose fines on CSOs, and smaller and less professional CSOs often find out about legislative changes only when they are notified of such fines. In several locations, including Širvintos, Kaunas, Druskininkai, and Šalčininkai, local authorities have harassed CSOs with inconvenient inspections that disrupt CSOs' work.

Legal assistance to CSOs varies from region to region. Local authorities in Tauragė, Kėdainiai, and Gargždai make efforts to provide legal assistance to CSOs. CSOs are likely to get better access to legal resources if their heads belong to or support the political force which governs the municipality. Umbrella organizations and the NGO Law Institute occasionally provide training and consultations on legal aspects of CSO work. For example, the Lithuanian Anti-Poverty Network assisted its members in setting up data protection systems.

ORGANIZATIONAL CAPACITY: 2.6

Organizational capacity in the CSO sector remained unchanged in 2019.

CSOs that competently address hot topics such as children's issues, poverty, education, and the environment continued to build their constituencies and engage bigger and more committed audiences, both locally and nationally. In 2019, community organizations mobilized residents of Vilnius around the use of public spaces. The Rytas community of Lazdynai district, for example, facilitated discussions among its residents, resulting in a comprehensive plan to reconstruct the neighborhood's three squares. Umbrella organizations organize consultations to gauge public interest in their thematic areas and to identify specific needs. For example, in 2019, the National Network of Education NGOs organized events focused on the quality of education in Lithuania and the Lithuanian Anti-Poverty Network spurred public discussions on the welfare system.



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Youth engagement in CSOs grew in 2019. Through the Žinau ką renku (Learn Before You Vote) campaign, which aims to increase political accountability and youth involvement in politics, young people organized eighty-four debates with mayoral candidates in February and March. Over 12,000 people participated in the events and 260,000 people watched the debates online. The network also maintained an online public platform (www.zinaukarenku.lt) that allows citizens to communicate directly with politicians. The platform had 20,000 unique visitors and politicians were asked 1,400 questions. Also, young volunteers conducted sixty interactive youth educational activities to raise civic awareness about the importance of voting.

Most CSOs have a clear thematic focus and a clearly defined range of activities. Those without these guiding principles struggle to survive. In 2019, umbrella organizations promoted and held trainings for their members on strategic planning, although organizations were not always eager to engage in planning processes. Some boards of directors undertook efforts to strategically reform their organizations with varied results. In the case of the Red Cross Society, internal disagreements resulted in the collapse of the board, with only two members remaining from the original nine.

Boards of directors play an important role in umbrella organizations, while smaller CSOs have varying views regarding the necessity and usefulness of separate management structures. Some organizations struggle to get rid of their disruptive and often no longer relevant founders. In 2019, one well-known animal charity paid off its founder to denounce his governance rights after failing to resolve the situation through legal instruments.

According to employment statistics from 2019, private nonprofit entities, which includes CSOs and other nonprofits in the public sector, employed about 102,000 people; associations employed 5,300 people; and charitable foundations 700 workers. While these numbers increased between 2018 and 2019, they are still slightly lower than in 2017, with the changes likely explained by the EU funding cycle. CSOs continue to struggle with exhaustion and high dropout rates among their staff and find it difficult to replace staff. Permanent staffing remains a major challenge for CSOs due to a lack of dedicated funding. Only big national organizations can afford full-time staff. Practically all CSO workers in the regions work part-time or are volunteers who earn their living in other sectors.

There are no official statistics on volunteering in Lithuania. According to data from individual organizations, CSOs providing social care and humanitarian assistance, like children’s day care centers and animal charities, continue to rely mainly on volunteers in their daily work. National volunteering campaigns reported stable levels of volunteer engagement. For example, the World Clean-up Day organized by Akcija Darom recruits at least 100,000 volunteers each year, and 8,000 volunteers collect donations at supermarkets all over the country twice a year for the Food Bank. Poorly staffed organizations are not capable of expanding their pool of volunteers, especially in small communities. Animal charities and big organizations alleviating poverty successfully recruit volunteers, especially for certain well-designed campaigns. For example, Penkta koja had an overabundance of volunteers interesting in taking dogs for walks during its shelter clean-up in the fall but struggled to recruit volunteers to help with the shelter’s daily operations. Many corporate volunteers helped out at the Food Bank in Vilnius during the final months of the year.

CSOs have good access to information and communications technologies (ICT) and there is good internet coverage throughout the country. CSOs’ equipment, however, is often outdated and donors seldom invest in its renewal. CSOs’ technological competencies continue to grow with the gradual transition to paperless reporting and centralized databases. For example, CSOs implementing projects under the Operational Program for Investments of the EU Funds 2014-2020 are required to exchange data on a special website. CSOs generally utilize social media effectively, but seldom develop specialized software to aid or facilitate their day-to-day work because of a lack of resources. In 2019, CSOs were not eligible for dedicated funding for innovations from the Science, Innovation and Technology Agency (MITA), which is available to businesses.

FINANCIAL VIABILITY: 3.1



The CSO sector’s financial viability improved moderately in 2019, with the emergence of some new funding sources and increases in individual giving, individual tax allocations, and revenue generated from the sale of services.

The Active Citizens Fund (ACF) was launched in Lithuania in October 2019. ACF, which is funded by the European Economic Area Financial Mechanism, will distribute EUR 9 million in grants to CSOs between 2020 and 2024. Grants will support projects focused on citizen participation, advocacy, human rights, empowerment of vulnerable groups, CSO capacity building, and sustainability of civil society. The first grants are expected to be awarded in spring 2020.

The government funds CSOs primarily through thematic programs supervised by various ministries. Children’s day care centers and umbrella and youth organizations are among the few areas that benefit from significant government funding. There is no centralized data on the government’s funding for the sector, but there seemed to be an increase in 2019 as the government provided co-funding for ESF programs. Also, the Program for Sustainable Cultural Development allocated over EUR 1 million to cultural organizations working on 187 national initiatives. Responding to requests from CSOs, the Ministry of Social Security and Labor opened calls for proposals for 2020 funding a couple of months earlier than in previous years. As a result, children’s day care centers, organizations providing services to vulnerable groups, umbrella

organizations, and other CSOs will start receiving funds earlier in the year, which will make their financial situations more stable. On the other hand, more than EUR 117 million in unused social benefit money remained untapped as municipalities did not exercise their right to redirect the unused funds to CSOs.

The Charities Aid Foundation's 2019 World Giving Index, which provides aggregated data for the past ten years, placed Lithuania among the ten least giving countries in the world. However, according to the latest data from Lithuania's Department of Statistics, individual and anonymous donations grew from EUR 21 million in 2017 to EUR 24 million in 2018, while local business support remained stable at EUR 89 million. Businesses primarily support the country's biggest charities, children's day care centers, and organizations working with children and ill people. The online fundraising platform Aukok.lt, which celebrated its tenth anniversary in 2019, raised EUR 353,000 in 2019, an increase of EUR 40,000 compared to 2018.

Overall individual tax allocations to all nonprofits (including government-funded nonprofits such as schools and hospitals, political parties, and artists) grew from EUR 17.8 million in 2018 to EUR 20.7 million in 2019, while allocations for CSOs specifically grew from EUR 11.2 million to EUR 13 million. While the overall number of individual tax contributors to all types of nonprofits dropped by 12,000 to 519,000, the number of people supporting CSOs through individual tax contributions increased by 4,000 to approximately 335,000.

Organizations that demonstrate competent and innovative fundraising attract generous public support. The Children's Cancer Foundation Mothers' Union met an ambitious EUR 2.5 million fundraising goal within a year to establish a rehabilitation and information center for children with oncological diseases and their families. The Food Bank's annual charity concert raised EUR 207,000 in 2019, compared to EUR 161,000 in 2018 and EUR 146,000 in 2017. Although the success of Lithuania's big charities is inspiring, there are fears that these efforts might deplete limited resources and further weaken smaller CSOs that are struggling.

Revenue generated from the sale of services grew slightly in 2019. In the area of education, over 50 schools and 130 kindergartens established by CSOs successfully charge for their services. Social service organizations had more opportunities to diversify their funding by partnering with municipalities in programs funded by the European Social Fund (ESF). For example, in 2019 EUR 5.8 million was allocated nationally to cover the costs of personal assistants provided by 322 CSOs to people with disabilities. This funding was provided as part of a bigger Program of Complex Assistance to Families, which has funding of EUR 36 million, with 75 percent of funding earmarked to purchase services from CSOs. Most of these funds will be distributed in 2020.

Bigger CSOs hire bookkeeping firms to do their accounting and financial reporting to the government, while small organizations cannot afford professional accountants. The 2018 tax reform introduced changes to CSO accounting that came into effect in 2019. Experts complain about the complexity of the new reporting requirements, which will be especially hard for small CSOs to meet. Independent financial audits continue to be expensive and CSOs seldom undertake them unless required by donors. CSOs rarely commission performance audits and auditors lack skills in performing such audits.

ADVOCACY: 1.7

CSOs actively engaged in advocacy in 2019. Confidence grew within the sector as advocacy approaches progressed from constant defense to proactive advocacy focused on CSO law reform. The sector gained new representation, with delegated representatives on Regional Development Councils. In addition, the government assigned the National NGO Council the right to endorse national candidates for Diversity Europe – Group III of the European Social and Economic Committee.

Lithuania's laws provide for several dedicated channels of CSO-government collaboration. The Law on the Development of NGOs established national and local NGO councils in 2014. After a period of inactivity between 2015-2017, the National NGO Council now holds regular meetings and plays a constructive role in the law-making process. The Council met eight times during 2019 and contributed to the adoption of the new Law on the Development of NGOs and the retraction of recurrent attempts to require CSOs to register as lobbyists. However, municipal NGO councils have not yet become vehicles for advocacy on the local level as CSOs based in the regions often lack the skills, courage, and resources to engage in advocacy work.

The Law on the Development of Community Organizations, which was passed in 2019, established councils of community organizations. These councils largely mirror the NGO councils: both consist of government

representatives and CSOs and address issues relevant to civil society. The CSO community, including the National Association of Urban and Rural Communities, met the new councils with reservation, partially because CSOs are overwhelmed with opportunities to participate in various councils and commissions. In smaller communities, the sector is too sparse and weak to engage fully in all the representative bodies, including the municipal NGO Council, the Child Welfare Council, the Family Commission, and the Commission on the Affairs of People with Disabilities.

Organizations working in the areas of poverty alleviation, consumer rights, and the environment complain that legislators organize meetings at short notice and fail to update their agendas in a timely manner. Meetings are also hard to follow due to the abundant use of legal and technical language. Since the General Data Protection Regulation (GDPR) was enacted in May 2018, various government agencies have restricted access to data. For example, in June the Seimas passed amendments to the Law on Reconciliation of Public and Private Interests; among other changes, the amendments allow politicians to declare less information on their private transactions. Transparency International Lithuania effectively persuaded the Seimas that the GDPR should not apply to information about politicians participating in elections, and that those involved in politics should adhere to the highest standards of transparency.

Some lawmakers expect CSOs to accept their propositions and are not willing to carefully consider recommendations made by CSOs. However, umbrella organizations and coalitions increasingly push the Seimas and government, as well as their various councils, to engage with the CSO sector in shaping Lithuania's legislation and public agenda. In 2019, CSOs came together to advocate for improvements to the Lithuanian National Progress Strategy (NPS) 2030 and its supporting National Progress Program. In the opinion of CSOs, the National Progress Council, which is responsible for the two undertakings, set unambitious goals that are unlikely to improve various areas of social life.

The NGO Coalition for the Rights of the Child, the Lithuanian Human Rights Center, and children's rights experts criticized the head of the governing party for introducing an amendment to the draft Law on the Fundamental Rights of a Child that would allow families to use mild corporal punishment to discipline their children. The amendment was subsequently withdrawn. In the presidential and municipal elections, CSOs actively organized debates and noted the candidates' positions on various sensitive issues in order to help citizens formulate well-founded opinions on candidates.

The Law on the Development of NGOs originated within the NGO sector. The NGO Information and Support Center (NISC) and Lithuania's largest umbrella organizations lobbied the government and the Seimas to define the status of an NGO and introduce other legal provisions that would support the sustainable development of the sector. In contrast, the Law on the Development of Community Organizations was initiated by politicians; NGOs did not actively lobby for this law and generally found it excessive as it duplicates provisions of the Law on the Development of NGOs.

ADVOCACY IN LITHUANIA



SERVICE PROVISION: 3.1

CSO service provision improved in 2019, as CSOs provided more services and broadened the variety and clientele of their services.

In 2019, services delivered by CSOs continued to concentrate in the areas of social work, education, culture, sports, animal welfare, and health promotion. A new service that provides personal assistants to people with disabilities was launched in 2019, with joint funding from national and local budgets. CSOs provide limited services in areas such as economic development, urban development, and governance. CSOs also provide consultations and expertise in government-funded projects and occasionally to businesses.



A survey conducted by Enterprise Lithuania in July 2018 found that municipal authorities seek CSO assistance to assess the need for services. The survey found that CSOs are responsive to the community and are more flexible and provide better quality services than the municipalities' own establishments. CSOs seldom evaluate the quality of their services. The Lithuanian Anti-Poverty Network urged its members to evaluate their performance and offered a self-assessment methodology, which at least twenty organizations used. CSOs typically determine the need for services through their own observations and suggestions by members of their communities.

CSOs' ability to recover costs for their services did not change in 2019. CSOs largely serve clients who are not

able to pay for services. The government provides CSOs with some funds through grants and contracts for service provision, but funding is often provided at rates that barely allow CSOs to cover the costs of services and financial loss is common. CSOs do not have the ability to conduct market research but are generally aware of their constituencies' ability to pay.

The NPS 2030 states that the government's own establishments should provide public services only if these services cannot be outsourced to CSOs or businesses. The Plan of Action for implementing the NPS set a goal of outsourcing at least 15 percent of all public services by 2020. Data from NISC indicates that in 2018, CSOs received 6.7 percent of the total municipal funding for public services, an increase of 1.5 percent compared to the previous year. Although data for 2019 is not yet available, it is predicted that CSO engagement in public service provision continued to grow. In 2019, municipal authorities sought additional funding for CSO services by submitting proposals for EU and other programs.

CSO engagement in service provision varies from municipality to municipality. Data presented by NISC shows that public services have been transferred to CSOs faster in bigger cities, where the CSO community is larger and stronger. In 2018, CSOs delivered up to 9 percent of public services in Kaunas, 12 percent in the capital city of Vilnius, and 17 percent in Klaipėda. In contrast, eighteen out of sixty regional municipalities reported not contracting CSOs at all. Some smaller municipalities, however, have also demonstrated the viability of CSO services. For example, the municipality of Kėdainiai organized CSO forums and trainings on service provision and designated awards for services benefitting communities. The municipality of Kazlų Rūda, which in 2019 outsourced all social services to CSOs, was the first to apply reserved procurement, a system established by law in July 2018 that allows the government to simplify the procedures for outsourcing services to CSOs.

In 2019, the municipalities of Kaunas City and Kaišiadorys Region implemented pilot projects to test the outsourcing guide prepared by the Ministry of Economy and Innovation. Participating CSOs experienced financial loss, and the pilots exposed the fact that municipal authorities' procurement conditions typically establish low rates, set excessive administrative requirements, and require CSOs to contribute their own resources.

The government agency Enterprise Lithuania identified sixty-five social businesses in the country in 2018. This number at least doubled in 2019, mainly as a result of funding for social businesses from the EU LEADER program, which helped establish sixty-four new social businesses in 2019. Environmental ideas were the driver for many social businesses. For example, the Urban Laboratory community center in Vilnius offered environmentally-friendly catering and environmental and civic education services.

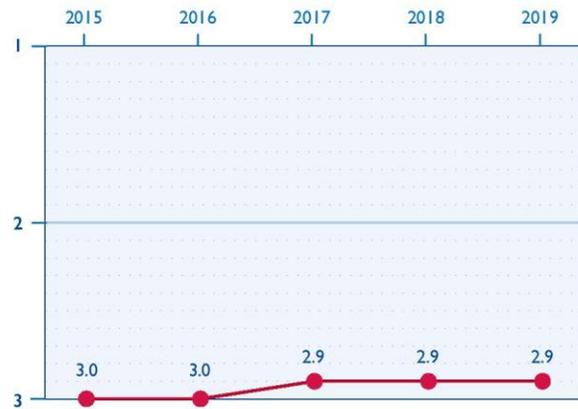
SECTORAL INFRASTRUCTURE: 2.9

The infrastructure supporting the CSO sector remained stable in 2019.

NISC further established itself as the main source of sector-related data. NISC continued to host the National NGO Coalition, the main representative body through which the sector promotes its legislative interests. NISC held a successful National NGO Forum in November which was attended by the country's top-level officials.

CSOs belong to numerous umbrella organizations. These include the Council of Lithuanian Youth Organizations (LijOT), Lithuanian Union of Local Community Organizations, the Lithuanian Anti-Poverty Network, the Lithuanian Disability Organizations Forum (LNF), the Coalition of Human Rights Organizations, and the National Network of Education NGOs. In 2019, umbrella organizations built closer relationships with their members, actively advocated towards common aims, and supported efforts to build the organizational capacity of their members. Umbrella organizations disseminated information and methodologies and carried out research to benefit their members and the sector. For example, the Social Business Association commissioned a study on the challenges and prospects of social business in Lithuania, and the Confederation of Children's NGOs held a national forum on the children's welfare system.

SECTORAL INFRASTRUCTURE IN LITHUANIA



Umbrella organizations offered the majority of trainings for CSOs in 2019. CSOs were most interested in training on the transfer of public services. Umbrella organizations held numerous seminars, forums, and workshops on the topic with most trainings open to non-member CSOs and partners from other sectors. Local government representatives appreciated methodological support from CSOs in preparing for the forthcoming reform and willingly took part in training events. The municipality of Kaunas provided consultations on CSO accounting.

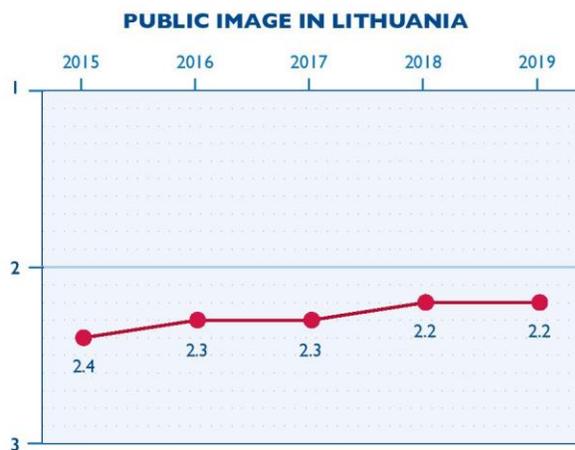
Although turnover in the sectors' workforce is high, CSOs' core staff, including the heads of organizations and other key experts, generally stay with their organizations for years and have participated in numerous specialized trainings. However, people in youth organizations change fast and they lack CSO sector specific knowledge and skills. Umbrella organizations help to address this gap by providing assistance with strategy development and self-assessment. CSO workers are less interested in training than in the past; to be of interest, training must be well customized and have attractive content and an original delivery format.

The Ministry of Social Security and Labor has administered dedicated funding for umbrella organizations since 2017, and this funding will be available through 2021. This enables umbrella organization to engage in longer-term planning and engage in more ambitious projects and campaigns. However, some of the weaker umbrella organizations failed to receive any funding from the program. Ten umbrella organizations were recruited to monitor the usage of EU funds under the Structural Investment Oversight Committee.

Very few local grantmaking organizations were active in 2019. Former professional basketball player Rimantas Kaukėnas's Charity Group was an exception. The charity, which was among the top five recipients of individual income tax allocations in 2019, provides funds to healthcare organizations to buy medical equipment for the treatment and rehabilitation of children diagnosed with cancer. For the second year in a row, the municipality of Alytus piloted an innovative participatory budget initiative. It put part of its budget for culture and landscaping into a special fund and allowed citizens to select projects for funding by popular vote, which was conducted electronically. Over 1,300 people—more than 4 percent of the city's total inhabitants—cast votes. By the end of the year, the municipalities of Panevėžys, Šiauliai, and Kretinga were replicating the Alytus initiative.

Various intersectoral partnerships established during previous years continued and consolidated in 2019. For example, the White Gloves anti-corruption movement partnered with the Central Electoral Commission to monitor the presidential and municipal elections. The Social Employment Agency Sopa cooperated with the Lithuanian Employment Agency to provide job opportunities for people with disabilities. Businesses and public institutions continued to sign on to the EU Diversity Charter, which promotes equal opportunities in the workplace. Some new intersectoral initiatives also emerged during the year. For example, the Lithuanian Association of the Blind and Visually Impaired worked with the transportation services company in Vilnius to develop a free public transportation mobile app for blind and visually impaired people in the capital. The same association worked with the national parks to develop special maps and information in braille.

PUBLIC IMAGE: 2.2



Despite media coverage of several cases of fraud within the CSO sector in 2019, the sector's public image remained stable and was generally positive.

In 2019, Lithuania's leading media—Lithuanian National Radio and Television (LRT), the internet portal Delfi, and newspaper 15 min—provided comprehensive reports on the sector with coverage of CSO fundraising events, thematic campaigns, discussions on CSO legislation, and numerous interviews with CSO experts. While CSO coverage was generally positive, the media openly criticized charitable foundations established by politicians, viewing these as vehicles to self-promote and bribe voters. The media also exposed schemes by businesses that used charitable foundations to evade taxes and bribe politicians and reported financial mismanagement at a

well-known charity supporting children with disabilities. Media coverage of these scandals helped to educate Lithuanian society on the legal forms of the nonprofit sector, CSO governance, and limitations in the use of funds. As a result, negative opinions of individual organizations no longer taint the image of the entire sector. Some negative portrayals in the media did have a ripple effect, however. For example, an animal charity reported a drop in donations and was subject to public accusations for months after an investigative article was published on an unrelated cat shelter at the end of 2018. Scandals surfacing in the media propelled some self-regulation efforts within the sector, led by umbrella organizations. For example, all members of the Confederation of Children's NGOs signed the confederation's code of ethics. Also, the government required CSOs to publicize their donors and beneficiaries as part of reporting requirements.

Data on the 2 percent individual income tax allocations indicates that CSOs remain more trusted by society than political parties. Over 464,000 people supported CSOs through their tax allocations, compared to 55,000 who supported political parties. The growth of corporate volunteering with the Food Bank in 2019 is a sign that businesses recognize the value of CSO services in the community.

Lithuanian society is increasingly polarized. Some organizations, such as the Lithuanian Human Rights Center, have witnessed the emergence of "dedicated haters" who publicly disparage them. Organizations must have strong public relations skills to defend their positions and win new supporters for their causes. Professional CSOs use various tactics to promote themselves, including organizing innovative campaigns and engaging celebrities. For example, the Free Society Institute's annual anti-abortion campaign was more visible in 2019 due to the participation of Lithuania's First Lady. However, most Lithuanian CSOs cannot afford publicity; they have neither the skills to prepare publicity material, nor specialized staff in this area.

The government demonstrated a positive perception of CSOs in 2019 by inviting third sector representatives to participate in various committees, commissions, and interagency meetings. For example, the Public Procurement Office discussed public procurement issues with CSOs alongside representatives of the ESF Agency and the National Paying Agency under the Ministry of Agriculture. In December, the Seimas approved the candidacy of the Director of NISC to the Chief Official Ethics Commission. The Commission consists of five members and is responsible for the supervision of persons employed in the civil service and persons carrying out lobbying activities as well as the prevention of personal corruption. Nevertheless, not all CSO dealings with government agencies were constructive. For example, the Lithuanian Disability Organizations Forum complained that the government was not sufficiently open to criticism and suggestions from CSOs.

In 2019, Transparency International Lithuania received international recognition through the anti-corruption award Amalia for the impact of its Transparency School, which was organized in cooperation with Mykolas Romeris University. Over the last decade, this school has brought together over 1,200 young professionals from more than 120 countries.

CSOs advocated for the incorporation of legal measures ensuring transparency and accountability in the Law on the Development of NGOs. The leading CSOs publish reports, and all CSOs submit financial and activity reports to the authorities.

Disclaimer: *The opinions expressed herein are those of the panelists and other project researchers and do not necessarily reflect the views of USAID or FHI 360.*

U.S. Agency for International Development

1300 Pennsylvania Avenue, NW

Washington, DC 20523

Tel: (202) 712-0000

Fax: (202) 216-3524

www.usaid.gov