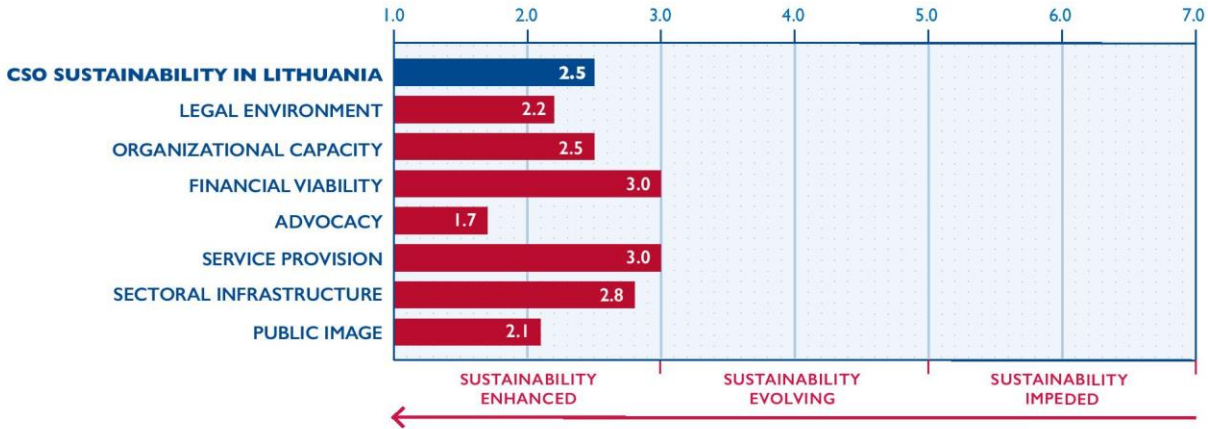


LITHUANIA

Capital: Vilnius
Population: 2,711,566
GDP per capita (PPP): \$37,231
Human Development Index: Very High (0.882)
Freedom in the World: Free (90/100)

OVERALL CSO SUSTAINABILITY: 2.5



The first cases of COVID-19 were confirmed in Lithuania in mid-March. To control the spread of the virus, the government imposed a complete lockdown in the country on March 16, which lasted for three months. The lockdown successfully limited the number of cases and deaths from COVID-19 in the country and Lithuania was praised for its success in managing the pandemic. Unfortunately, a second wave of the pandemic hit in the fall, which coincided with the electoral campaign for the parliament (Seimas). The government delayed the introduction of stricter measures and announced a second lockdown just before the end of its term, in November. The new government soon tightened the restrictions. The year ended with Lithuania recording the highest numbers of new daily COVID cases in Europe, and the country's health-care system on the verge of being overwhelmed.

CSOs and the government strengthened their cooperation in the face of the pandemic. Even during the widespread panic of the first lockdown, CSOs stepped in to take over social service provision from government establishments, which had furloughed their workers. Organizations became more socially engaged, consolidated, and found new ways to serve their constituencies. As a result, many people either engaged as volunteers or provided financial support for CSOs' work for the first time. This effective response to the pandemic showed civil society's capacity to take the lead in a crisis.

CSOs also continued to monitor developments in the political, human rights, and environmental fields in 2020. Parliamentary elections were held in October. CSOs actively pursued dialogue with political parties before the elections, ensuring that the areas they advocate for were reflected in the new government's program. The elections resulted in a new government formed by the Homeland Union – Lithuanian Christian Democrats, a center-right political party, in coalition with two liberal parties.

The challenges of 2020 highlighted the growing strength of the country's civil society. The European Commission's *2020 Rule of Law Report* confirmed that Lithuania provides civil society the opportunity to participate in decision making. The report further highlighted the National NGO Fund, established in 2019, as an example of good practice. Freedom House's *2020 Nations in Transit* report, which surveys democratic reform in twenty-nine formerly communist countries, put Lithuania among the top five democratic frontrunners.

Overall sustainability of the sector was unchanged in 2020, although improvements were noted in five dimensions: organizational capacity, financial viability, service provision, sectoral infrastructure, and public image. Despite the difficult circumstances during the year, most organizations managed to continue their operations and strengthen their outreach to the community, and many organizations were able to assume leadership roles in response to the COVID-19 pandemic, leading to improvements in the organizational capacity and service provision dimensions. CSOs' efforts in addressing the effects of the pandemic were broadly recognized, boosting the sector's public image. The government's financial measures helped mitigate the consequences of the pandemic on the sector, while the flexibility of ongoing EU programs allowed the sector to improve its financial viability. The infrastructure supporting the CSO sector improved as opportunities for capacity building and cooperation became more

accessible as they moved online. While the legal environment did not change in 2020, the positive reverberations of the major CSO legislation passed in 2019 were still felt in the sector in 2020. CSO advocacy remained strong in 2020.

The Center of Registers has gradually improved its statistics on the sector based on CSO reporting. In 2020, approximately 40,500 nonprofits were registered in Lithuania. Of these, 34,319 were registered under the Laws of Associations, Charitable Foundations, and Private Nonprofit Entities, up from 32,504 in 2019. The remaining organizations are so-called budgetary institutions, nonprofits that implement functions ascribed to them by the state or municipality and are financed through the state or municipal budgets. Organizations that fail to submit their annual reports for several years get deregistered. Approximately 3,100 CSOs were deregistered in 2020. Only about half of registered organizations are estimated to be active.

LEGAL ENVIRONMENT: 2.2



The legal environment governing the sector did not change in 2020. Although no new primary legislation was passed, CSOs expressed broad optimism about the legal environment in 2020, spurred by the enactment of the Law on the Development of NGOs in March 2020. The long-awaited law clarifies that an NGO is a public legal entity that acts on a voluntary basis and is independent of state and municipal authorities and bodies. It also establishes the National NGO Fund.

The government developed the operations of the National NGO Fund in 2020. The Fund's council is to be composed of seven members representing civil society, the government, and academia. The council will determine strategic funding priorities and processes for the distribution of funds and will participate in the

assessment of submitted applications. The National NGO Fund's budget will be equivalent to 20 percent or more of the total income tax allocated to nonprofit entities by individual taxpayers in the previous year. Funds will begin to be distributed in the fall of 2021 at the earliest.

Following the Law on the Development of NGOs' clarification of the concept of an NGO, in 2020, the Center of Registers introduced the NGO tag, a voluntary label that CSOs meeting specific criteria can add to their profiles in the Register of Legal Persons. By the end of 2020, about 700 CSOs had tagged themselves in the system. The government also considered incentives to encourage the tagging process; for example, the Ministry of Social Security and Labor made the tag a pre-requisite to compete for funds under some of its programs in 2021.

CSOs continue to register and operate under the Laws on Associations, Charitable Foundations, and Private Nonprofit Entities. After Lithuania opened its borders to Belarusians fleeing the political upheaval in their own country in 2020, more Belarusian CSOs registered under Lithuanian laws. Although CSO incorporation is generally fast and smooth and can be completed online, it proved challenging for foreigners to register a CSO in Lithuania, mainly due to difficulties in opening bank accounts. Registration became easier in 2020 as technological developments allowed for better access to financial services.

The Law on the Development of Community Organizations, which came into force in 2019, was adjusted in 2020 to exempt small municipalities from the obligation to form community councils. Instead, they were permitted to integrate the role of community councils into already-functioning NGO councils, which were established by the 2014 version of the Law on the Development of NGOs. CSOs continue to consider community councils superfluous and therefore call for the merger of these two laws.

In 2020, CSOs addressed the Center of Registers with a request to ease the reporting requirements for associations unable to organize their general assembly meetings due to pandemic restrictions. In response, the Center of Registers declared it will not punish organizations for delays in submissions for several months.

CSOs operate freely under the law and regularly address the government with criticism and suggestions to improve policies and adjust rules without fear of retribution. In order to mitigate the effects of the pandemic, public gatherings were restricted. Therefore, advocacy and protest campaigns moved on-line or were carefully planned to avoid putting participants at risk of infection. The overall atmosphere during the pandemic was that of social consolidation and cooperation, with acts of good will on both sides.

CSOs are able to earn income through the provision of goods and services. CSOs continue to raise concerns about some aspects of the 2018 tax reform, particularly the abolishment of CSOs' profit tax exemption. As of 2020, CSOs are required to 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. Profit tax is not levied on earned income if it is used to satisfy public interest within two years—a reduction from the earlier allowance of five years. CSOs argue that this period is too short and limits their ability to invest and plan long term.

Contracting status remained an issue of concern to CSOs. Although the Public Procurement Office 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.

Beginning with their 2020 tax returns, individuals can now assign just 1.2 percent of their income tax obligations to CSOs; the limit was previously 2 percent. Individuals 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.

Individual CSOs, especially smaller local organizations, cannot easily access legal advice due to a lack of resources and a lack of lawyers specializing in CSO law. This was particularly evident during the pandemic, when many associations needed to revise their by-laws in order to hold their general assemblies online, as they could no longer be held in person. A significant number of associations failed to resolve this issue before the end of the year. Umbrella organizations, the NGO Law Institute, and the NGO Information and Support Center (NISC) continue to provide training and consultations on legal aspects of CSO work. For example, NISC organized a training series on CSO transparency and accountability, which was attended by representatives of over 300 organizations.

ORGANIZATIONAL CAPACITY: 2.5

The sector's organizational capacity improved slightly in 2020. Despite the difficult circumstances during the year, most organizations managed to continue their operations and strengthen their outreach to the community, and many organizations were able to assume leadership roles in response to the COVID-19 pandemic. On the other hand, some organizations temporarily suspended their activities.

Many CSOs working in the areas of education, culture, and sports found new ways to engage with their constituents, particularly given the shift to online activities due to COVID-19 restrictions. For example, the Virtual Lithuanian School in Italy, which ran weekend classes for the Lithuanian diaspora in Rome and Piedmont, gained a much larger, global audience after moving its instruction online. Similar shifts to online activities also increased the global reach of CSOs' operations. Transparency International Lithuania noted that online events in 2020 made it easier to include high-level experts, and organizations began considering foreign candidates to become part of their governance structures.

Many CSOs started new initiatives to better serve their constituencies in 2020. Some CSOs made and distributed face masks and provided food and other necessary supplies to the needy. The Lithuanian Red Cross sent volunteers to Vilnius Airport to help register Lithuanian citizens returning to the country and provide them with

ORGANIZATIONAL CAPACITY IN LITHUANIA



essential information and psychological assistance. It also trained and sent volunteers to hospitals, nursing homes, and other places where help was needed.

At the same time, however, some community organizations and CSOs—particularly those working with the elderly, children, and people with disabilities—had less direct contact with their constituencies. Most social services could not be offered online, and those that were struggled to reach the older generation and children in at-risk families. On the other hand, strong national CSOs, which already had the infrastructure necessary to provide essential services, significantly enlarged their constituencies and engaged a record number of volunteers.

Most CSOs have a clear thematic focus and a clearly defined range of activities. In 2020, CSOs were focused on surviving and adapting to the new circumstances, causing many to delay long-term strategic planning. On the other hand, organizations had a strong incentive to rethink their activities and need for resources, which will facilitate their future strategic planning.

Standard internal management processes, like board rotation, were disrupted in some organizations in 2020. Some were able to resolve the challenges online, while others chose to maintain their status quo until in-person general assemblies could be held.

According to employment statistics,¹ CSOs employed a total of 191,069 people in 2020, up from 121,506 in 2019. This number includes 847 people employed by charitable foundations (compared to 916 in 2019), 7,184 employed by associations (compared to 7,126 in 2019), and 183,965 employed by private non-profit organizations (compared to 113,464 in 2019). Roughly 7,000 organizations had at least one employee both in 2019 and 2020. The total payroll for nonprofit employees was approximately EUR 3.4 billion in 2020, up from EUR 2.8 billion in 2019.

Understaffing and staff exhaustion have been major issues in the sector for years. Nevertheless, CSO staff layoffs were not noticeable in 2020 primarily because organizations did not have an excess of staff to begin with. In addition, the EU LEADER program created a significant number of new jobs in the nonprofit sector through the establishment of about 160 social businesses in 2020. The Open Lithuanian Foundation (OLF) also contributed to CSO staffing stability in 2020 by supporting the organizational capacity building of its sixty-five grantees.

Two opposing trends affected volunteering in 2020. On the one hand, traditional volunteering engagements largely ceased due to lockdown restrictions. Animal welfare charities, for example, were unable to directly engage volunteers during the year and did not qualify for the government's COVID-19 job retention scheme, making it difficult for them to find animals homes. At the same time, society mobilized to help medical workers and CSOs providing humanitarian relief. In the spring of 2020, for example, the Lithuanian Riflemen's Union, the Lithuanian Scouts Union, and others launched the Strong Together initiative, which mobilized over 4,000 volunteers to help those affected by the pandemic.

CSOs have good access to information and communications technologies (ICT) and there is reliable internet coverage throughout the country. As online presence became essential for CSO operations in 2020, organizations that could move their services online did so. In addition, many organizations embraced technologies they had never used before. Google and Microsoft, in cooperation with the TechSoup Global Network in Lithuania, offered free ICT products, services, and training for qualifying nonprofits. The Connected Lithuania program, funded by the EU Regional Development Fund and managed by the National Library, helped local community organizations upgrade their digital skills and establish their presence online. Paid licensing, however, limited the adoption of some products. At the same time, smaller community organizations, which typically provide services to clients such as children, seniors, and people with disabilities, could not serve their constituencies online.

FINANCIAL VIABILITY: 3.0

Despite the pandemic's dire effects on many aspects of Lithuania's economy and social life, the financial viability of the sector improved slightly in 2020, fueled by the flexible approaches by donors and the compensatory mechanisms offered by the government. Although CSO funding levels were high in 2020, much of the new funding was dedicated to emergency activities in response to COVID-19, and therefore its impact on the long-term

¹ In 2020, the data on employment became more detailed, but the aggregate numbers are slightly different from what was presented in the *2019 CSO Sustainability Index report* for Lithuania.



financial viability of the sector is not yet clear. The sector’s need for funding continues to be much higher than the available sources.

In a survey conducted by OSF Lithuania in April-May 2020, 87 out of 166 CSOs listed government programs among their three most important funding sources, and 93 ranked individual tax contributions.

The government funds CSOs primarily through thematic programs supervised by various ministries; however, because there is no centralized data on government funding for the sector, the scope of overall CSO funding in Lithuania is unknown. In 2019, the Ministry of Social Security and Labor began to track the funds channeled through each ministry. According to the data from 2019—the most recent available—at least 2,890 CSOs

received government funding. In 2020, CSOs could apply to fifty-nine government-funded programs, for a total of approximately EUR 51 million in funding. However, because there is no consistent method for reporting this data from each ministry, these findings cannot be considered a reliable measurement of sector funding. Most of these dedicated government programs were channeled through the Ministry of Social Security and Labor, and several offer stable funding. For example, children’s daycare centers receive more than EUR 5 million of funding annually, youth CSOs receive over EUR 1 million annually, and funding levels for community CSOs and disability organizations is stable at EUR 2 million and EUR 8 million respectively. In 2020, the Ministry dramatically increased its dedicated funding aimed at promoting the sector’s sustainability to EUR 1.5 million from EUR 900,000 in 2019. Beginning in 2021, government funding programs will be transferred gradually to the NGO Fund.

The government also included CSOs in its pandemic relief plans, alongside small and medium businesses. Organizations were granted a one-time EUR 500 to 1,000 subsidy by the Tax Inspectorate, and they could seek a deferral of taxes by distributing payments over the next four years. Additionally, a special EUR 2 million government program was launched in June 2020 for CSOs, and some local governments established small funds of their own to support CSOs engaged in pandemic relief.

Overall individual tax allocations to nonprofits (including government-funded nonprofits such as schools and hospitals, political parties, and artists) reached EUR 20.1 million in 2020, slightly less than the EUR 20.5 million allocated in 2019. Of this total, CSO allocations remained stable at approximately EUR 13 million. In 2019, the rate of individual tax allocations was lowered to from 2 percent to 1.2 percent. The government justified the drop in the tax rate by the change in taxable income and claimed that it would not result in a decrease in CSO income.

OLF manages the EUR 9 million Active Citizens Fund (ACF), which is funded by the European Economic Area/Norway Financial Mechanism. ACF, launched in 2019, will distribute EUR 9 million in grants to CSOs between 2020 and 2024. In 2020, it disbursed its first sixty-six grants, with a total value of EUR 5.9 million. Key priorities of the current cycle of the program include human rights, active citizenship, and support to CSOs in the regions. Lithuanian CSOs also actively fundraise globally. This has generated funds through partnership applications for EU programs, including the Daphne program, Horizon2020, and Europe for Citizens. The number of Lithuanian initiatives funded through subscriptions on Patreon, an online platform that allows content creators to earn income through monthly payments from its patrons, grew significantly in 2020. Freedom TV, the organizer of massive civic campaigns in Lithuania, established itself among the hundred most-funded initiatives on Patreon.

In 2020, residents, businesses, and the Lithuanian diaspora generously donated to CSOs directly as well as through online fundraising platforms and special funds, primarily to support pandemic relief efforts. One such fund, the COVID-19 Consequence Reduction Fund, was established by the Minister of Finance and collected EUR 822,000 during the first wave of the pandemic. One hundred thirty-three businesses donated EUR 533,000 to this fund. The Fund supported humanitarian relief activities, primarily funding hospitals and CSOs. In addition, Aviva Lithuania granted EUR 122,000 to the Red Cross program for the elderly, over twenty small companies funded the Food Bank’s deliveries to isolated people in need, and CSOs delivered meals that restaurants cooked for free to those in isolation. The local online fundraising platform Aukok.lt raised a record amount of EUR 907,000 in 2020, nearly tripling its 2019 total. Most donations were directed to emergency projects aimed at mitigating the devastation of

the pandemic. They were shared among large CSOs like SOS Children's Villages, the Food Bank, the Lithuanian Red Cross, and Save the Children. Annual televised fundraising concerts also enjoyed growing support in 2020. For example, the Food Bank's annual charity concert raised EUR 241,000, compared to EUR 207,000 in 2019 and EUR 161,000 in 2018.

Non-governmental donors responded to the challenges of 2020 by launching various CSO support initiatives. For instance, the Lithuanian Council for Culture established a EUR 10 million program aimed at developing new cultural products, such as online performances, museum tours, and educational experiences, and the EU LEADER program increased advance payments to help ensure the stability of community organizations in rural areas.

In 2020, CSOs welcomed the opportunity for more flexible and transparent funding. An innovative program called the Alternative Investment Detector (AID), established by the European Social Fund Agency, offers a new funding model in which Lithuanian organizations pitch their project ideas to AID, rather than responding to donor-driven projects. Those selected received both funding and expert support for project implementation. Minimal bureaucratic requirements also increased the opportunity for smaller and less professional CSOs to actively participate in the program. AID has a total fund value of EUR 2.6 million; the application process opened in 2020 and will continue as long as funds last.

Government contracts for service provision have become a significant source of CSO revenue. In 2019, external providers—most of which are CSOs—received 10.4 percent of the total public funding for services by local governments, twice the percentage in 2017. In 2020, CSOs received more contracts for public service provision as the government did not want to put its own employees at risk during the pandemic and therefore increasingly outsourced such services.

On the other hand, CSOs' income from selling services dropped precipitously in 2020 as a result of the pandemic. For example, the annual revenue of Innovator's Valley in the Zarasai Region dropped from between EUR 200,000 and 300,000 in 2019 to approximately EUR 30,000 to 40,000 in 2020.

CSO accounting and reporting capacity improved slightly in 2020, and organizations became more familiar with the accounting changes introduced by the 2018 tax reform. This was assisted by a series of trainings on CSO reporting offered by NISC in 2020. Financial audits are prohibitively expensive for most organizations and are therefore rarely undertaken unless required by donors.

ADVOCACY: 1.7

Advocacy remains the strongest dimension of CSO sustainability, and CSOs continued to actively engage in advocacy in 2020. Advocacy on the national level continued to be strong, while local advocacy capacity varied significantly.

CSOs were strong advocates for measures to combat social exclusion in the face of the pandemic. Early in the pandemic and before full government mobilization, CSOs and scientists issued a joint position statement urging the government to take specific measures to protect those most vulnerable from poverty and exclusion. Although the government positively received the statement and recognized the sector's extensive impact during the pandemic, it failed to exploit CSOs' potential as partners and experts. In June, the government approved the DNA

Plan for the Future Economy. CSOs were formally included in the development of the plan, but their input was ignored and the plan did not include funding for CSOs. However, CSO advocacy did result in some small but important changes in pandemic relief policies, including the expansion of the boundaries of volunteering and easier access to vulnerable populations. A well-functioning cooperation mechanism was not established until the end of the year, when an NGO Expert's Group was formed at the prime minister's office with a mandate to coordinate cross-sectoral efforts in the response to the pandemic.



In addition to pandemic-related advocacy, CSOs continued to be involved in other national level decision-making processes in 2020. CSOs were actively involved in the development of the Lithuanian National Progress Strategy 2030 and its supporting National Progress Program. CSO inclusion in the work of various government committees was mostly smooth and productive. After the Coalition of Environmental NGOs failed in its efforts to stop a ministerial order on hunting regulations, sixteen environmental organizations issued a public statement to the prime minister and president of Lithuania. The statement triggered public outrage and an immediate recall of the order. Another CSO social media campaign increased public attention to the problem of illegal animal breeding. Although this led to the prime minister inviting animal welfare charities to present recommendations on how to resolve the issue, there was no indication that the recommendations were taken into consideration.

In August 2020, widespread demonstrations erupted in Belarus in response to the highly controversial results of its presidential election. The unrest drew global attention. In Lithuania, civic activists mobilized over 50,000 people to support the demonstrators by forming a human chain from Vilnius to Medininkai. The action was initiated by Freedom TV and funded by subscribers on Patreon.

Active dialogue between CSOs and Lithuania's political parties took place before the parliamentary elections in October 2020. The dialogue continued after the new government was elected, and the policies of the governing coalition emphasized the areas of education, culture, and human rights.

CSOs continued to shape public opinion successfully, and in 2020 they gained massive support for their environmental and political campaigns. In January, environmental CSOs raised awareness of the pollution of the Curonian Lagoon, caused by the Grigeo Klaipėda paperboard mill. The campaign spurred public outrage, and three supermarket chains boycotted products of the Grigeo Group. Freedom TV ran the Good-bye, Voldemar campaign to urge voters to actively participate in the elections and stop a political party accused of corruption and nepotism from entering parliament; the party failed to pass the 5 percent electoral threshold. An investigation by the Central Electoral Commission, conducted at the request of the political party, established no violations of law in the actions of the Freedom TV.

Advocacy on the local level did not change during the year, although the pandemic highlighted differences in CSO involvement in local decision-making processes. Local authorities that had well-functioning NGO councils and other mechanisms of consultation with CSOs before the pandemic generally planned their relief efforts in cooperation with civil society. However, municipalities in which these mechanisms were primarily formal and controlled by the mayor continued to exclude CSOs from decision making.

The National NGO Council, an advisory body to the government that is hosted by the Ministry of Social Security and Labor, continued to be active in 2020, and the government took its recommendations into consideration. CSOs increasingly saw the value in consolidation to defend their rights and interests in dealings with the government, especially in addressing issues like poverty and mental health. Umbrella organizations, such as the Lithuanian Anti-Poverty Network, represented their members professionally, competently, and consistently.

In June 2020, the Seimas adopted amendments to the Law on Lobbying that had been disputed since 2018. Public interest organizations are not considered lobbyists under the law, but they may register as “influencers of legislation,” which gives them the right to receive information from government institutions on legislation being drafted.

SERVICE PROVISION: 3.0

CSO service provision improved slightly in 2020. The government's commitment to outsourcing public services resulted in the introduction of a new procurement model with the potential to provide large government contracts to CSOs and social businesses. In addition, during the pandemic, CSOs digitalized a considerable amount of their work, started new initiatives, and expanded their provision of essential services to a significantly broader clientele. The emergency work that CSOs undertook during the pandemic indicates their responsiveness to community needs. At the same time, however, the pandemic disrupted many regular CSO services.

The Plan of Action for implementing the National Progress Strategy (NPS) 2030 includes a goal of outsourcing at least 30 percent of all public services by 2030. The NPS 2020 goal of 15 percent was not fully met by 2020, but significant progress was made, and its acceleration provides hope that the NPS 2030 goals are realistic. According to aggregated data on contracting provided by local authorities, in 2020, 10.4 percent of public services funded by



local governments were transferred to external providers (mostly CSOs), with a total value of approximately EUR 93 million. Only six out of sixty municipalities met or exceeded the planned 15 percent service transfer, with Panevėžys Region and Kazlų Rūda leading at the rate of approximately 28 percent. Eight municipalities reached the level of 10–15 percent, thirty-six remained under 10 percent, and ten municipalities did not contract with CSOs at all.

About 90 percent of CSO services depend on project-based funding. However, a new model of impact procurement, introduced in 2020, increasingly encourages municipal authorities to purchase results (impact) instead of funding specific services. Transition to impact procurement will take time, as municipalities are

not yet familiar with the process of establishing the impact indicators for services and CSOs lack entrepreneurial experience and skills and are hesitant to commit to specific results.

The project funding model does not stimulate CSOs to seriously consider cost recovery or otherwise encourage sustainability. CSOs' first experiences with public procurement are often discouraging, as they do not make careful financial estimates. Those that have persisted and learned from their failures, however, have succeeded in generating significant income from service provision. For example, the National Social Integration Institute, which reported one unprofitable public procurement venture in 2018, won ten public procurement contracts in 2020 with a total value of over EUR 4 million.

The pandemic disrupted many non-essential services in 2020. Whenever possible, CSOs reacted by making those services available online. Donors provided the necessary grant adjustments to enable organizations to reach their clients in non-traditional ways. For instance, many services tied to education and culture became available online, as did some social services, like assistance to the long-term unemployed. CSOs did their best to meet the growing need for humanitarian relief services, mobilizing and training impressive numbers of volunteers and coordinating among themselves so they could serve more people.

CSOs also successfully found niches for new services in 2020 beyond pandemic relief. For instance, the number of pre-school institutions established by CSOs has doubled since 2018, and in 2020, 182 out of the total number of 562 pre-school institutions were registered as CSOs.

The government recognized the value of CSO services during the lockdown and created a special funding program to compensate for expenses incurred when expanding their work.

SECTORAL INFRASTRUCTURE: 2.8

The infrastructure supporting the CSO sector improved slightly in 2020. Intermediary support organizations clarified their functions and built better relations with their constituencies. Training and consultations were abundant throughout the year, and information sharing expanded through social media. As organizations extended their technical capacities and trainings moved online, those opportunities also became more widely accessible to CSOs. Intersectoral partnerships flourished to address the consequences of the pandemic.

NISC celebrated its twenty-fifth anniversary in 2020, and the president of Lithuania praised its consistent work as a catalyst of the sector's growth and professionalism. NISC organized two virtual CSO forums in 2020. The first, held in May, was dedicated to pandemic-related concerns and convened over 100 CSOs. The annual forum, held in December, was attended by over 300 CSO representatives, government officials, and political party representatives.

The National NGO Coalition and NISC coordinated their primary functions to avoid overlap: NISC focused on public service transfer to CSOs and relationships with local governments, while the Coalition focused on advocacy and representation of the sector at the national level. In 2020, NISC and the Coalition also organized training for

450 organizations on transparency and accountability; these trainings were funded by the Ministry of Social Security and Labor.

CSOs increasingly witnessed the benefits of umbrella organizations, which facilitated productive exchanges between their members and the government in 2020. The National Antipoverty Network, the National Network of Education NGOs, the Coalition of Human Rights Organizations, the National Environmental Coalition, and the Lithuanian Association of Local Community Organizations all initiated surveys and petitions, presented reports on developments in their fields, informed members about available funding, and provided training opportunities.

ACF is the main local grantmaking program in Lithuania.

In 2020, ACF launched its CSO capacity building program, AIM ID, offering short information seminars like Information Hour for NGOs and the NGO Academy. ACF and Aukok.lt commissioned studies on the sector and actively sustained discussions on LinkedIn and Facebook. The NGO Jungle Facebook group, initiated by ACF, had 1,300 members by the end of the year.

CSOs had access to many training opportunities in 2020. The SocialTy program for professional unions, for instance, was funded by the Norwegian Financial Mechanism, and the EU LEADER Program supported capacity building projects for Local Action Groups. The Ministry of Economy provided training for social businesses, and a separate initiative saw about 600 of Lithuania's elected local community representatives (*seniūnaičiai*) receive dedicated training. Google organized training for CSOs on how to get the most out of Google tools and provided free advertising on Google up to the value of \$10,000 per CSO.

Also in 2020, Aukok.lt held a conference on digital fundraising, with the participation of over 170 participants. The conference was considered so worthwhile, in fact, that CSOs accustomed to free trainings readily purchased tickets to participate.

Intersectoral partnerships were strong in 2020. CSOs and the government worked as partners on COVID-19 relief efforts. Businesses also cooperated directly with CSOs in the provision of pandemic relief. For instance, restaurants cooked meals which CSOs then distributed to those in isolation. Huge numbers of business volunteers assisted the Red Cross, the Food Bank, the National Rifleman Union, and other CSOs providing humanitarian help in hospitals and to those quarantined in their homes.

SECTORAL INFRASTRUCTURE IN LITHUANIA



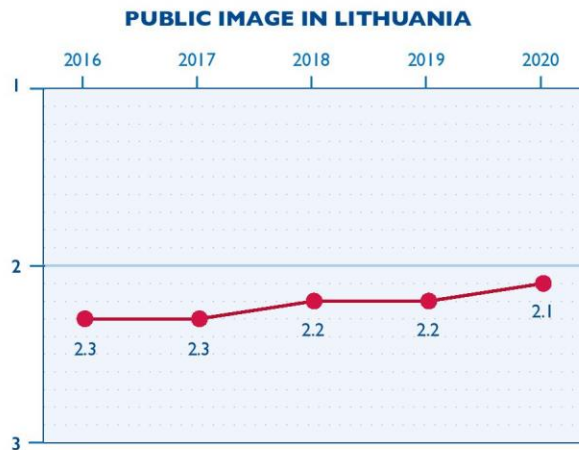
PUBLIC IMAGE: 2.1

The sector's public image improved slightly in 2020, primarily due to its ongoing work in response to the pandemic. Media coverage of CSOs was overwhelmingly positive during the year, and the public willingly supported CSO initiatives—both those tied to pandemic relief and more broadly. The government and businesses similarly recognized the value of CSOs in ensuring the well-being of society.

Even before the sector's pandemic relief efforts gained national attention, its public image was on the rise. In 2020, the Civil Society Institute presented its Civic Empowerment Index (CEI) for 2019. The CEI rose to 39.7 points out of 100, its highest ranking since the index began in 2007.² This improvement reflected the public's increasingly positive assessment of civic impact, primarily of CSOs.

As evidenced by financial and volunteer support, the Lithuanian public also recognized the value of humanitarian services provided by CSOs in 2020. The lockdown further helped the public to realize the necessity of some services that typically go unnoticed, such as Low-Threshold Mobile Services, which aim to reduce the use of psychotropic substances and its consequences.

² The CEI was 37 points in 2016 and 33.4 in 2015. No CEI was carried out between 2016 and 2019.



The civil society sector responded rapidly to the devastation of the pandemic—swifter, even, than the government response. CSOs mobilized the public and worked on the frontlines alongside medical workers. These actions that did not go unnoticed by the news media, which covered CSO relief efforts and promoted their appeals for volunteers. Beyond the pandemic, the national media also invited CSO experts to comment on political and economic developments. A leading news portal, 15min, invited its audience to vote for the fifteen most deserving CSOs and committed to provide comprehensive coverage of their activities throughout the year. Local media frequently turned to community organizations for their opinions on local events. CSO-related content and the term “NVO” (Lithuania’s equivalent for CSO) appeared in the media daily and became established vocabulary in public discourse.

The national government further demonstrated its gratitude and support to CSOs through various awards and funding initiatives in 2020. The Ministry of Defense, for example, regularly acknowledged the role of CSOs in the pandemic response through public statements and letters of recognition. Still, while some local governments seek business relationships with CSOs, they do not yet have full confidence in the competence of those CSOs. For example, the government of Kaunas City froze the implementation of a program funded by the Ministry of Social Security and Labor for community CSOs, claiming that organizations could not implement project activities due to pandemic restrictions.

Although the overall image of the sector was very positive in 2020, CSOs still differ widely in terms of public relations capacity and their efforts to self-regulate. Public relations capacity is tied to the availability and capacity of human resources to engage with society in various ways, such as publishing reports, maintaining dialogue on social media, and demonstrating the organizations’ presence in general. Many organizations took the difficulties of the pandemic as an opportunity to delay reporting to the government and did not convene their general assemblies to approve their annual reports.

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.