

Lithuania Report

Sustainable Governance Indicators 2024

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Executive Summary

Lithuania's coalition government faced a challenging environment in 2022 – 2024. After coming into power in late 2020, it had to deal immediately with the ongoing COVID-19 pandemic crisis. Notably, the relatively good performance of the Lithuanian economy during the pandemic somewhat eased the challenges faced by the government. In mid-2021, it was confronted with an irregular migration crisis initiated by Belarus, followed by another crisis involving undeclared economic sanctions applied to exports from Lithuania by Chinese authorities in response to Lithuania's government having allowed Taiwan to open a Taiwanese representative office in Vilnius.

In 2022 and 2023, political and public attention focused on Russia's large-scale, unprovoked war against Ukraine and on mobilizing diplomatic, humanitarian, financial and military support for Ukraine. Efforts included hosting refugees from Ukraine in Lithuania and addressing their needs, as well as actively supporting new EU sanctions against Russia for its violations of fundamental UN norms. According to the Ukraine Support Tracker compiled by the Kiel Institute for the World Economy, Lithuania led the list of donors in terms of commitments made from 22 January 2022, to 31 October 2023, relative to donor country GDP (including the share of EU aid).

The geopolitical crisis prompted the government to accelerate defense spending and collaborate with NATO allies to bolster their military presence in Lithuania. The country faced a number of challenges simultaneously, balancing the need to raise additional funds while implementing compensatory measures to assist households and businesses during the energy and cost-of-living crisis, at the same time it was increasing spending for education, healthcare and social support. The government managed to secure resources to cover most public sector needs, but some funding sources, such as the temporary increase in profit tax for banks, are not sustainable. Meanwhile, an attempt to agree on and adopt tax reform was largely unsuccessful due to disagreements among coalition partners and a lack of support from opposition parties.

At the same time, the government also proceeded with key reforms in 2022 – 2023. The reform of the civil service was adopted in May 2023, and if implemented properly, is likely to lead to a more motivated and effective civil

service. It should also promote a more systematic use of evidence in the policymaking process and foster a more competitive, adaptive and future-oriented public sector. In this regard, the progress made toward integrating various data registers and opening data pools to state institutions, researchers and the general public should be emphasized. The reform of data governance is likely to have a positive long-term impact on the transparency of policymaking processes, the systematic use of evidence and the sustainability of governance.

The government also took significant steps toward introducing structural reforms in healthcare, education and the transition to renewable energy. It has ambitious goals in many of these areas, especially the green transition, but the practical implementation of those policies remains uncertain. Restructuring healthcare organizations and educational institutions has been challenging, and public demonstrations by some trade unions representing teachers illustrate the political difficulties involved. Similarly, recent protests by farmers – with some demands related to the environmental agenda of the government and the EU – exemplify the future challenges in implementing more ambitious goals.

Finally, despite the need to manage multiple crises and advance structural reforms, the government successfully initiated and steered the drafting and adoption of the long-term Lithuania 2050 strategy. This exercise can be viewed as a good practice example of an inclusive process, involving researchers and societal stakeholders and utilizing a variety of methods, including foresight. However, much will depend on the strategy's implementation in practice and the monitoring of progress as governing coalitions change.

Key Challenges

Living under conditions of polycrisis has become the new normal, one that is likely to permanently affect future governance. For Lithuania and its NATO and EU partners, the most immediate challenge is the need to upgrade defense capacities and assist Ukraine in defending its sovereignty and territorial integrity.

The violation of established international norms and the rules-based order by aggressive authoritarian states such as Russia and Belarus poses the most serious threat to the sustainable development of European democracies and even their future existence. This threat has been acknowledged not only by

Lithuanian policymakers but also by partners in Germany, such as German Minister of Defense Boris Pistorius, and EU institutions. These figures assert that if Russia is not contained in Ukraine, it could attack NATO members within five to eight years.

One of Lithuania's key priorities should be the swift implementation of the agreement with the German government to permanently station a German brigade in Lithuania by 2027. This will require effective coordination within Lithuanian institutions, with Germany and with other NATO partners. It also necessitates a political agreement among the main political parties in Lithuania to sustainably increase defense funding beyond the 2.75% of GDP achieved in 2023.

The political debate in Lithuania has already intensified, although it may become entangled in the campaigns for three elections – presidential, European Parliament and parliamentary – scheduled for 2024. Additionally, the growing possibility of Donald Trump's victory in the U.S. presidential election at the end of 2024 is likely to keep Lithuanian and other NATO policymakers focused.

At the same time, the government and the main political actors need to step up their dialogue efforts with society and various stakeholders regarding the possible ways of bridging the gap between the needs of the public sector, especially considering demographic changes, and their funding sources. The ongoing green and digital transitions will also need to be managed carefully, creating both opportunities and a need for adjustments in the labor market and the society's way of life. The current government coalition's experiences – both negative and positive – in attempting to initiate structural reforms illustrates that such efforts often fail due to insufficient communication and a lack of leadership skills. Particular attention should be given to the proper implementation of civil service reforms, which could have multiple positive effects within various dimensions of sustainable governance. The use of Recovery and Resilience Facility funding from the EU might strengthen the continuity of reforms initiated by this government after the parliamentary elections of 2024.

To sum up, policymakers, society and businesses have demonstrated their resilience and ability to manage multiple crises in recent years. On most formal measures of democratic governance and sustainable policymaking, Lithuania has made progress. The biggest challenges currently are the need to narrow the gap between declared ambitions and actual performance in implementing agreed decisions. This requires more systematic involvement of stakeholders and communication through various forums, as well as attention

to the potential impacts of policy decisions. Additionally, more systematic coordination between institutions and with partners in the EU and NATO is necessary.

Democratic Government

I. Vertical Accountability

Elections

Free and Fair
Political
Competition
Score: 9

Lithuania's laws ensure free and fair political competition in national, municipal and European Parliament elections. For a political party to be established, it must have at least 2,000 members. There are minimum deposit requirements for the registration of candidates for all elections and a minimum number of candidates for the Seimas elections. While these requirements might favor established political parties, they are relatively low – starting with a deposit equal to the average monthly wage – and are based on objectively verifiable criteria.

Political parties are eligible to receive state funding if they collected at least 2% of votes during the most recent municipal, parliamentary and European Parliament elections. Taxpayers can also donate up to 0.6% of their personal income tax to political parties. To be eligible to participate in the Seimas elections, candidates must be at least 21 years old; they face additional restrictions related to employment in statutory institutions, criminal records and so on.

Additionally, to be eligible to participate in the presidential elections, candidates must be at least 40 years old and have resided in Lithuania for the last three years. They also have to collect at least 20,000 signatures supporting their candidacy.

Candidates and parties who are denied registration have the right to appeal, and their appeals are reviewed promptly. Parties and candidates must maintain accurate financial records. There is a requirement for a double deposit for any party that in the last elections to the Seimas, municipal councils or the European Parliament nominated candidates but did not furnish a copy of that political campaign's funding reports and the previous calendar year's financial

statements in compliance with the relevant laws.

Either independent candidates or party-affiliated candidates can stand for election. The so-called public electoral committees, which have been able to participate in municipal and European Parliament elections and compete with political parties since 2015, initially faced less demanding requirements for registration and financial accountability. However, in 2022 these requirements were made stricter to bring them closer to those applied to political parties. Since then, at least 1,000 members have been needed to establish a public electoral committee for participation in European Parliament elections, and at least 0.1% of the population of a particular municipality is required in order to participate in municipal elections.

The territorial boundaries of electoral constituencies have been redrawn based on objective criteria related to demographic changes. In general, neither individual candidates nor parties are discriminated against. The relatively low requirements for establishing a political party and registering candidacies produce a large number of candidates and a broad choice of political alternatives in national, municipal and European Parliament elections. This was again the case in the last municipal elections in March 2023, when 16 parties and 32 public electoral committees were registered for participation, although the number of candidates representing public electoral committees declined compared to the 2019 municipal elections, when 97 were registered (Central Electoral Commission 2023).

Parties and independent candidates have fair opportunities to access the media, particularly through the state-funded Lithuanian public broadcaster, Lithuanian National Radio and Television, which is mandated by law to provide equal access for all candidates to debate and present their election programs. However, the fact that more than half of the mayors in the 60 municipalities were reelected suggests that incumbents may have practical advantages over new candidates in terms of access to local media and other networks that enhance their visibility.

Free and Fair
Elections
Score: 10

All citizens over the age of 18 on election day are eligible to vote. Citizens living abroad may vote if they preregister. Several proposals for the introduction of internet-based voting have been rejected by the parliament, although this issue continues to reappear on the political agenda. Votes can be cast in person on election day, but provisions are also made for early voting, out-of-country voting, voting in special institutions and voting for those who are housebound. According to the Central Electoral Commission (2023), in the municipal elections of March 2023, 9.41% of votes were cast during the period

of early voting – that is, before election day on March 5. The elections are conducted according to the established schedule.

In general, the election process is carried out impartially and without discrimination. There are no specific disincentives to voting, although the absence of internet voting capabilities may limit participation rates for citizens living abroad, as overseas voting must be done in person at diplomatic missions typically located in the capitals or other major cities of foreign countries.

After the 2016 parliamentary elections, alleged cases of vote-buying in rural electoral districts emerged, leading to police investigations and the removal of one elected member of parliament from the party list. No such major cases of suspected vote-buying or other irregularities came to light during the 2019 municipal, presidential or European Parliament elections, the 2020 parliamentary elections, or the 2023 municipal elections.

It should be noted that the parliamentary elections in autumn 2020 took place amid the second wave of the COVID-19 pandemic. A longer period of early voting was allowed, more polling stations were established and drive-through voting was provided for voters in self-isolation. Social distancing measures were also enacted during voting on election day. As observed by the OSCE/ODIHR (2020), voters were afforded ample opportunities to cast ballots.

Quality of Parties and Candidates

Socially Rooted
Party System
Score: 8

Political parties, coalitions and independent candidates participating in national, municipal and European Parliament elections represent a wide range of ideologies. The vote threshold of 5% for political parties and 7% for party coalitions for entry to the Seimas might pose a barrier for smaller fringe parties. However, the mixed electoral system of the Seimas – with 71 members elected based on single-member constituencies and 70 members elected through proportional representation – increases the possibilities for representing distinct local interests.

The political parties elected to the Seimas represent a spectrum of ideologies ranging from left to right, as well as GAL (green, alternative, libertarian) and TAN (traditional, authoritarian, nationalist). Since the reestablishment of independence in the 1990s, no single party has been able to secure a majority of seats in the parliament. Ruling coalitions, typically comprising three or four parties, have generally been dominated by either centrist conservative or

social-democratic parties, alternating with each election cycle. These parties also have the most developed organizational structures, with local branches. Almost every parliamentary election has featured the emergence of a newly established political party in the Seimas.

In practice, the political divide between the ruling coalition and the opposition often dictates voting patterns more than ideological cleavages. These ideological differences are further blurred by the presence of informal groups representing GAL and TAN attitudes in major political parties, including the conservative Homeland Union – Lithuanian Christian Democrats, Lithuanian Social Democrats and the Liberal Movement, with those representing TAN attitudes typically elected in single-member districts.

Effective Cross-Party Cooperation
Score: 8

Although political conflicts are common in the decision-making process, they often stem from the division between the ruling coalition and the opposition. Typically, these conflicts concern policy issues that do not affect the liberal democratic values and institutions established by the constitution. Moreover, cross-party agreements have been reached on matters of strategic importance, such as the country’s membership in the EU and NATO.

Most recently, a cross-party agreement among most parliamentary parties was signed in mid-2022. This was the fourth such agreement on defense policy since 2012, and aimed to further increase funding for the country’s defense following Russia’s large-scale war against Ukraine. In 2021, parliamentary parties signed a national agreement on education policy for 2021 – 2030. This agreement was initiated by the ruling center-right coalition of conservative and liberal parties and set out policy priorities and funding commitments for the period up to 2030. With new elections approaching in 2024, some opposition parties declared they were leaving some of these cross-party agreements.

Access to Official Information

Transparent Government
Score: 10

The principle of freedom of information is upheld in Lithuania’s constitution and legislation. For instance, the Law on the Provision of Information to the Public states that “every individual shall have the right to obtain from state and local authority institutions and agencies and other budgetary institutions public information regarding their activities, their official documents (copies), as well as private information about himself.” Appeals can be made to an internal Appeals Dispute Commission and to administrative courts. Legal measures regarding access to government information are adequate and do not create any access barriers for citizens. Information-access provisions in Lithuania cover all levels of the executive but exclude the legislative branch. The right to

request information applies to citizens of and legal residents within Lithuania and European Economic Area states, as well as to foreign nationals with a residence permit.

The conservative-liberal coalition government, formed in late 2020, included several provisions in its program on open data policy to enhance transparency and citizens' access to data. It pledged "to make open data an essential element of the government's decision-making and communication processes" and "to ensure that open data is provided to the population and businesses in an orderly and timely manner." The aim was to allow fast and effective use of data by the public and researchers, enabling them to respond to new challenges and actively participate in the adoption of policy decisions.

In 2022, the Law on Official Statistics and State Data Governance was adopted, reforming the Department of Statistics into the State Data Agency and leading to more data pooling and its more effective and timely use. According to the annual report of the government on its activities in 2022, data from 43 registers and information systems have been integrated into the state data pool, with plans for continued data pooling updated for 2024.

Comparative OECD data show that Lithuania's performance has improved due to government initiatives. In 2019, Lithuania ranked last in the OECD with regard to data availability and government support for data reuse, and fifth-worst with respect to data accessibility. Its overall index score was also the lowest in the OECD. According to the most recent report published in 2023, Lithuania is now among the top 10 OECD countries characterized by "very high performance" with a comprehensive approach to open data initiatives. Lithuania scored particularly high (fifth place) with regard to data availability and 10th for the accessibility of high-value datasets, although it scored somewhat lower on overall data accessibility (12th) and government support for data reuse.

II. Diagonal Accountability

Media Freedom and Pluralism

Free Media
Score: 9

Lithuania's media are not subject to government influence or censorship. Private newspapers and independent broadcasters express a wide variety of views and freely criticize the government. Licensing and regulatory requirements do not expose media outlets to political interference. The

media's independence is generally respected by the government, although there have been a few attempts in the past to restrict media freedom.

For example, the ruling coalition led by the Lithuanian Farmers and Greens Union (2016 – 2020) was alleged to have interfered in the operations of the public broadcaster, Lithuanian Radio and Television. The coalition set up a special parliamentary inquiry commission to investigate the activities of the broadcaster. This commission found that the broadcaster's operations were ineffective and opaque, and suggested changes to its governance. These changes could politicize appointments to its council and a new board that the recommendations proposed to establish. Although the committee's conclusions were not approved by the parliament during its plenary vote in November 2018, new legislative proposals were later introduced to implement them.

In September 2018, Lithuanian authorities discontinued the practice of providing free data from the Center of Registers for requests from journalists. However, this decision was later reversed after reporters appealed to government officials.

In 2020, the courts ruled in favor of journalists' rights to access information in an important case. Skvernelis' government had refused to provide information about a government meeting and had deleted the recordings. According to Reporters Without Borders, "This set a very important precedent, giving journalists right of access to all nonclassified information" (Reporters Without Borders 2021).

In addition, media independence may be compromised because the government remains a key advertiser, and a large proportion of media outlets are owned by a small number of domestic and foreign companies. Similarly, regional media depend on local government for advertising and other types of support, which might restrict their ability to criticize local authorities. In its 2023 Rule of Law report on Lithuania, the European Commission noted that "following public discussions, legislation to improve the effectiveness and impartiality of media self-regulatory bodies was adopted. As of 2023, public institutions and bodies have to make public on their websites information about the funds they have used for state advertising."

In recent years, assessments of media freedom and international rankings have shown improvements in Lithuania. In Reporters Without Borders' 2023 Press Freedom Index, Lithuania was ranked seventh out of 180 countries in terms of press freedom, a significant improvement compared to 2021 when it was ranked 28th. Similarly, the European Center for Press and Media Freedom's

Pluralism of
Opinions
Score: 7

2022 report noted only one alert in the case of Lithuania – one of the smallest numbers among EU member states.

Lithuania’s electronic and print media markets feature a mix of diversified and oligopolistic ownership structures. However, these ownership structures lack transparency. Regulations overseeing publicly owned media ensure adequate plurality of opinions. At the national level and in digital media, a diverse array of political perspectives is represented, with no censorship of significant political viewpoints. There is consistent critical evaluation of government policies and potential abuses of power.

Business conglomerates often own multiple newspapers and TV channels. Media ownership concentration has increased in recent years due to the purchase of media outlets by domestic and foreign companies. Six media companies – Delfi, 15min, LNK Group, All Media, Lietuvos rytas and Verslo žinios – dominate the media market.

On the municipal level, ownership links between decision makers and media outlets pose a risk to the plurality of opinions. For example, according to a study published on 22 June 2022 by Transparency International (the Vilnius office), 68 politicians, civil servants or their spouses owned one in every eight media outlets in Lithuania. Publicly owned electronic media – the state-funded Lithuanian Radio and Television – to some extent compensates for deficiencies or biases in private sector media reporting.

According to the Media Pluralism Monitor 2022, Lithuania ranked eighth among 32 European countries assessed. The situation in Lithuania was described as posing a medium risk to media pluralism, though it was close to the category of low risk. The highest risk was identified in the category of market plurality, with news media concentration seen as posing a very high risk. The lowest risk was identified in the category of fundamental protection, particularly the independence and effectiveness of the media authority and the protection of freedom of expression.

The risk to media freedom due to ownership concentration has been noted for a number of years by Freedom House. In its 2023 report, Freedom House stated that “increasing concentration of media ownership in the hands of a small number of companies raises the risk of editorial interference by powerful political and business interests. Journalists often engage in self-censorship when reporting on certain large companies. The economic impact of the COVID-19 pandemic left the media more vulnerable to undue influence and affected the job security of journalists. Journalists also face online harassment and abuse.”

In addition to ownership concentration, another source of the risk of editorial interference from political and business interests is the business model of the largest privately owned media groups, which is heavily dependent on advertising revenues.

As noted by Freedom House, “Under the state of emergency declared after Russia’s February 2022 invasion of Ukraine, the transmission of any programs broadcast by Russian and Belarusian television and radio channels was suspended. The state of emergency also allowed for the restriction of Lithuanian media if they were deemed to spread disinformation or propaganda, incite war or breach Lithuanian sovereignty. On the other hand, state institutions, major media outlets and civil society groups stepped up their efforts to fight disinformation on the internet.”

The population displays relatively low levels of trust in the media. According to a representative survey conducted by the Vilmorus company from 22 November to 2 December 2023, 28.6% of respondents indicated they trusted the media, while 30.8% stated they did not. This represents a slight improvement compared to a Vilmorus survey conducted in December 2021, when only 25% of respondents expressed trust in the media and 34% indicated distrust. Despite this improvement, the share of the population that does not trust the media remains higher than the share that does hold this trust.

Civil Society

Free Civil
Society
Score: 9

Lithuania’s constitution and other legal norms generally safeguard freedom of association and assembly. Article 35 of the constitution states that “citizens shall be guaranteed the right to freely form societies, parties, and associations, provided that the aims and activities thereof are not contrary to the constitution and laws.” Article 36 says that “citizens may not be prohibited or hindered from assembling unarmed in peaceful meetings.” It also states that “this right may not be limited otherwise than by law and only when this is necessary to protect the security of the State or society, public order, the health or morals of people, or the rights or freedoms of other persons.” The main restrictions, in force since 2022, apply to assemblies that support the military aggression of Russia and Belarus.

In general, political and civic groups can operate freely without state interference in their activities. According to the Freedom House report of 2023, “freedom of assembly is generally respected,” with a ranking of four out of four points assigned in this category. The World Justice Project Report of

2023 also indicates that the freedoms of assembly and association are effectively guaranteed in Lithuania, giving the country a score of 0.78 out of 1.0, and ranking the country 27th out of 142 states worldwide. Additionally, Civicus Monitor in 2023 assigned Lithuania the status of an open country, with a score of 91 out of 100.

Effective Civil
Society
Organizations
(Capital and
Labor)
Score: 8

Most major civil society organizations (CSOs) have the capacity to shape public policies, although in practice this depends on the particular CSO. Major societal actors, such as trade unions and business organizations, are consulted through institutionalized arrangements – such as the Tripartite Council – as well as through various ad hoc means.

According to the OECD/AIAS ICTWSS Database, trade union density was 10% in 2021, a rise from 7.4% in 2019, while employer organization density was 33% in 2016 (later data is not available). Lithuanian legislation allows taxpayers to donate up to 0.6% of their personal income tax to trade unions and their associations of choice when declaring their annual income. Business organizations are funded by membership fees.

Traditionally, business organizations have been more adept at raising funds and developing expertise to voice their opinions on policy initiatives. The Investors' Forum, the Lithuanian Confederation of Industrialists and the Lithuanian Business Confederation are among the most well-resourced business associations. These organizations possess substantial analytical capacities, enabling them to formulate their own policy proposals and contribute to debates on economic and social policy initiatives presented by the government. Recently, major business associations have collaborated to provide common assessments of government initiatives, such as the tax reform debated from 2021 to 2023.

The visibility and capacities of major economic and social CSOs are enhanced through their participation in EU-wide networks of similar organizations. For instance, the Lithuanian Confederation of Industrialists is a member of Business Europe. Meanwhile, although the visibility and capacities of trade unions have also increased recently, and the Confederation of Trade Unions now plays a more prominent political role than previously, this role remains somewhat weaker than that of employers.

The government frequently consults with social partners on various issues, but it is more inclined to engage with employer organizations than trade unions. Given the government's limited capacity to shape and coordinate broad political compromises, these consultations tend to be formal rather than substantive contributions to policymaking, particularly on issues that directly

impact specific interests. For instance, in 2022 – 2023, the involvement of major societal actors in the review of tax exemptions initiated by the Ministry of Finance did not result in any workable agreement. However, a similar involvement in the preparation of the long-term Lithuania 2050 strategy, led by the State Progress Council, was more productive. Notably, both initiatives included employers but not unions.

Effective Civil
Society
Organizations
(Social Welfare)
Score: 7

There are various CSOs active in the field of social welfare, such as the Food Bank and others. Lithuanian laws allow taxpayers to transfer up to 1.2% of their personal income tax to the CSOs of their choice. There are also frequent fundraising events aimed at encouraging the general public to donate to various CSOs, such as Maltesers. It should be noted that most CSOs of this type focus on problem-solving through fundraising and mobilizing volunteers rather than on participation in policy debates.

During the COVID-19 pandemic, there was an increase in CSO activities aimed at assisting vulnerable groups in coping with temporary restrictions. Another wave of donations and activism followed Russia's large-scale war against Ukraine in 2022, with various initiatives focused on helping refugees from Ukraine settle in Lithuania and providing humanitarian and other types of support for Ukrainians defending their country. According to research by the Civil Society Institute conducted in 2022, around two-thirds of the population supported Ukrainians in some capacity, most often by donating money. Some NGOs, such as Blue/Yellow, have been active since 2014. This group had raised more than €1 million by 13 December 2023. However, in a civic empowerment study by the Civil Society Institute conducted in 2022, respondents asked about the influence NGOs and communities have on political decisions important for society provided only 5.1 points to this topic out of a possible 10.

In addition to donations from personal income tax and charities, some CSOs in this field receive funding from state institutions, the EU Social Fund or European Economic Area funding programs. For example, the project on civic empowerment conducted by the Civil Society Institute (Civitas) was funded by the Lithuanian Ministry of Social Security and Labor. The Civil Society Institute is also an example of an CSO that has been working to develop a culture of cooperation between NGOs and state institutions in creating new public policy initiatives, often by attracting scholars from academia.

The government has established a fund to strengthen NGOs' capacity to contribute to policy initiatives and public policymaking. For example, in 2022 approximately €2.9 million were allocated for NGO projects, with around 90%

of the funds actually disbursed. Nevertheless, funding remains one of the biggest challenges for the long-term sustainability and capacity of CSOs.

Effective Civil Society Organizations (Environment) Score: 7

Environmental CSOs have become increasingly active and visible in policy debates in Lithuania. They participated actively in the preparation of the long-term Lithuania 2050 strategy. They also react on an ad hoc basis to initiatives from the government and other societal groups, such as farmers.

In addition to benefiting from donations of up to 1.2% of personal income tax from taxpayers, they also receive project-based funding from state institutions and EU programs. For example, the Baltic Environmental Forum received funding from the EU LIFE program and the Lithuanian government for its projects such as Natura Lit. Environmental CSOs are well connected to similar organizations in other European countries. The Lithuanian Ministry of Social Security and Labor coordinates state funding for NGOs and provides relevant information on its website.

III. Horizontal Accountability

Independent Supervisory Bodies

Effective Public Auditing Score: 9

Lithuania has an independent National Audit Office whose autonomy is guaranteed by both the appointment process and its accountability mechanisms. The parliament appoints the auditor general based on a nomination by the president. The National Audit Office is accountable to both the parliament and the president. The parliament’s Committee on Audit reviews financial, compliance and performance audit reports submitted by the office and prepares draft parliamentary decisions concerning the implementation of audit recommendations. Traditionally, the position of the head of the Committee on Audit is allocated to a member of the Seimas opposition. The National Audit Office also collaborates with other parliamentary committees.

In practice, the National Audit Office consults political institutions, stakeholders and society on the question of which audits to undertake. However, it retains the discretion to make the final decisions regarding the audits, which are planned in advance every year. The Seimas has the right to request a particular audit by adopting a resolution. According to the National Audit Office, it determines which audits to undertake based on priority areas,

in addition to those audits it is legally required to perform, such as the audits of draft annual state budgets and EU investments.

The National Audit Office serves as an independent fiscal institution, monitoring compliance with EU fiscal-policy norms. According to an OECD review released in 2019, this unique institutional setup, in which the independent fiscal institution (founded in 2015) is part of the National Audit Office, presents several challenges. These include a lack of clear public identity and operational independence, as well as difficulties in recruiting and retaining senior staff members. However, the Budget Policy Monitoring Department (BPMD) was praised for quickly establishing “a reputation for solid independent analysis,” contributing to fiscal transparency and enhancing parliamentary and public debates.

In the past, the National Audit Office has criticized the government’s draft budgets for their lack of compliance with fiscal-discipline provisions and poor allocation of government expenditures. While these criticisms are not always taken into account, there seems to have been progress over time. The Office monitors the implementation of its recommendations and provides up-to-date data on their implementation on its web page. It has also undertaken initiatives to inform the general public about the importance of the efficient and effective use of taxpayers’ money, as well as the challenges to the sustainable development of the state in addressing the most important issues.

Effective Data
Protection
Score: 9

An independent and effective data protection authority exists in Lithuania. The State Data Protection Inspectorate supervises and controls the enforcement of legal protections for personal data. As a government agency, it has the legal and policy independence necessary to make regulatory decisions. The agency has the discretion to decide which audits it will undertake, planning them regularly based on risk assessments and responding to reported incidents in state and private organizations. For instance, in 2022, it conducted 44 planned audits (compared to 16 in 2021) and 12 audits in response to reported incidents (State Data Protection Inspectorate, 2023).

With more than 25 years of experience and a staff of about 43 in 2022 – an increase of 14 positions compared to 2021 – the agency has the capacity and resources to focus on implementing the EU’s General Data Protection Regulation, which came into force in 2018 (State Data Protection Inspectorate 2023). According to the organization’s 2022 activities report, its key performance indicator – the share of individuals who contacted the Inspectorate and rated its services very positively or positively – reached 92%, exceeding the target of 82%.

Rule of Law

Effective Judicial Oversight
Score: 9

Lithuania’s court system is divided into courts of general jurisdiction and courts of special jurisdiction. This differentiated system of independent courts allows for the monitoring of government and public administrative activities’ legality. The Constitutional Court rules on the constitutionality of laws and other legal acts adopted by the parliament or issued by the president or government. The Supreme Court reviews judgments, decisions, rulings and orders from lower general-jurisdiction courts. Disputes arising in the sphere of public administration are handled within the system of administrative courts. These disputes can include the legality of measures and activities performed by administrative bodies, such as ministries, departments, inspections, services and commissions. The administrative court system consists of five regional administrative courts and the Supreme Administrative Court.

The rule of law and the independence of the courts are established by the constitution and other legal norms, such as the Law on Courts. Generally, the national judiciary possesses the legal autonomy to independently interpret and review existing laws, legislation and policies. The independence of the courts is reinforced by the rules for appointing justices, which distribute these powers between the president and the Seimas, requiring their cooperation. For example, the president of the Supreme Court is proposed by the president of Lithuania upon the advice of the Judicial Council and appointed by the Seimas. The Seimas also appoints members of the Constitutional Court, with candidates proposed by the president of Lithuania, the chair of the Seimas and the president of the Supreme Court.

Sometimes disagreements between the country’s president and the ruling majority in the Seimas regarding the candidacies of justices can lead to significant delays in appointments. For example, the Supreme Court was headed by an acting president from September 2019 until March 2023, when the permanent president was appointed by the Seimas.

According to Vilmorus opinion surveys, levels of public trust in the courts are low. In December 2023, only 20% of survey respondents indicated that they trusted the courts, compared with 22% two years previously, while 35.9% expressed mistrust, compared with 31% two years before. As noted by Freedom House, judicial corruption remains a concern. Its 2023 report on Lithuania expressed “concerns regarding transparency in the selection of judges and low pay for some work in the court system.”

According to the European Commission Rule of Law Report 2023 on Lithuania, “new legislation was adopted, improving the transparency of

judicial appointments. Stakeholders continue to raise the need for additional safeguards in this regard. The Constitutional Court clarified the principles regarding the dismissal of judges of higher courts, reaffirming the role of the Judicial Council. There are serious concerns regarding the level of remuneration for prosecutors and court staff, which were only partially addressed by the legislative reform. The reform of the legal aid system advanced, while the workload and remuneration of legal aid providers remains to be addressed.”

In the 2023 World Justice Project Rule of Law Index, Lithuania was ranked 18th out of 140 countries, and 17th in terms of constraints on government powers.

Universal Civil
Rights
Score: 7

Lithuania is a democracy in which political rights and civil liberties are generally respected. Gaining Lithuanian citizenship is relatively easy for all residents, and civil rights are officially protected by the constitution and other legislative provisions. However, some issues affect the effective protection of citizens’ rights. According to the U.S. Department of State’s 2022 Human Rights report, Lithuania’s most significant human rights problems include poor prison conditions and inadequate conditions in foreigner registration centers for irregular migrants who have crossed the country’s border with Belarus. Similar criticism was made by Amnesty International in its 2022 report on Lithuania. It noted that while refugees from Ukraine were welcomed and assisted, “other refugees and migrants were forcibly returned to Belarus or arbitrarily detained, denied access to asylum, and in some cases, subjected to torture and other ill-treatment.” It also highlighted that same-sex unions had still not been legalized.

Lithuanian authorities seek to prosecute or otherwise punish officials who commit abuses, and Lithuanian courts provide legal protection against illegitimate or unjustifiable interventions in personal life. As noted by the U.S. Department of State, “the government had mechanisms in place to identify and punish officials who may commit human rights abuses or engage in corruption.” In the 2022 Freedom House report, Lithuania received a score of 51 out of 60 in the category of civil liberties. The report highlighted that “women, LGBT+ people, members of the Romany minority and some other groups experienced varying degrees of discrimination and under-representation in politics.”

The World Justice Project Rule of Law 2023 report ranked Lithuania seventh out of 142 countries in terms of the accessibility and affordability of civil courts for the general public. It also ranked Lithuania as high as fourth place regarding civil justice being free of discrimination based on socioeconomic

status, gender, ethnicity, religion, national origin, sexual orientation or gender identity. Lithuania was ranked eighth in terms of the effectiveness of civil justice enforcement and 18th regarding civil justice being free of improper government or political influence.

Effective
Corruption
Prevention
Score: 7

Over the years, Lithuanian institutions have adopted a legal framework that disincentivizes public officeholders from abusing their positions. The new amendments to the Law on the Prevention of Corruption, which took effect at the beginning of 2022, were welcomed by the Council of Europe Group of States against Corruption. In its most recent report of 2022, the group stated that “if each institution can and does effectively design, implement and oversee its own anti-corruption policy within the framework of the law and with the supporting role of the Special Investigation Service and the Chief Official Ethics Commission, it can lead to an efficient and mature system of anti-corruption prevention, but there are several conditions for such a system to work in practice.” It made particular reference in this regard to additional efforts at raising awareness and the provision of practical guidance for officials on integrity standards.

In addition to this law, there are norms aimed at increasing the transparency of political decisions, limits on party funding, requirements that officeholders declare their assets and conflicts of interests, and rules governing public procurement. Lithuanian authorities have also increased penalties for corruption-related crimes, linking these to the damage caused or benefits obtained from the illegal activities. According to EuroPam data based on 2020, Lithuania’s regulatory index score was higher than the European average in the areas of financial disclosure, political financing and conflict of interest.

One of Lithuania’s key corruption prevention measures is an anti-corruption assessment of draft legislation, which grants the Special Investigation Service the authority to carry out corruption tests. According to the Lithuanian Corruption Map of 2022 – 2023, measured by the Special Investigation Service based on surveys, the institutions viewed as most corrupt were hospitals, the courts, the parliament and municipalities. Favors to party members, nepotism and the adoption of laws that favored particular interest groups were considered to be among the most widespread forms of corruption.

Thirty-four percent of the general population considered corruption to be a very serious problem (fifth most serious issue), 24% of business executives viewed it as a very serious problem (seventh most serious issue) and 32% of civil servants considered it a serious problem (fifth most serious issue). However, the assessed dynamics continued to show a positive trend, with the

shares in all three groups – especially civil servants – stating that corruption had decreased in the last five years larger than those stating it had increased.

In 2023, several events attracted significant publicity in the area of corruption control. One was the “Skaidrinam” (“Making it transparent”) initiative by activist Andrius Tapinas, who collected information on the potential manipulation of rules governing expense compensation for municipal council members. The evidence of suspected fraud led the Special Investigation Service to initiate pretrial investigations into members of 19 municipal councils.

Another high-profile political corruption case involved allegations of corruption within Lithuania’s Liberal Movement and Labor Party, which prompted the Special Investigation Service to start an investigation in 2017. The parties were suspected of accepting bribes and trading political influence. For instance, two Liberal Movement members allegedly accepted bribes of more than €135,000 on behalf of the party from a vice president of a major business group in exchange for political decisions that benefited the corporation.

In April 2022, the court of first instance acquitted all the suspects in this case. However, in November 2023, the Court of Appeal of Lithuania convicted individuals who were previously acquitted, including businessman Raimondas Kurlianskis, then-Seimas members Eligijus Masiulis, Vytautas Gapšys, Šarūnas Gustainis and Gintaras Steponavičius. Charges included “bribery, trading in influence and abuse of power.” Additionally, the legal entities UAB concern “MG Baltic” (now UAB “MG grupė”), the Liberals’ Movement of the Republic of Lithuania political party (now the Liberal Movement), and the Labor Party were found guilty.

The improvement in the control of corruption in Lithuania has also been noted by Corruption Risk assessments. This organization stated that “Lithuania has managed to construct good constraints to corruption both on the side of government and civil society/freedom of the press, with a dense network of public accountability mechanisms and good access to information. Lithuania was fifth in the world on transparency but lagged in digitalization of the commerce register, land register and tracking current public expenditures. Nevertheless, the country has been on a positive trend for the past decade.”

Similar assessments on recent positive trends were provided by the European Commission in its 2023 Rule of Law report on Lithuania. The report stated that “the implementation of the anti-corruption agenda in 2022 – 2033 advanced well with the adoption of the first implementation action plan.

Investigations and prosecutions of corruption-related offenses continue to be carried out efficiently while shortcomings in relation to investigation and prosecution of foreign bribery cases were raised. Public procurement remains a high-risk area for corruption. Laws such as the Law on Corruption Prevention, the Law on the Adjustment of Public and Private Interests, and the whistleblower legislation are being efficiently implemented. Further efforts were taken in view of the efficient implementation of the integrity rules.”

In the World Bank’s 2022 Worldwide Governance Indicators, Lithuania scored 76.42 out of 100 on the issue of corruption control, with its score having fluctuated in the 80th percentile over the last several years.

Legislature

Sufficient
Legislative
Resources
Score: 7

Members of the Seimas have adequate personnel and structural resources to monitor government activities effectively. They have access to personal staff, personnel assigned to parliamentary committees and commissions, and other structures, as well as the Parliamentary Research Unit. This unit provides analyses of other countries’ policies and other issues deemed important by Seimas members. Additionally, the parliamentary Committee for the Future, established after the 2020 Seimas elections, has reinforced focus on the Seimas’s analytical capacities, often organizing discussions with scholars and expert institutions.

Proper impact assessments of draft legislation are very rare. Although the Statute of the Seimas includes a provision requiring impact assessments for proposed draft laws, members of the Seimas usually do not provide them. Expenses incurred by calling experts for testimony or consultation can be reimbursed, but members of parliament are typically unwilling to allocate adequate funds for commissioning external impact assessment studies so as to avoid being perceived by the media as wasting taxpayers’ money. Thus, despite the availability of resources, political incentives frequently prevent effective parliamentary oversight, including the commonly held assumption that introducing draft legal initiatives reflects a member of parliament’s diligence, which in turn leads to a heavy focus on lawmaking,

Parties that are part of governing coalitions are often unwilling to engage in self-monitoring, while opposition parties frequently lack the capability for constructive external oversight. They use external expert impact assessments of draft legislation to delay governing coalition initiatives rather than to obtain a genuine analysis of the possible effects of the draft laws. Additionally, the parliament utilizes the results of audit reports produced by the National Audit

Office. It is also common for members of the Seimas to employ their party colleagues as advisers or assistants based on relationships of trust rather than these individuals' specific expertise.

Effective
Legislative
Oversight
Score: 9

Members of the Seimas have the right to obtain information not only from the government but also from various government agencies, enterprises and other public sector organizations. When carrying out their oversight function, parliamentary committees can request information and relevant documents from ministries and other state institutions. These documents are normally delivered in full and within an appropriate time frame. Opposition members frequently seek the government's position on politically salient policy issues. However, there are restrictions on accessing information considered sensitive for state security reasons. Additionally, information from ongoing pretrial investigations and other investigations cannot be provided if it could harm the investigations.

Parliamentary committees can summon ministers and the heads of most other state institutions, with the exception of court judges. Invited individuals, who also attend parliamentary commissions and other groups, generally answer questions posed by members of parliament and provide other relevant information. In some cases, vice ministers or other authorized civil servants may substitute for ministers. However, this instrument of parliamentary control is often used to explain government activities on an ex post basis rather than serving as a forward-looking mechanism. During times of crisis – such as the management of pandemics or geopolitical crises – the more frequent practice of vice ministers substituting for ministers preoccupied with crisis management has sometimes led to friction among members of parliament and particular ministers.

Effective
Legislative
Investigations
Score: 8

The legislature is generally able to exercise its investigative function. As the 2004 impeachment of President Rolandas Paksas illustrated, the Seimas can make political decisions once sufficient evidence of unconstitutional activities by the executive is presented.

However, investigations of suspected illegal activities are mostly used for political purposes to attract media attention and create additional opportunities for criticizing the governing coalition and its decisions. They rarely lead to substantive policy changes or resignations. For example, in September 2022 the opposition initiated a motion for resignation against Minister of Energy Dainius Kreivys over alleged mishandling of the energy crisis and the reform of electricity market rules. At the end of 2022, another interpellation was initiated by the opposition against the minister of foreign affairs and the head of the main coalition party Homeland Union – Lithuanian Christian

Democrats, Gabrielius Landsbergis, over controversial foreign policy decisions. Both of these motions failed when it came to the final vote on forcing the resignation of the ministers because the opposition did not have enough votes in the Seimas, and majority governing coalitions tend to defend their ministers during such votes.

Disagreements between opposition parties can sometimes complicate investigative actions. For example, in November 2022, the opposition's attempt to establish a temporary commission to investigate the activities of Interior Minister Agnė Bilotaitė failed at the initial stage. This failure occurred not only because ruling coalition parties voted against it but also because some members of the opposition parties abstained from voting.

Legislative
Capacity for
Guiding Policy
Score: 8

The organization and operations of legislative committees are for the most part well-suited for effectively monitoring ministry activities. There is extensive congruence between the current structure of 16 parliamentary committees and the primary areas of competence of Lithuania's 14 ministries. The Committee for the Future is the most recent addition, established in 2020.

However, there are a few mismatches. Several ministries, such as Economy, Transport and Communications, as well as other state institutions, are monitored by a single Committee on Economics. Conversely, there are several horizontal parliamentary committees, including those on the issues of government audits, European affairs, and human rights.

In addition to these, the parliament had 11 standing commissions as of 2023, some of which were related to policy areas assigned to the Lithuanian ministries. One such example was the Commission for Energy and Sustainable Development. Thus, the composition of parliamentary committees allows government policy to be monitored on both a sectoral and horizontal basis.

Committees meet regularly, but most of their activities focus on considering draft legislation. The workload of individual committees in the legislative process varies substantially, with the committees on Legal Affairs, State Administration and Local Authorities, Social Affairs and Labor, and Budget and Finance accounting for most of the legislative review work delegated to committees. The attention given to parliamentary oversight remains insufficient, although the exact amount depends on the particular committee and its chair.

Governing with Foresight

I. Coordination

Quality of Horizontal Coordination

Effective
Coordination
Mechanisms of
the GO/PMO
Score: 8

The prime minister's office has the capacity to evaluate policy proposals from line ministries and assess their alignment with the government's priorities. The government office effectively monitors policy proposals and their implementation through several channels. First, it administratively tracks the execution of government actions assigned to different ministries and other state institutions. Second, through its information system of monitoring, it assesses the achievement of government priorities and linked policy objectives based on performance indicators. Progress in policy implementation is discussed during cabinet meetings and other government-level deliberations.

Information derived from the monitoring process is infrequently used to propose corrective action when progress is deemed insufficient. Thus, the monitoring process does not always prevent the prioritization of sectoral or bureaucratic interests over full-government and horizontal interests in policy implementation. In one EU-funded project, the government office reviewed monitoring and evaluation practices and made several recommendations to improve performance measurement in line ministries, including the development of key performance indicators or indicator libraries in various policy areas. Despite the implementation of this project, the National Audit Office stated that the country's monitoring and reporting system continues to lack quality information. Additionally, the government and line ministries often provide incomplete information regarding the achievement of their policy aims and objectives in their reports.

The coalition government, formed in late 2020, strengthened the monitoring of policy proposals from the line ministries by introducing questionnaires to

check the alignment of their content with government priorities and their potential impact. The chancellor and advisers to the prime minister play important roles in coordinating policy processes with the line ministries.

Effective
Coordination
Mechanisms
within the
Ministerial
Bureaucracy
Score: 8

Regular interministerial coordination forums such as interinstitutional meetings allow chancellors from line ministries and vice ministers to discuss policy initiatives and align the positions of different ministries before these policies are adopted by the government. These forums sometimes provide incentives for identifying synergies and opportunities for policy coherence among various ministries.

Additionally, a network of chief scientific officers in line ministries was established in 2023 to facilitate interministerial coordination in the field of innovation. It is too early to evaluate its effectiveness.

Despite formal arrangements, interministerial coordination tends to be rather weak in practice, especially among civil servants and on issues overlapping several policy areas. Typical issues include addressing skill mismatches and bottlenecks in labor market regulation. Another area in which interministerial coordination is lacking is in reducing the regulatory and administrative burden for businesses.

The positions on draft EU legal initiatives are debated within the Governmental European Union Commission, which includes vice ministers from line ministries, the vice-chancellor of the government and the permanent representative at the EU. This commission typically adopts the national position before EU Council meetings, which the government then approves with minimal substantial debate. For example, during the term of the current coalition government, formed at the end of 2020, only one EU-related policy issue – the Fit for 55 package – was debated in substance at a government meeting. The LINESIS digital system is used to coordinate the positions of different line ministries on draft EU initiatives in real time.

Complementary
Informal
Coordination
Score: 8

In most cases, informal coordination mechanisms complement formal mechanisms of interministerial coordination. Sometimes these informal meetings are organized between representatives of political parties that form the ruling coalition with the goal of aligning positions on sensitive or divisive policy issues, such as tax reform.

The coalition government formed in 2020 relied mostly on informal coordination between the coalition partners until June 2023, when the three ruling parties decided to establish a Coalition Council. This council was

subsequently used as a forum for discussing the draft budget for 2024 and other matters important to the coalition parties.

Informal meetings are also used to coordinate positions between the prime minister and the president. Sometimes these meetings occur regularly, but most of the time they depend on the political situation and policy agenda. Approaching elections often affect the routines of such informal coordination, as political competition reduces the incentives for it.

Quality of Vertical Coordination

Effectively
Setting and
Monitoring
National
(Minimum)
Standards
Score: 6

National public-service standards at the subnational level are ensured through centralized or regional governance arrangements. For example, landfills are connected in a regional network of service providers. The decentralized provision of other public services at the local level has produced uneven quality in areas such as school education and the accessibility of primary healthcare services. The Public Management Improvement Program aims to define minimal quality standards for various public functions such as healthcare, education and social services. A recent report from the National Audit Office found that the central government still lacks reliable and comprehensive data on the provision of public services, which is necessary for the effective modernization and standardization of services. More specifically, the National Audit Office recommended improving the accessibility of personal healthcare services in Lithuania.

In March 2022, the government adopted the Public Administration Development Program 2022 – 2030. It acknowledged that the quality of public administration and public services was not systematically monitored and committed to improving it, along with the quality and accessibility of public services across the country. One of the government’s priorities for 2023 was to improve the quality of public services provided by municipalities and their infrastructure by implementing innovative technological solutions.

Effective
Multilevel
Cooperation
Score: 8

According to the constitution and the Law on Self-Government, Lithuanian municipalities are responsible for a wide range of state-delegated and autonomous functions. The Law on Local Self-Government regulates and approves the list of municipal tasks. Autonomous functions regulated by the constitution and related legislation include municipal budget drafting; the management, use and disposal of land and other property; the organization of

general education; public transportation; the provision of social services; social housing; territorial planning; and infrastructure. State-delegated tasks encompass various fields, from state land management to social protection and active labor market programs.

In general, national policymakers work effectively with regional and local governments to improve the delivery of public services. Municipalities use different channels to participate in higher-level decision-making processes through formal consultations and other procedures. In terms of formal representation structure, the Association of Local Authorities of Lithuania is the main actor in political deliberation and consultation processes such as governmental working groups, legislative amendment suggestions and processes of municipal interest representation. Representatives of the association have criticized the government for the lack of fiscal flexibility allowed to municipalities seeking to borrow capital to fund investments.

In March 2021, the prime minister and the president of the Association of Local Authorities of Lithuania signed an agreement to establish a permanent Bilateral Commission. This commission, chaired by the prime minister, will include representatives from the Ministry of Finance, the Ministry of Economy and Innovations and the Ministry of Interior, the president, and three representatives from the Association of Local Authorities. The commission aims to better coordinate decisions important to local governments, contribute to the economic and social development of regions, foster economic convergence, and reduce disparities in public services provided by different municipalities. The prime minister also has an adviser on local government and regional policy.

The National Regional Development Council is an advisory body established by the government and the Ministry of Interior. It includes representatives from other ministries and state institutions; heads of regional development councils; a representative of the Association of Local Authorities of Lithuania; and representatives of business associations, trade unions and NGOs. The council plans and coordinates the implementation of national regional policy and promotes social and economic development. According to the Ministry of Interior, the council met twice in 2022 – February and May – and once in 2023, in October.

II. Consensus-Building

Recourse to Scientific Knowledge

Harnessing
Scientific
Knowledge
Effectively
Score: 7

In most cases, the government effectively utilizes the best available scientific knowledge for policymaking purposes. Both internal and external institutions facilitate this use of scientific knowledge. The Government Strategic Analysis Center (STRATA) provides the government and ministries with independent expert information necessary for evidence-based policy decisions. The Research Council of Lithuania is an expert institution and advisory body accountable to the government on the topics of research, development and higher-education policy. It also implements competitive funding for research, including applied research, acting as a knowledge broker institution between policymakers and the scientific community. This includes collecting information on the political demand for scientific advice and funding research activities that supply expert analysis to meet this demand.

The STRATA, the Research Council of Lithuania, and the chancellery of the government have benefited from the European Commission and OECD technical assistance project on strengthening capacities for evidence-informed policymaking. This project began in early 2023 with participation from seven EU member states.

There are also permanent and ad hoc advisory bodies established by the government that bring together officials and scientific experts. The State Progress Council was first set up in 2010 to advise on the preparation of the long-term Lithuania 2030 strategy. In late 2021, its membership was renewed by Prime Minister Ingrida Šimonytė and tasked with providing advice on the new long-term development Lithuania 2050 strategy. The preparation process included many scholars from Vilnius University and other scientific organizations and lasted for almost two years (2022 – 2023). During this period, thematic discussions with experts and stakeholders, sensemaking workshops, and analysis of megatrends were employed, creating platforms for exchange between policymakers and researchers. These platforms were useful in enabling dialogue, and for bringing a research-based focus to topics affecting future policy. At the end of 2023, the strategy was approved by the Seimas. The government also sets up temporary ad hoc bodies (working groups, commissions) to advise on particular matters important to society, such as managing the COVID-19 pandemic.

In 2023, the Research Council of Lithuania launched a network of research and innovation advisers – an initiative funded by the Next Generation EU facility that is expected to last until 2026. With academic backgrounds, 15 advisers will work in the chancellery of the government and line ministries to provide advice on facilitating the use of scientific knowledge during the drafting of policy initiatives and fostering a culture of evidence-informed policymaking.

Despite initiatives aimed at practically implementing the government’s ambition to enhance capacities for evidence-informed policymaking, the systematic use of scientific expertise in daily legislative drafting is still lacking. Although the use of impact assessments for draft laws prepared by the government was formalized in 2003, it is rarely undertaken properly. This means that assessments are not conducted in a timely manner, do not consider several policy alternatives, and often forgo consultations with experts and stakeholders. The government has sought to strengthen the capacities of ministries to conduct both ex ante and ex post impact assessments, including organizing training sessions for civil servants through STRATA in 2021 – 2023. However, these efforts remain underutilized.

Thus, while key formal and informal institutions for evidence-based policymaking are in place, their practical performance has limitations. After the aforementioned technical assistance project expired, STRATA has yet to settle on a permanent operating and financing model. Its role in evidence-based policymaking remains unsettled, and its organizational capacity fluctuates significantly, as indicated by frequent changes in the organizational structure and the reduction of staff by half at the beginning of 2024 due to financial constraints. Similarly, while the government actively involves non-governmental experts for consultations on policymaking, strategic foresight and planning, many of these experts have criticized such initiatives for their superficial nature, and have pointed out that the experts’ recommendations are rarely reflected the final decisions.

Involvement of Civil Society in Policy Development

Effective
Involvement of
Civil Society
Organizations
(Capital and
Labor)
Score: 8

The government effectively involves trade unions and business organizations in policy development. The Tripartite Council serves as the main forum for regular discussions of new policy initiatives between government officials, business associations and trade unions. Additionally, representatives of trade unions and business associations are often invited to participate in ad hoc groups, such as those focused on reforms of the Labor Code or tax laws. The consultation processes are generally public and inclusive.

However, the involvement of business associations – and especially trade unions – in policy development tends to be uneven and varies with government cabinets. The center-right government that came into office in 2024 tends to favor business organizations over trade unions. This is evident from several recent key policymaking initiatives, such as the renewal of the activities of the State Progress Council to lead the development of the long-term Lithuania 2050 strategy and a series of tax reform proposals. In both cases the presence of business associations was strong, while trade unions were not represented.

Effective
Involvement of
Civil Society
Organizations
(Social Welfare)
Score: 7

Most of the time, the government effectively involves leading social welfare CSOs in policy development processes. The Ministry of Social Security and Labor organizes standing platforms for dialogue and funding to engage CSOs and strengthen their capacity to provide policy advice. The government also aims to include stakeholders, including CSOs, in consultations during the drafting of new legal initiatives and through the Open Government Initiative. For example, guidelines for public consultations are prepared and available on the government website, with the goal of facilitating consultation with relevant stakeholders for line-ministry officials drafting new laws.

In the view of CSOs, the government led by Ingrida Šimonytė has been more willing than its predecessors to involve CSOs in consultations. Yet, in many cases, the views and solutions offered by CSOs are not reflected in final policy decisions, suggesting that the consultation process is frequently passive. On the other hand, CSOs themselves still lack the capacity to provide timely and evidence-informed policy advice.

Effective
Involvement of
Civil Society
Organizations
(Environment)
Score: 7

The government is largely effective in involving leading environmental CSOs in policy development. Environmental CSOs have become increasingly active in debates addressing the preservation of forests and other natural resources. They have developed analytical capacities through their international links, which they then use to advocate particular policy proposals. The government has also involved environmental CSOs in discussions of specific policy initiatives. For example, environmental CSOs have played a significant role in drafting the long-term Lithuania 2050 strategy. They are also active in public hearings and expert committees.

As noted by the OECD in its 2021 report, “Despite environmental authorities’ outreach to non-governmental actors in drafting high-profile laws and policies, there is no active dialogue with civil society on key environmental policy priorities, particularly at the local level. Environmental awareness of the population is below the EU average, partly due to the lack of a consistent

approach to environmental education. Most environmental information is accessible to the public but is fragmented across different authorities' websites, making it more difficult to find and use." Lithuania was advised to "consolidate public sources of environmental information and ensure regular reporting on the state of the environment. It should also provide open public access to compliance-related information about individual polluting installations."

Openness of Government

Open
Government
Score: 8

The government usually publishes data and information in a manner that empowers citizens to hold the government accountable. The conservative-liberal coalition government formed in late 2020 included several provisions in its program relating to open data policy, aiming to improve transparency and citizens' access to data. It pledged "to make open data an essential element of the government's decision-making and communication processes" and "to ensure that open data is provided to the population and businesses in an orderly and timely manner" so as to allow it to be swiftly and effectively used by the public and researchers in response to new challenges, in turn enabling them to participate actively in the policymaking process (Seimas 2020).

In 2022, the Law on Official Statistics and State Data Governance was adopted, allowing for the reform of the Department of Statistics into the State Data Agency. This reform aimed to enhance data pooling and provide for its more effective and timely use. According to the annual report of the government on its activities in 2022, data from 43 registers and information systems have been integrated into the state data pool.

OECD data shows that Lithuania's performance has improved due to government initiatives. In 2019, Lithuania was last in the OECD in terms of data availability and government support for reuse, and fifth-worst in terms of data accessibility (OECD 2019). Its overall score was the worst in the OECD. According to the most recent report published in 2023, Lithuania is now among the 10 best performers – a group of OECD countries characterized by "very high performance," with a comprehensive approach to open data initiatives. Lithuania scored particularly high with regard to data availability (fifth place), and 10th in the accessibility of high-value datasets, but somewhat worse in overall data accessibility (12th) and government support for data reuse.

The extent of proactive data provision is somewhat limited, making it challenging to determine its user-friendliness. Frequent complaints from

citizens and business representatives in the media indicate that they feel poorly informed about new policy initiatives. However, it is difficult to ascertain whether this lack of information stems from insufficient availability and user-friendliness of government-provided data or from a lack of interest on the part of citizens and businesses.

III. Sensemaking

Preparedness

Capacity for Strategic Foresight and Anticipatory Innovation
Score: 7

The central government is often able to foster the capacity for strategic foresight and anticipatory innovation within its organization. The Government Strategic Analysis Center (STRATA) has actively introduced strategic foresight into its work. The preparation of the long-term Lithuania 2050 strategy, which took place in 2022 – 2023, is perhaps the most visible example of such an exercise. STRATA experts, who led this process, consulted and used best practices from the Joint Research Center of the European Commission and several EU member states in employing strategic foresight methodology to guide the process.

The legal basis establishing the National Crisis Management Center was drafted in 2022, and the institution began operation in early 2023. It is doing important work in anticipating and preparing for potential crises. Additionally, the establishment of the Committee of the Future in the Seimas after the 2020 parliamentary elections and its work in organizing thematic discussions has also helped foster a culture of strategic foresight.

However, the methods of strategic foresight and anticipatory innovation need to be used more systematically. Their systematic use is constrained by low capacities across government policy units and by the underdeveloped culture of policy experimentation and ex ante impact assessments in the process of preparing draft laws.

Analytical Competence

Effective Regulatory Impact Assessment
Score: 5

Ex ante impact assessments have been legally required since 2003, after Lithuania’s accession to the EU. However, the quality of these assessments has been poor, with the process turning into a purely formal exercise often summarized by the repeated phrase “no negative impact foreseen.” This

statement is usually made without a timely and proper analysis of the potential impact of draft legislation, and without full consideration of alternative ways to achieve the desired policy goals. Additionally, stakeholder consultations are rarely properly conducted, even though guidelines for these consultations are prepared and publicly available on the government website.

There have been several attempts by different governments to improve the actual practice of impact assessments, including the efforts of the coalition government formed in late 2020. The government led by Ingrida Šimonytė committed in its program to focus on the quality rather than quantity of legislation, and to properly assess the impact of draft laws. It approved a list of priority legislative initiatives that had to be accompanied by impact assessments.

STRATA updated the methodology for this task, and in 2021 – 2023, organized trainings for civil servants on how to properly carry out impact assessments, including the role of consultations with stakeholders and assessments of different alternatives. Its experts also routinely consult with line ministries, advising them on specific impact assessments being undertaken. However, the gap between what is formally required and what is the actual practice remains wide, and the main observation of the OECD in its 2021 report that “most RIAs are conducted as a formality, with limited impact” remains largely valid.

Effective Sustainability Checks
Score: 3

High-quality sustainability assessments are rarely incorporated within regulatory impact assessments. Formally, sustainability assessments must be considered when conducting impact assessments. However, because the impact assessments are often not conducted properly, the sustainability assessments are also typically absent.

Effective Ex Post Evaluation
Score: 4

The culture of ex post impact assessments emerged following EU accession, when the use of EU funding necessitated evaluating the effects of those investments. Consequently, compulsory requirements to assess the impact of EU funding became a significant factor in the adoption of such assessments. Additionally, some audits conducted by the National Audit Office can also be considered ex post impact assessments.

The new factor that mobilized the government’s attention to the issue of ex post (and overall) impact assessments was the accession into the OECD in 2018. The OECD’s advice and provision of best practices, as well as comparative studies on the use of impact assessments, increased political attention to these instruments of evidence-informed policymaking. The government adopted a formal methodology for conducting ex post impact

assessments in May 2021. Subsequently, it also approved a list of 14 legal norms to be assessed using this methodology. In 2023, STRATA organized several training sessions for civil servants on how to conduct ex post impact assessments. However, by the end of 2023, only a few ex post impact assessments had been completed. Similar to ex ante evaluation, ex post impact assessment is still more of a formal requirement than an instrument for improving the quality of policies, with the exception of policy measures that rely on EU funding.

Sustainable Policymaking

I. Economic Sustainability

Circular Economy

Circular
Economy Policy
Efforts and
Commitment
Score: 6

The government is largely committed to transitioning to a circular economy. In its program, the coalition government formed in late 2020 committed to bringing recycling rates up to the EU average by 2024, and to shift completely to a circular economy by 2050. Concrete measures leading the way to a circular economy were included among the priorities in the government program. In 2023, the government adopted guidelines for transitioning to the circular economy by 2035.

In its annual report on activities for 2022, the government noted that in 2021, product utilization rates remained three times lower than the EU average and acknowledged that it would not achieve the recycling goal set for 2024 (The Government Annual Report for 2022, 2023). This is also suggested by the circular material use rate (circularity index), which was the seventh-lowest in the EU and less than half the EU average, and which has not shown any significant progress since 2015.

Viable Critical Infrastructure

Policy Efforts
and Commitment
to a Resilient
Critical
Infrastructure
Score: 8

The government is largely committed to updating the country’s technical infrastructure. However, the focus is on protection rather than upgrading, and the commitment varies depending on the sector. Sectors seen as potentially vulnerable to external threats, such as energy infrastructure, have received more political attention and resources, allowing for connections with partners in the EU and NATO. After the initiation of Russia’s large-scale war against Ukraine in 2022, the government adopted additional measures to protect physical critical infrastructure and data. Planning for the development of military and civilian infrastructure necessary to support the expansion of

NATO forces, particularly the stationing of the German brigade beginning in 2027, gathered pace in 2023.

There is extensive regulation aimed at protecting objects important for national security and critical information infrastructure. On the strategic level, these issues are governed by the National Security Strategy, the latest version of which was adopted in 2021. There are also sectoral strategies, such as the National Energy Strategy. On the operational level, different sectors are regulated by sectoral legislation. For instance, the Law on Cybersecurity and the government resolution on the objects of critical information infrastructure regulate the protection of these objects from cyberattacks.

Different ministries are responsible for the protection and upgrading of various types of critical infrastructure. The Ministry of Energy is responsible for energy infrastructure; the Ministry of Communications and Transport is in charge of protecting and upgrading transport and other relevant infrastructure; and the Ministry of Defense oversees cybersecurity and military infrastructure development. These policies are coordinated by the government, including during the drafting of yearly budgets.

Cybersecurity and ICT infrastructure have received positive assessments from international organizations. For instance, in the latest Global Cybersecurity ranking (2020), Lithuania was ranked sixth. The upgrading and development of ICT infrastructure, including high-speed internet networks, have benefited from foreign investors and strong competition among service providers, predominantly Nordic companies. However, the upgrading of transport infrastructure such as railways – the Rail Baltica project – and roads has been complicated by delays, often due to lengthy public procurement processes. EU funding provides a significant share of the funds used for upgrading infrastructure.

Decarbonized Energy System

The government is largely committed to transitioning to a decarbonized energy system. In Lithuania, the National Energy Strategy adopted in 2018 has been the main strategic document in this field. This document includes targets for increasing the share of renewable energy. There is also a Law on Renewable Energy. In 2019, the National Energy and Climate Action Plan for 2021 – 2030 was adopted. The program of the current government, adopted in late 2020, sets the target of having 30% of energy produced by renewables by 2025 and increasing this share to 50% by 2030. According to the strategy, by 2050 Lithuania should be a climate-neutral country with a fully circular economy. A

significant share of decarbonization-related investments are planned and are already being funded through the New Generation EU facility.

In 2022 – 2023, there has been an acceleration of wind and solar energy projects that could mean the targets will be reached earlier than planned. As noted in the report on Lithuania’s energy system transformation to 2050, presented in late 2023, there was a “sixfold increase in solar and twofold increase in wind capacity over the past few years” (DNV 2023). According to the European Commission’s 2023 country report on Lithuania, the country “has adopted a new legislative framework to improve institutional and legal mechanisms to promote the generation, transmission and consumption of electricity from renewable sources. This measure will improve the Lithuanian energy market by establishing a new framework for the sale of electricity and setting long-term renewable energy targets for all sectors. This will contribute to the development of renewable energy sources in Lithuania.”

The drive to increase the share of renewables was initially motivated by geopolitical concerns and the need to reduce reliance on supplies from Russia. More recently, however, it has been driven by optimism about technological progress, which projects significant potential for wind and solar-powered energy as well as the production of green hydrogen. Major energy sector companies envision that the development of renewable energy offers Lithuania an opportunity to become a regional hub. This would support the growth of a new generation of sustainable industry with a strong demand for green energy, which would allow the country to serve as a hub for exporting not only energy, but also carbon-free products and e-fuels across Europe.

Adaptive Labor Markets

Policies
Targeting an
Adaptive Labor
Market
Score: 7

In Lithuania, labor market institutions align largely with the goal of an adaptable labor market. The most recent labor market reform occurred with the revision of the Labor Code in 2016, which made hiring and firing practices more flexible. However, both before and after the reform, the Lithuanian economy has demonstrated flexibility in adapting to external shocks such as the COVID-19 pandemic.

This flexibility results from the adaptability of companies rather than from the use of active labor market policies. There is a mismatch between the high demand for labor and restrictive immigration policies, which is frequently criticized by business associations. According to Eurostat, the unemployment rate in Lithuania in November 2023 was 6.5%, above the EU average of 5.9%. In its 2023 report on Lithuania, the European Commission noted the presence

of skills mismatches, as well as the fact that tightness in the labor market – measured as the ratio of job vacancies to the number of unemployed people – had reached the highest level in the last 15 years. According to the Lithuanian Public Employment Service in December 2023, employers registered 8,400 available positions. Despite the influx of refugees from Belarus and Ukraine and active policies assisting their employment, there was a demand for employees in transport, construction and other service sectors.

The Lithuanian Public Employment Service acts as an intermediary between employers and employees. In December 2023, the Lithuanian Public Employment Service provided job offers to 12,300 individuals (while there were 1.45 million insured participants in the labor market). It also offers subsidies for training and educational programs. However, employers usually provide their own training services tailored to their particular needs.

In its 2023 report on Lithuania, the OECD recommended creating a framework to attract, develop, upgrade and retain skills that align more closely with labor market needs by strengthening firm-based learning, better balancing the attractiveness of firm-based and school-based learning, and benefiting from international firms' experiences with apprenticeship systems.

Policies
Targeting an
Inclusive Labor
Market
Score: 7

Labor market institutions are largely aligned with the goal of an inclusive labor market. According to the Law on Unemployment Social Insurance, anyone who has paid social insurance contributions for at least one year out of the last two and a half years can register at the Lithuanian Public Employment Service to receive unemployment benefits if they were not offered a suitable job or active labor market policy measures. Unemployment benefits are paid once a month over a period of nine months. The amount is calculated by including a fixed sum, which amounts to 23.27% of the minimum monthly wage, and a variable component, which is calculated as a share of the average monthly insured income. This share starts at 38.79% during the first three months, then declines to 31.03% during the fourth to sixth months, and further decreases to 23.27% during the seventh to ninth months (Lithuanian Ministry of Social Security and Labor, 2024).

Such a method of calculating unemployment benefits is intended to encourage an active search for employment opportunities. However, according to the OECD (2024), financial disincentives to returning to work in Lithuania have been higher than the OECD average. These disincentives are calculated as the percentage of earnings lost to either higher taxes or lower benefits when a job-seeker returns to work after two months of unemployment.

Additionally, the Lithuanian Public Employment Service aims to offer training and jobs for unemployed individuals to facilitate their return to the labor market. Despite these efforts, most labor market participants find jobs on their own, often during their studies. Since most young people who graduate from secondary school seek to enter universities and colleges, the proportion of young people who are not in education, employment or training has been lower than the OECD average.

There are also rules allowing for part-time jobs. Flexible work arrangements, including remote work, are often negotiated between employees and employers.

Policies
Targeting Labor
Market Risks
Score: 7

Labor market institutions are primarily focused on protecting individuals from labor market risks. The availability of unemployment benefits depends on the individual’s employment record. Although the requirement is not demanding – to be eligible, an individual must have been employed for at least one year during the last 2.5 years – it may pose a risk for some. The long-term unemployment rate in Lithuania has been higher than the OECD average.

Only a small share of employees are members of trade unions, and it is a dominant practice to negotiate wage and other employment conditions individually. According to the OECD, trade union density was 7.4% in 2019, while employer organization density was 33% in 2016. The portability of social rights is affected by EU-wide regulations (OECD and AIAS 2021).

Sustainable Taxation

Policies
Targeting
Adequate Tax
Revenue
Score: 6

The tax system is largely aligned with the goal of ensuring adequate tax revenues. A significant portion of government revenue comes from indirect taxes, especially the value-added tax (VAT), which is relatively high at 21% (up from 18% during the financial crisis a decade and a half ago). Meanwhile, environmental and property tax rates are relatively low. Taxes on labor (personal income tax and social security contributions) present a barrier to the competitiveness of Lithuanian businesses. According to the OECD, in 2022 the average rate of income tax and employees’ social security contributions in Lithuania was 37.11%, compared to the OECD average of 27%.

Despite high average tax rates on labor income, tax revenue as a percentage of GDP is below the OECD average, constituting the third-lowest such figure in the EU. This is the result of a highly differentiated, or as the World Bank calls it in its recent assessment, schedular tax system, in which statutory and effective tax rates vary significantly between legal forms of economic activity

(employment contracts, individual activity certificates, etc.) and between sources of income (wages, capital gains, etc.).

Furthermore, although its overall incidence is declining, significant tax evasion persists. According to the European Commission, the VAT gap (as a percentage of theoretical VAT liability) remains significantly higher than the EU average – in 2020, it was the fifth-highest such figure in the EU. The current coalition government, in its program adopted in late 2020, committed to reducing the VAT gap from 25% to 10%. However, the target date for achieving this goal is 2030 – well beyond the term of the current government.

According to the Tax Justice Network, tax administration capacity in Lithuania was below the OECD average in 2022 (respectively with index indicator scores of 40 and 47). Potential tax revenues are still influenced by the country's significant shadow economy (estimated at 22.4% of all economic activity in 2022), extensive tax avoidance, widespread tax exemptions and low tax morale. An improvement in VAT and excise tax collection has been noted in recent years; this is attributed partially to improvements in tax administration and partially to a reduction in fuel and tobacco-product smuggling from Russia's Kaliningrad region and Belarus (due to the general decline in trade with those countries).

In 2022, the government adopted changes to the Law on Tax Administration and related legal norms regarding the protection of taxpayers' data, expanding the list of sanctions to further reduce tax evasion and the VAT gap.

Policies
Targeting Tax
Equity
Score: 6

The tax system is largely aligned with the goal of ensuring equity. In terms of horizontal equity, there are mismatches between various groups of economic actors with similar tax-paying abilities. Labor is taxed somewhat more heavily than capital, while specific groups such as farmers and lawyers benefit from tax exemptions.

In a recent assessment of the Lithuanian tax system, the World Bank (2022) calculated over 72 differentiated tax treatments by type of entity, size, type of activity and source of income (capital/labor). Previous governments have reduced the number of exemptions provided to various professions and economic activities with regard to personal income tax, social security contributions and VAT. Social security contribution rates were reduced after the 2019 reform, but the personal income tax rate was increased. Ceilings on these contributions, reintroduced in 2019, start at a very high level but are gradually decreased.

Overall, the tax system’s capacity for vertical equity and redistribution is relatively limited in Lithuania. The system places a higher tax burden on those with a greater ability to pay taxes, as large companies pay more substantial sums than do small companies. For many years, Lithuania had a flat income tax rate of 15%. However, this was changed to a progressive structure with two brackets: 20% and 32%. Progressivity is further enhanced by an untaxed income threshold, which benefits lower-wage earners.

Nevertheless, only wages are taxed progressively; income derived from individual activity certificates, business certificates and dividends is not. As a result, when total income is skewed toward dividends and individual activity certificates, the impact of progressive tax rates is significantly weakened. According to a World Bank study, the effective tax rate on income steadily increases between approximately the 20th and 90th income percentiles but declines above that level.

In 2021 the current coalition government initiated a process of tax reform aimed at enhancing equity, particularly horizontal equity. This involved reducing existing tax exemptions for certain types of businesses and expanding the base for the real estate tax. However, these reform proposals did not receive support from the liberal members of the governing coalition, and faced criticism from business associations. A tax reform plan in 2023 was not implemented due to a lack of support in the parliament. Nevertheless, the legislature agreed to increase the untaxed income threshold by 20% starting in 2024 for individuals earning up the level of the average monthly wage.

Policies Aimed at
Minimizing
Compliance
Costs
Score: 8

The tax system is largely aligned with the goal of minimizing compliance and collection costs. The use of the electronic system of tax declaration and payments has contributed to making tax compliance easier for taxpayers. The culture of the State Tax Inspection has also evolved into a focus on assisting taxpayers rather than focusing on sanctions. However, the existence of different types of tax treatments by entity type and size, type of activity, and sources of income (capital/labor) makes tax compliance more costly.

Policies Aimed at
Internalizing
Negative and
Positive
Externalities
Score: 6

Many analysts and several international institutions, such as the IMF and the OECD, have for many years been recommending both shifting and expanding the tax burden to somewhat reduce labor taxation and instead increase property and environmental tax rates. Lithuania’s taxes in these areas are among the European Union’s least ambitious. The minister of environment in 2021 proposed a revamp to car taxation by abolishing the registration tax and introducing an annual tax, which would then be gradually increased over the succeeding years. He suggested it as a way of addressing negative externalities and reducing emissions, although opponents criticized the tax for not targeting

the precise externalities and for being regressive. The parliament rejected the proposal in early 2022 amid disagreement among coalition partners and criticism from the opposition.

In 2023, the parliament adopted the increase of excise duties for certain types of fossil fuels, slated to come into effect in 2024 and later. The policy includes the abolishment of existing excise tax exemptions for certain types of fossil fuels, increases in the excise tax rate for diesel fuel, and increases in the excise tax rate for gasoline over time. However, the resulting public discontent made it likely that some of these policies would be withdrawn in the 1st half of 2024. Beginning in 2024, excise taxes on different types of alcohol were also increased.

There is also a reduced profit tax rate applied for investments in research and innovation. This policy is intended to motivate businesses to invest in such activities, which are associated with positive externalities. However, not all taxes intended to internalize positive externalities have functioned this way; rather, since they have not been abolished, they have become likely sources of negative externalities. One example is a reduced corporate income tax rate for micro enterprises, which was intended to incentivize their growth but instead provoked a bunching of enterprises at the threshold of the higher tax rate, while also producing incentives for engaging in other sorts of unproductive activities.

Sustainable Budgeting

Sustainable
Budgeting
Policies
Score: 8

Budgetary institutions and policies are largely aligned with the goals of sustainable budgeting. Lithuanian governments have been following EU fiscal rules, although with certain temporary derogations during the 2008 – 2009 crisis and the COVID-19 pandemic, as well as during the several years when EU Stability and Growth Pact rules were suspended.

As noted by the European Commission (2023), in 2022 the energy price shock impacted public finances at a time when they had not fully recovered from the pandemic. Still, the budget deficit is projected to remain under the ceiling of 3% of GDP in 2024, while debt was projected to be 37.1% of GDP in 2023, and was expected to decrease slightly to 36.6% in 2024.

In the long run, Lithuania faces several challenges in maintaining sustainable public finances. Russia's war against Ukraine in 2022 underscored the necessity of allocating more resources to defense. The sum expended on this sector has already been steadily increasing since 2014. In 2023, defense

expenditure reached around 2.7% of the country's GDP. However, this was partly achieved through a temporary tax on bank profits, which have grown significantly due to interest rate increases by the ECB in 2022 – 2023. Other permanent sources of funding will be needed to sustain increases in defense expenditures in the future, and the political debate on this is ongoing.

More generally, factors such as projected expenditures and potentially lower tax revenues related to an aging population, a relatively restrictive immigration regime, and the vulnerability of the country's small and open economy to external shocks pose significant risks. The government is revising the state budgeting system to extend the time horizon for budgeting and strengthen the link between expenditure and overall economic policy. Better-than-forecast economic developments during the COVID-19 pandemic and accelerating rates of inflation allowed the government to collect more tax revenues than planned, and thereby increase funding for wages in the education and healthcare sectors, as well as pensions, in the 2022 – 2024 period.

As noted by many observers and politicians, there is a fundamental tension within the Lithuanian fiscal regime due to a mismatch between the state's extensive obligations and existing tax income, which is not sufficient to finance those obligations adequately. Although the government has launched a tax reform process, it became evident by the end of 2023 that this reform would not be adopted by parliament, partly because of the tensions created by the election cycle, with the next elections scheduled for 2024.

Sustainability-oriented Research and Innovation

Research and
Innovation Policy
Score: 7

The government is committed to utilizing research and innovation as drivers for transitioning to a sustainable economy and society. Lithuanian authorities have used EU structural funds to improve the country's R&D infrastructure. More recently, in 2022 – 2023, investments into green and digital transitions have been supplemented by Next Generation EU funding. Science clusters have been developed, integrating higher-education institutions, research centers and business areas working within specific scientific or technological domains.

However, efficiently using this new research infrastructure remains a major challenge, and cooperation between industry and research organizations is still weak. The government has supported the sector through financial incentives, particularly an R&D tax credit for enterprises, as well as regulatory measures. The current government program includes numerous provisions dedicated to the sustainability agenda. Both the previous and current governments have

allocated budgetary resources to increasing salaries for university researchers, with the latest decisions to come progressively into force in 2024.

Demand-side measures encouraging innovation are less developed. Bureaucratic procedures remain an obstacle to research and innovation. The existing system of innovation governance is complex, with limited synergies between the various implementing agencies and support schemes. Due to insufficient funding and the rules for calculating the salaries of scholars participating in EU-funded programs such as Horizon 2020, incentives to apply to these programs are weak.

In the Ecorys (2022) report on Lithuania's eco-innovation profile, the country is categorized as an average eco-innovations performer. The report notes that Lithuania's performance relative to the EU has improved over time. Similar trends are highlighted by the European Innovation Scoreboard 2023, which places Lithuania in the group of moderate innovators. Although Lithuania's performance remains below the average for the moderate innovators group, its rate of increase between 2016 and 2023 was higher than the EU average.

In 2022, the government established an Innovations Agency responsible for supporting innovations in all stages of business development and made structural changes such as merging the Agency of Science, Technology and Innovations with the Research Council of Lithuania, which was allocated more resources. A new program for scientific research, experimental development and innovation was adopted. Additionally, the government established a mission-driven model of science and innovation to foster cooperation between research institutions and businesses in three areas, one of which is called "Smart and Climate-Neutral Lithuania" (The Government Annual Report for 2022, 2023).

Stable Global Financial System

Global Financial
Policies
Score: 8

The government is largely committed to ensuring the stability of the global financial system. Lithuanian authorities contribute to improving financial market regulation and supervision. The Lithuanian Ministry of Finance and the Bank of Lithuania (the country's central bank) are involved in the activities of EU institutions and arrangements dealing with international financial markets, participating in the European Council, the European Commission, the European Systemic Risk Board's (ESRB) Advisory Technical Committee and the European supervisory authorities.

Lithuanian authorities are involved in the activities of more than 150 committees, working groups and task forces set up by the European Council, the European Commission, the ESRB’s Advisory Technical Committee and other European supervisory authorities. Lithuanian authorities support inclusive euro zone decision-making, which includes EU members that are not in the euro area, as well as the completion of the banking union.

In addition, the Bank of Lithuania cooperates with various international financial institutions and foreign central banks, providing technical assistance to central banks located in the EU’s eastern neighbors. Lithuania’s Financial Crime Investigation Service collaborates with EU institutions, international organizations and other governments on the issue of money laundering. The country supports many initiatives regarding the effective regulation and supervision of financial markets.

In recent years, the Bank of Lithuania has tightened regulation of short-term lending practices to target fast-credit companies and attract foreign financial institutions. Concurrently, the Bank of Lithuania has sought to attract fintech companies to Lithuania in the wake of the United Kingdom’s withdrawal from the EU. However, Lithuanian authorities have recently shifted their focus to emphasize risk control over expansion.

An important goal has been to foster competition in a banking sector heavily dominated by Nordic banks. Lithuania is regarded as having one of the world’s most highly developed regulatory frameworks for the fintech sector. Recently, the Bank of Lithuania initiated debates on establishing Lithuania as a center of excellence for anti-money laundering activities.

II. Social Sustainability

Sustainable Education System

Policies
Targeting Quality
Education
Score: 7

Education policies in Lithuania are largely aligned with the goal of ensuring high-quality education and training. The country boasts a very high and increasing level of tertiary attainment, surpassing the OECD average (46.50% of the population compared to the OECD average of 41.90% in 2022) (OECD 2023). The rate of early school leaving was 4.8% in 2022, which is significantly below the OECD average of 8.09% (OECD 2023).

However, enrollment rates in vocational education and training programs remain low. The reputation of vocational education and training in Lithuania could be improved, as could the rate of adult participation in lifelong learning programs. Additionally, Lithuania needs to enhance the quality of its education programs. According to the most recent PISA report, released in 2022, Lithuanian students continue to score below the OECD average in reading, mathematics and science. Furthermore, there has been little change in these achievements over an extended period of time (since 2006).

A 2017 OECD report on education in Lithuania stated that the country's schools and higher-education institutions would benefit by clarifying and raising performance expectations, aligning resources to support those raised expectations, strengthening performance monitoring and quality assurance procedures, and building institutional capacity. Furthermore, the report advised addressing mismatches between graduates' skills and labor market needs. In a staff working document, the European Commission recommended improving quality and efficiency at all levels of education and training, including adult education. Many of these points have been addressed by the country's authorities, as discussed below.

The coalition government formed in late 2020 clearly indicated in its program that improving access to quality education was its top priority. This objective featured at the beginning of the government's program, accompanied by a list of priority projects and success indicators to be achieved by 2024 – the end of the government's term – and 2030.

In an effort to enhance the quality of education at all levels, the government included a series of priority projects in its program. It began by focusing on early childhood education, emphasizing teacher education, educational flexibility and the early identification of talented students. Additionally, the government introduced performance monitoring in order to address emerging problems promptly and work toward improving early education standards.

At the secondary education level, the government committed to establishing adequate quality standards in the country's schools by restructuring the school network. This restructuring was intended to concentrate resources, thereby improving the quality of teaching.

The government's flagship project, launched in 2022, became known as the "Millennium schools." These schools are designed to have modern infrastructure and emphasize state-of-the-art learning approaches such as leadership and informal education. By 2025, the plan is to have 150 such

schools able to set a good example for others. Private schools and schools that select students by competition are not eligible.

The National Recovery and Resilience Plan – financed by the Next Generation EU economic recovery fund – includes reform measures in education, such as digitalization and improvements in educational performance. The use of EU funding, which extends to 2026, might improve the chances of advancing these reforms and maintaining their continuity after the next parliamentary elections scheduled for 2024.

Among other initiatives aimed at increasing the quality of secondary education, the government's program underlined the need to improve curriculum content in response to the challenges of the 21st century. It emphasized the importance of individual analytical capabilities, a focus on real-life problems during the learning process, and general competencies such as reading skills and mathematics. Additionally, the program highlighted the need for civic education, creative thinking, cultural education, social and emotional intelligence, and digital skills.

Furthermore, the program committed to developing internationally recognized educational centers of excellence, which would contribute to educating and training teachers. This includes support for joint degree master's programs for educators and funding for research on education in cooperation with other European countries, particularly the Nordic nations.

In the area of tertiary education, the main focus of the government program is on increasing quality at all levels of university education, particularly in internationalization, student and lecturer mobility, and cooperation with businesses. It is committed to upgrading the requirements for entry into university study programs, clarifying the missions of universities and colleges, and improving vocational education and training to better meet labor market demands and contribute to the development of the country's regions. Additionally, it contains several projects aimed at increasing the attractiveness and quality of lifelong learning in Lithuania.

Successive governments have committed to improving the attractiveness of the teaching profession, particularly by increasing teachers' wages. By 2024, these wages were slated to equal 130% of the average wage in the country. The government also initiated a national agreement among parliamentary political parties on education policy for 2021 – 2030 to strengthen the continuity and consistency of education policy and increase its funding over the long term. This agreement was signed by the governing and opposition parties at the start of the 2021 – 2022 academic year, and included many provisions from the

government's program, along with concrete funding commitments and success indicators. For example, it set the objective of increasing salaries for school teachers and university lecturers to 130% and 150% of the national average wage, respectively, by 2024.

According to the government's annual report on its activities in 2022, several key reforms were implemented to enhance the education system. These included consolidating secondary schools to increase class sizes and elevate quality standards, and reforming vocational training schools to better align with labor market demands. Significant resources were dedicated to educating and training teachers and providing expert advice to schools on improving quality standards.

The study curricula for early childhood, primary and secondary education were updated. A new model of vocational training was established in cooperation with municipalities, businesses and researchers. Additionally, seven science, technology, engineering, arts and math (STEAM) centers were launched, along with a new project focused on the digital transformation of education. As a supplement to base funding, performance-based funding was introduced for universities, which includes additional funding tied to the achievement of specified quality standards.

Funding was increased in 2022 – 2023, including salary increases for school teachers and university lecturers.

In 2023, when the draft budget for 2024 was prepared, some trade unions representing teachers staged public demonstrations, demanding accelerated increases in funding, particularly in the area of salaries. They argued that due to high inflation and an inadequate methodology for calculating teachers' salaries, the government was failing to meet its promises. Some opposition parties supported their demands, and some considered withdrawing from the national agreement on education policy (as the Lithuanian Farmers and Greens Union ultimately did). After a series of negotiations between officials from the Ministry of Education, Science and Sport and trade unions, some unions reached a common ground with the government. The government maintained that it remained committed to achieving the funding indicators set in its program and the national agreement of the parliamentary political parties.

It should be noted that the multiple crises faced by Lithuanian authorities during the term of the current government – including the COVID-19 pandemic, the geopolitical crisis, the energy crisis, the cost-of-living crisis, etc. – did not affect increases in funding for education and research. The trend of increasing funding for schools and universities, initiated by the previous

administration, continued under the Šimonytė coalition government and was maintained in 2022 and 2023. The most recent increases in budgetary expenditures allocated for the wages of school teachers and university academic staff were scheduled for 2024.

Policies
Targeting
Equitable Access
to Education
Score: 7

Education policies are largely aligned with the goal of ensuring equitable access to high-quality education. The country exhibits an urban-rural divide, and there are notable disparities in educational achievements between girls and boys. According to Eurydice, an analysis of differences in the achievements of 15-year-olds showed that pupils from families from low socioeconomic strata studying in the same schools scored 46 points below the national average, equivalent to a 1.5-year gap. When compared with children from families at higher socioeconomic strata, the gap widened to 86 points, or 2.8 years.

The coalition government formed in late 2020 committed to both improving the quality of education and enhancing equity of access to it. Regarding access, the government undertook several projects, including dedicating additional attention and resources to families requiring social assistance for early childhood education services. It also emphasized inclusive educational initiatives for children with special needs, and focused on enhancing the quality of teaching and studies in schools for national minorities.

In the area of tertiary education, the government outlined plans to increase support for students from socially disadvantaged families and students with special needs. Additional investments in IT skills and technological upgrades for the education process could also contribute to more equitable access, particularly in rural areas.

In 2022, the government adopted amendments to the Law on Education aimed at facilitating individual help for pupils who experience difficulties during the study process and who fail intermediary tests, which have also been reformed to signal earlier about such needs (The Government Annual Report for 2022, 2023). Additionally, throughout the year, financial and expert-consultation support was provided to improve equitable access to education, with 54 partnership agreements signed between municipalities, the National Education Agency and 90 schools.

Also, information and financial support were provided to refugees from Ukraine regarding educational opportunities and their practical use. According to the findings of Eurydice (2023), quoted in the government report on its 2022 activities, Lithuania is among the countries where more than half of all pupils and students who arrived from Ukraine have been integrated into local

schools. In 2022, the Lithuanian government allocated €28 million to integrate refugees from Ukraine into the education system.

Sustainable Institutions Supporting Basic Human Needs

Policies
Targeting Equal
Access to
Essential Services
and Basic Income
Support
Score: 7

According to a European Commission report published in 2020, Lithuania belongs to the majority of EU member states in which the term “essential services” was not used in national or subnational legislation or documents regulating service provision. The Ministry of Social Security and Labor provides information to people in need of social support and has prepared guidelines for local county officials to facilitate the provision of support for eligible low-income residents. The central authorities actively use media to inform potential recipients about the ways in which they can obtain social support, either by contacting their municipal institutions or using the Social Support for Family Information System (SPIS).

Essential services for low-income individuals are provided on a means-tested basis. Eligibility for social assistance is often used to grant access to services such as water, energy, sanitation and housing. However, there are also types of support that are universal – provided for all – such as lunch provision for children at early childhood education organizations (Baptista and Marlier 2020). Municipalities have some discretion in determining eligibility for social assistance in individual cases.

The coalition government formed in 2020 committed to reducing the share of people at risk of poverty from 20.6% to 17% by 2024 and further to 14% by 2030 (Seimas 2020). It emphasized the use of individually tailored social support, increased access to services, increased delegation of service provision to municipalities and NGOs, and direct funding of service access through new technologies. In 2022, the government raised the value of social support payments and expanded the list of social services provided.

During the energy crisis of 2022, some rules for means-tested social support and access to essential services were relaxed (The Government Report for 2022, 2023). Additionally, the government decided to provide universal support to the population to compensate for the increases in electricity and gas (heating) prices – a decision based on the argument that targeting the support would have been too time-consuming, and would put too much pressure on the administrative capacities of the institutions responsible. Importantly, the government stated that it learned from this crisis management experience and would aim in the future to revise the existing system of social support and access to essential services. It said this revision would draw on the state open

data governance platform, with technical solutions to be implemented that would allow the individual needs and financial situations of people at risk to be rapidly identified, and which would inform them about available support offerings and provide access to services without excessive administrative burden.

Policies
Targeting Quality
of Essential
Services and
Basic Income
Support
Score: 6

Existing essential public services and basic income support programs are largely aligned with the goal of satisfying basic human needs. State and municipal institutions provide social support, usually in a targeted and means-tested way, to enable people to access housing, water, sanitation and energy. The digital infrastructure is well developed in the country, with strong competition in the telecommunications services sector allowing consumers to benefit from relatively low prices and broad coverage. The public transport infrastructure is also well developed, although more investment is needed to maintain its quality. Increasingly, more municipalities have been experimenting with the provision of free services, covered from their municipal budgets. However, the relatively high rate of poverty and the relatively low level of adequacy of the guaranteed minimum income benefits suggest that the level of support could still be improved.

Sustainable Health System

Policies
Targeting Health
System
Resilience
Score: 6

Health outcomes in Lithuania are among the poorest in the EU. Lithuania has one of the lowest expected healthy life expectancies at birth and one of the lowest overall life expectancies. According to the OECD country report 2023, life expectancy in Lithuania was 74.2 years – 6.1 years below the OECD average. The preventable mortality in Lithuania was 326 deaths per 100,000 – much higher than the OECD average of 158 – with the treatable mortality at 155 per 100,000, also higher than the OECD average of 79. Additionally, government spending on health services as a percentage of GDP remains one of the lowest such figures among OECD countries.

According to OECD data, excess mortality during the COVID-19 pandemic (2020 – 2021) in Lithuania was close to the OECD average. However, the number of COVID-19-related deaths in Lithuania during this period was significantly higher, reaching 2,645 per million compared to the OECD average of 1,634 per million. The number of hospital discharges and the waiting times for surgery in Lithuania in 2020 increased significantly more than the OECD average.

In terms of resilience, one of the key lessons learned by policymakers during this crisis was the need not only to maintain sufficient reserves of protective

medical equipment but also to have timely access to data on key crisis management indicators, such as the number of infected individuals and their distribution, available hospital facilities, and vaccination dynamics. Having the capacity for data analysis was also seen to be critical.

The coalition government formed in late 2020 has been straightforward about these issues, stating them upfront in its program. In addition to poor health outcomes, it also identified a relatively fast-aging society as a challenge complicating efforts to improve health indicators. Among its goals in the healthcare sector, the program highlighted the need to strengthen the resilience of the healthcare system with regard to future threats and crises.

Placing a high priority on increasing resilience, as well as on being able to adapt to the fast-changing environment and manage those changes effectively, it outlined the following initiatives. First, it aims to enhance readiness for threats and crises such as future pandemics or accidents at the nuclear power station in nearby Belarus. The plan highlights the need to establish sufficient reserves of civilian protection instruments, educate society and train healthcare workers in relevant competencies.

Second, the plan emphasizes the need for the healthcare system to be prepared for future challenges such as climate change, an aging society, antibiotic resistance and growing volumes of disinformation. To address these challenges, it commits to making the healthcare system open to future changes and innovations, while also developing the use of information technologies and artificial intelligence; strengthening cooperation with NGOs, media and various stakeholders; developing good practices; and improving the prestige of the medical profession. However, it does not set indicators of success explicitly linked to increasing the resilience of the country's healthcare system.

In July 2021, the government allocated €268 million as a part of the New Generation Lithuania plan, funded by the EU Recovery and Resilience Facility, for a component described as “a resilient and future-proof health system.” Under this component, the government plans a series of reforms and investments aimed at: 1) improving the quality and accessibility of healthcare services and promoting innovation, 2) enhancing long-term care services, and 3) strengthening the resilience of the healthcare system to handle emergencies.

Regarding reforms, the focus is on shifting further to outpatient care, reorganizing the hospital network, digitalizing healthcare, improving the working conditions of health professionals, addressing healthcare staff shortages and skills, introducing measures to enhance the quality of healthcare,

scaling up prevention measures, improving access to long-term care, and reforming healthcare financing to reduce dependence on employment-related contributions.

In terms of investments, the plan includes targeted measures to create a center for advanced therapies, establish a health professionals’ competence platform, digitalize the health system, develop an integrated healthcare quality assessment model, and set up long-term care day centers and mobile teams. To ensure the efficient delivery of health services during emergencies and to strengthen the resilience of the health system, investments are proposed to modernize the infrastructure of healthcare facilities to ensure their effective functioning in emergency and crisis situations.

Among the main achievements listed in its annual report for 2022, the government highlighted the consolidation of public healthcare organizations to improve coordination of their activities, as well as the adoption of by-laws on the repeated use of health data accumulated in information registers for the purposes of scientific research, innovations, knowledge management and healthcare policy changes.

Policies
Targeting High-
Quality
Healthcare
Score: 6

Health policies are largely aligned with the goal of achieving high-quality healthcare, although their implementation often faces obstacles. According to the OECD (2023), Lithuania performed better than the OECD average on 58% of quality-of-care indicators. However, it scored poorly on acute care, with a 30-day mortality rate after stroke of 15.4%, compared to the OECD average of 7.8%. In primary care, Lithuania had 554 avoidable admissions per 100,000 population, in contrast to the OECD average of 463. For preventive care, 46% of women were screened for breast cancer, below the OECD average of 55%. Additionally, the rate of unmet need for medical care is among the highest among OECD countries.

The 2020 coalition government prioritized strengthening public health, emphasizing disease prevention and cultivating a healthy lifestyle through proper nutrition, physical activity, balanced working, studying and leisure regimes, sex education, and the prevention of substances affecting stress and psychology (Seimas 2020). It also committed to further improving the quality of individual healthcare services by enhancing focus on their safety. This would be based on a quality management system that uses data and evidence for the purposes of monitoring and diagnosing, with the support of new technologies, best practices and expert recommendations, and quality assessment based on patient feedback.

The government also stressed the importance of increasing healthcare effectiveness through individually tailored services. These services are based on the application of the most recent prevention, diagnosis, treatment and care techniques. Funding for services would be linked to the quality and effectiveness of their provision, irrespective of the ownership or subordination of particular healthcare institutions.

The program defined several indicators of success. By 2024, goals are to increase average life expectancy to 77 years (from 76), reduce the difference in life expectancy between men and women to eight years (from 9.8), increase average healthy life expectancy to 60.5 years (from 58.1), and have the share of adults who assess their state of health as good or very good reach 64% (up from 58%). More ambitious indicators regarding life expectancy and health self-assessments were set for 2030.

In 2022, the government allocated additional resources for activities aimed at strengthening public healthcare, particularly psychological health, healthy lifestyles, more effective management of infectious diseases, and expansions to the network of schools that practice health-strengthening activities (The Government Annual Report for 2022, 2023). It also began implementing a project to establish a model for providing long-term care services, which aims to deliver all types of care services in a sustainable “single point of contact” manner.

Although the annual report on government activities in 2022 noted a slight decrease in the life expectancy gap between men and women (from 9.6 to 9.3 years), it acknowledged that this gap remained the EU’s largest (The Government Annual Report for 2022, 2023). It also noted that, contrary to plans, average healthy life expectancy had decreased compared to 2019. This negative trend was explained with reference to the restricted accessibility of healthcare services due to the management of the COVID-19 pandemic, as well as to the pandemic itself.

Policies
Targeting
Equitable Access
To Healthcare
Score: 6

Health policies are largely aligned with the goal of achieving equitable access to high-quality healthcare, although actual access varies depending on particular location and institution. Although almost all of the population is covered for a core set of services, according to the OECD (2023), only 51% of people in Lithuania were satisfied with the availability of quality healthcare – a share considerably lower than the OECD average of 67%. The 69% of patients covered by mandatory prepayment plans was lower than the OECD average of 76%. Out-of-pocket spending, which accounted for 30% of healthcare expenditure, was higher than the OECD average of 18%. Lithuania spent \$3,587 per capita on health, less than the OECD average of \$4,986 (in

purchasing power parity terms), which was equal to 7.5% of GDP compared to the OECD average of 9.2%.

The number of practicing doctors – 4.5 per 1,000 population – is higher than the OECD (2023) average of 3.7, but the number of practicing nurses – 7.9 per 1,000 population – is lower than the OECD average of 9.2. Lithuania had 6.1 hospital beds per 1,000 population, more than the OECD average of 4.3.

The 2020 government coalition committed to reducing the large differences in terms of healthcare that result from poverty or economic, social or regional divergences (Seimas 2020). It also indicated the intention to improve the accessibility of healthcare services irrespective of geography, organization or patient economic situation by reducing bureaucratic constraints and excessive administrative burdens, improving the access and quality of primary care, expanding the services provided by family doctors, expanding emergency services, and expanding access to and choice of compensated medicines, as well as by offering patients the best available innovative and effective methods of treatment. It also pointed to the importance of ensuring that members of the medical profession are well paid, qualified and motivated.

In 2022, the government adopted changes to the Law on Healthcare Institutions and the Law on the Healthcare System, establishing a model for the provision of individual healthcare services based on regional cooperative networks. It also amended the Law on Pharmacies, seeking to expand patients' access to compensated medicines, while additionally expanding the list of such medicines. It also allocated new funding in order to increase salaries within the medical profession.

Gender Equality

Policy Efforts
and Commitment
to Achieving
Gender Equality
Score: 8

The government is clearly committed to ensuring gender equality. Equal opportunity and equal treatment are mandated by Article 28 of the Lithuanian Constitution. According to the European Institute for Gender Equality, the process of accession to the European Union “played a crucial role in fostering gender equality and gender mainstreaming in Lithuania’s national policy and body of legislation.”

Lithuania has two key laws that ensure the consistent and systematic implementation of programs, measures and projects to promote gender equality: the Law on Equal Opportunities for Women and Men (1998) and the Law on Equal Treatment (adopted in 2003 and entered into force in 2005). These laws cover discrimination based on 14 grounds, including gender.

The Law on Equal Opportunities for Women and Men forbids any discrimination – whether direct or indirect – on the ground of sex, including sexual harassment. The Law on Equal Treatment has been reformed several times and, according to the European Institute for Gender Equality, is now fully in line with the EU acquis and other international instruments.

In addition to these legislative norms, Lithuania has compiled several key strategic documents since 2012. The National Program on Equal Opportunities for Women and Men – the first version of which was in place from 2010 to 2014, and the second from 2015 through 2021 – aimed to ensure a consistent, sophisticated and systematic approach to gender equality issues in all fields. The National Program pursued four main priorities: equal opportunities for women and men in the labor market; gender balance in decision-making; gender mainstreaming, especially in culture, education and science, national defense, and international obligations; and increased management effectiveness.

Gender equality activities have been implemented in the priority areas of employment, science and education, healthcare, environmental protection, national defense, decision-making, EU and international cooperation, and the development of mechanisms and methods to implement equal opportunities for women and men. Every year, progress on the implementation of the National Program is reported to the government, while an independent external comparative assessment of the overall impact of the National Program is carried out every five years.

Lithuania has also implemented an accompanying action plan for the National Program (the first version was in place from 2015 – 2017 and the second from 2018 – 2021). The action plan outlines concrete actions, implementation deadlines, responsible institutions and state budget allocations needed for each step, and additionally specifies evaluation criteria. It also sets out 20 specific targets, including reducing the pay gap between women and men; encouraging girls and boys to choose “nontraditional professions or studies for women and men”; guaranteeing access to services and information for the prevention of cervical, breast and prostate cancer; and encouraging women’s activity in the field of environmental protection.

Among the most recently adopted documents, the National Progress Plan (an institutional plan that provides policy direction for the future) includes equal opportunities for all as a horizontal principle. This principle covers the commitment to respect human rights regardless of any identity factors such as gender, age or race. It also underscores the necessity of ensuring equal access

to services, and of implementing strategic programs that consider the specific needs of women and men, different age groups, ethnic minorities, and other groups vulnerable to discrimination. At the ministerial level, each ministry has committed to implementing gender equality as a horizontal principle. However, no gender mainstreaming measures have been officially adopted.

The Ministry of Social Security and Labor is responsible for gender equality policy and gender mainstreaming, as well as for implementing, monitoring and following up on central strategies and measures. In 2021, the ministry became responsible for coordinating the implementation of gender equality as a horizontal principle in the work of the central government. The Office of the Equal Opportunities Ombudsperson is the independent gender equality body in Lithuania.

Strong Families

Family Policies
Score: 7

Family policies are largely aligned with the goal of creating strong families. Lithuanian family policy is based on both passive (financial support for families) and active (social services and infrastructure) measures. The government provides support for women seeking to combine parenting and employment, including family and social-welfare legislation (e.g., special conditions for various types of flexible work arrangements in the Labor Code applicable to families), financial assistance to families raising children (child benefits and partial housing subsidies), and social services targeted at both children and parents (including preschool education and psychiatric help for parents or children).

According to OECD data for 2022, the length of paid maternity, parental and home care leave for women in Lithuania was 62 weeks, exceeding the OECD average of 56 weeks. The length of paid father-specific leave was four weeks, which is below the OECD average of 10 weeks. Information from the Social Insurance Fund Board (SODRA) indicates that in 2022, mothers accounted for 75.6% of all users of parental leave benefits, while fathers accounted for 24.4%. Additionally, 100% of employed women in Lithuania take their full entitlement to maternity leave (Braziene and Vysniauskiene 2023).

Access to kindergartens and other childcare facilities remains insufficient. Overall, family policy is fragmented and focused on supporting families facing particular social risks, primarily through financial support for families with children. More attention should be paid to developing universal family services with NGO engagement. The previous government (2016 – 2020) placed substantial emphasis on family policy, including proposals to help

parents balance child-raising and work, as well as increases in financial benefits for families with children. The current Šimonytė government has continued to increase financial benefits, raised salaries for specialists in the field, and introduced some new services.

Starting in 2022, new preventive social services were introduced (The Government Annual Report for 2022, 2023). Additionally, 250 individual care specialists began providing care services for families.

Beginning in 2023, two nontransferable months of leave were implemented. This means the father or mother, adoptive parents, or guardians must take at least two months (60 calendar days) of parental leave. The remaining leave can be shared according to the family's needs. Nontransferable months of parental leave can be taken all at once or in blocks, alternating with the other parent. Parental benefits for nontransferable months are higher, amounting to 100% of previous earnings. Nontransferable leave (or portions of the leave) for the same child cannot be taken by both parents simultaneously.

Parental leave benefits have changed as follows: parents receive 77.34% of previous net earnings until the child turns 18 months of age, or 58% of net earnings until the child turns 12 months of age, and then 38.67% of net earnings until the child turns 24 months of age.

Sustainable Pension System

Policies Aimed at
Old-Age Poverty
Prevention
Score: 6

Pension policies are largely aligned with the goal of preventing old-age poverty. According to the OECD, Lithuania's senior citizen poverty rate has been among the OECD countries' highest. Both previous and current governments have increased funding for old-age pensions and made some modifications to the three-pillar pension system, which mixes public and private programs.

The 2020 – 2024 coalition government increased pensions substantially – they grew by 17% on average in 2022 (an increase of 12% in January and another 5% in June). The average old-age pension, which stood at €255 in 2016, rose to €413 in 2021, to €482 in June 2022 and to €542 in 2023.

The government indexed old-age pensions in both 2022 and 2023. In Lithuania, pension indexation rules link pension increases to average increases in the wage fund. However, according to the OECD, these increases were not enough to compensate for high inflation rates, and in real terms, pensions were around 4% lower in January 2023 than in January 2022 (except for targeted

benefits, which increased by almost 4% due to the importance of food prices in indexing targeted benefits). According to projections offered by the Ministry of Social Security and Labor, old-age average pensions are expected to increase faster than prices in 2024, and will reach €605.

The new government has introduced changes to the pension system. In particular, persons who have not accumulated the necessary work years will now receive a base pension rate. This change aims to prevent old-age poverty among individuals who have been in nonstandard employment or had interrupted employment histories. However, some analysts have expressed concerns about the increasing politicization of the issue and potential disincentive effects.

Policies
Targeting
Intergenerational
Equity
Score: 6

Pension policies aim to achieve intergenerational equity. Lithuania's three-pillar pension system, which combines public and private pension programs, seeks to ensure equity among old-age pensioners, the active labor force and the younger generation. Since 2004, there have been two privately funded pillars: a statutory pillar that receives a portion of mandatory state social insurance contributions, and a voluntary pillar funded through private contributions. These complement the pay-as-you-go (PAYG) state insurance fund.

However, this system as a whole suffered from instability and uncertainty, particularly during the global financial crisis in 2009, when most budgetary expenditures were cut in an attempt to manage public finances. In recent years, governments have avoided cutting pensions during the COVID-19 pandemic and the cost-of-living crisis, instead indexing benefit amounts to compensate for inflation. However, the governments have continued introducing modifications to the three-pillar pension system that might negatively affect participants' confidence in the sustainability of the privately funded pension system.

In terms of fiscal stability, Lithuania's pension system faces unfavorable demographic changes ahead (Bank of Lithuania, 2023). The old-age dependency ratio is projected to more than double by 2060 as the working-age population shrinks by a projected 35.8%. The parliament approved a gradual increase in the age of pension eligibility to 65 years by 2026 and changed the pension system's second pillar to allow for a possible gradual increase in the share of social contributions received by private funds. According to the Bank of Lithuania, in the first half of 2023, 1.4 million people had savings in the second pillar worth a total of €6.5 billion. Additionally, 105,000 had savings in the third pillar worth a total of €256 million. However, due to demographic

changes, the PAYG pillar continues to pose a risk to the sustainability of public finances overall.

Sustainable Inclusion of Migrants

Integration Policy
Score: 7

Integration policies are largely aimed at achieving the sustainable inclusion of migrants in society, though immigrants from neighboring European countries find it easier to integrate than do those from other regions of the world. Lithuania remains a relatively homogeneous society.

In 2022 – 2023, immigration numbers increased significantly, mostly due to an influx of refugees from Ukraine. For example, in 2022, the number of foreign-born residents increased by 89% (Department of Migration, 2023). According to the Department of Migration, as of 1 Sept 2023, there were 203,157 foreign-born residents living in the country. This constituted about 7% of the country's population. Also, as of 1 September 2023, a total of 49,870 foreigners were benefiting from the EU's Temporary Protection Mechanism, which is granted to Ukrainian refugees fleeing their country due to Russian aggression.

Ukrainians continue to be the largest foreign community in Lithuania, with the population numbering 85,579 people (Department of Migration 2023). The majority of Ukrainian citizens came to Lithuania after Russia launched its large-scale invasion of their home country in February 2022. The second-largest foreign-born community is made up of citizens of Belarus, totaling more than 60,000 people. Most of these individuals have fled to Lithuania since 2020, following the repression of opposition figures and the broader society in Belarus, which occurred after presidential elections deemed neither fair nor free by the West. This influx led to political debates regarding the simplification of employment procedures and education opportunities for migrants from Belarus. Since 2022, the focus has shifted to providing services to refugees from Ukraine and facilitating their integration into the labor market and society.

Lithuanian authorities have been actively providing information on social services and available job opportunities to immigrants from Ukraine. For example, the Ministry of Social Security and Labor created a dedicated site for this in both Lithuanian and Ukrainian. Information is also provided by the Department of Migration under the Ministry of Interior, which is the main institution working in this area. Lithuanian language courses are offered, as well as various education and training opportunities.

An analysis of the integration of residents from Ukraine into Lithuanian society, conducted by the Eastern Europe Studies Center (2023), showed that around 90% of them have been studying the Lithuanian language, 65% had stable incomes in Lithuania and 64% were considering applying for Lithuanian citizenship. The survey also revealed that insufficient availability of language courses, long waiting times at healthcare institutions and a feeling of social isolation were the main problems faced by immigrants from Ukraine.

The integration of legal migrants from neighboring countries and other EU member states into Lithuanian society has not been very difficult, with most taking up jobs in sectors experiencing labor shortages. Almost 50% of all foreign-born residents in Lithuania have found jobs in sectors such as long-distance freight and passenger transportation, construction, or other industrial services. According to the Department of Migration, as of 1 September 2023, a total of 97,925 foreigners held temporary residence permits in Lithuania for low-skill work, while 6,258 foreigners worked in high-skill jobs.

However, labor market services are not sufficiently developed in this regard, and foreign residents' access to relevant education and training programs remains limited. Moreover, new integration facilities and services are necessary to support the inflow of foreign-born nationals. The majority of recently arrived asylum-seekers, who have arrived either via the EU scheme of resettling migrants who originally arrived in Southern European countries or through Belarus, who have typically come from countries such as Iraq, the Republic of Congo, Syria, Cameroon or Afghanistan, have presented Lithuanian authorities with more complex integration challenges. The majority of them have sought to leave Lithuania for destinations such as Germany or Sweden.

There is also a lack of targeted policies extending beyond refugees from Ukraine that actively aim for the inclusion of migrants and monitor progress based on concrete indicators. Migrants' political participation and access to citizenship have been assessed as unfavorable by Migrant Integration Policy index authors (dating back to 2019).

Effective Capacity-Building for Global Poverty Reduction

The Lithuanian government's development cooperation strategy is largely aligned with the goal of improving capacity-building and poverty reduction in low- and middle-income countries. According to the Lithuanian Ministry of Foreign Affairs, Lithuania's development cooperation efforts focus on Eastern Europe and countries of origin and transit for migration. Bilateral assistance

has primarily and consistently gone to the EU Eastern Partnership states of Ukraine, Georgia and Moldova.

The government participates in international efforts to promote socioeconomic opportunities in developing countries through its development aid policy. Lithuania has provided development aid to Ukraine, Belarus, Moldova and Georgia through its own development aid and democracy-support program. It additionally provided aid to Afghanistan, where it was involved in the civilian-military mission, until mid-2021. Additionally, Lithuania contributes to the European Development Fund. In 2022, the portion of Lithuania's contribution to the EU budget accounted for as official development assistance (ODA) amounted to €86.89 million. In 2011, Lithuania joined the World Bank's International Development Association, which provides loans and grants for anti-poverty programs.

Lithuania has committed to allocating 0.33% of its gross national income (GNI) to development aid as part of its contribution to the UN Millennium Development Goals. According to the country's authorities, in 2022 the actual level of government ODA reached €231.6 million, or 0.36% of GNI. This amount has more than tripled compared to 2021, when ODA amounted to €73.05 million, or 0.14% of GNI. An increase of about 20 times in bilateral aid to Ukraine accounted for most of this growth. Assistance to Ukraine is also strongly supported by the Lithuanian population.

In 2022, bilateral assistance made up €133.75 million or 58% of all ODA, with €45.8 million directed to Ukraine. Lithuania provided 37 bilateral projects (22 administered by embassies and 15 by the Central Project Management Agency) aimed at sharing Lithuanian expertise in the areas of good governance, European integration, resilience to disinformation, strengthening education, environmental protection, business development, women's empowerment and digitalization. It also donated COVID-19 vaccines – 144,000 doses to the Democratic Republic of Congo and 81,600 doses to Tanzania. Multilateral ODA amounted to €97.56 million, or 42% of all ODA.

The country's development cooperation strategic guidelines for 2022 – 2025 were adopted at the end of 2021 and focused on the following strategic areas: democracy promotion, good governance, resilience against disinformation, women's empowerment, digitalization, education and environmental protection. These general points were complemented with development cooperation guidelines for particular regions of the world – Africa and the Middle East – as well as specific countries, namely Armenia, Moldova, Georgia, Ukraine and Uzbekistan.

However, the most commonly used indicators are the amounts of financial assistance provided and the flagship projects implemented. It would be useful to have a more elaborate system for measuring outcomes with regard to capacity-building and contributions to the achievement of other development-policy goals in recipient countries. It should also be noted that, according to the OECD, Lithuania's ODA in 2022 amounted to 0.29% of GNI, not 0.36% of GNI as indicated by the Lithuanian authorities, which also raises the issue of accounting methodology.

III. Environmental Sustainability

Effective Climate Action

Policy Efforts
and Commitment
to Achieving
Climate
Neutrality by
2050
Score: 7

The government is committed to achieving climate neutrality by 2050. In 2016, Lithuania signed the Paris Agreement with other EU members and committed to reducing greenhouse emissions by 40% compared to 1990 levels. By 2030, Lithuania aims to reduce emissions by 9% compared to 2005, excluding sectors participating in the EU Emissions Trading System.

In 2022, the European Union (EU) set more ambitious emissions reduction targets as part of the European Green Deal, aiming to reduce emissions by 55% by 2030 – up from 40% – and reach net-zero emissions by 2050. Meeting these targets will require Lithuania and other EU members to review their climate policies to accelerate their decarbonization efforts. The European Commission has proposed a “Fit for 55” policy package intended to increase member states’ domestic climate policy ambitions to meet the EU’s 2030 emissions reduction target. The package, introduced in 2021, includes proposals to increase emissions reductions under the Emissions Trading Scheme (EU ETS), widen the scope of the program overall and increase member-state commitments in non-ETS sectors under the Effort Sharing Regulation (ESR).

The coalition government formed in late 2020 has expanded Lithuania’s domestic climate policy ambitions. The National Climate Change Management Agenda (NCCMA) adopted in June 2021 sets ambitious emission reduction targets with a view to reaching net-zero emissions by 2050. Lithuania aims to reduce emissions by 30% by 2030 compared with 2005 levels, targeting a 50% reduction in the EU ETS sectors and a further 25% reduction in non-ETS sectors. As noted by the OECD (2023), this represents a significant increase from the previous target of a 9% emissions reduction in

non-ETS sectors and even surpasses the 21% reduction proposed by the European Commission under the Fit for 55 package.

In 2023 the government began preparing an updated version of the National Energy and Climate Plan 2021 – 2030 (NECP). The draft plan examines the situation in Lithuania with reference to the common EU goals and the government's own national ambitions. It presents proposed measures broken down into different sectors.

According to the draft NECP, the vision for 2050 is “an energy system that generates added value for the state and the consumer, uses smart low-greenhouse-gas technologies and zero-emission energy sources, and is resilient to cyber threats and climate change, providing reliable and competitive energy.” In line with the objectives set out in the United Nations 2030 Agenda for Sustainable Development, the Paris Agreement, and the EU's 2030 climate and energy policy goals, the goal is to enable Lithuania's energy sector to produce 80% of its energy from zero-emission sources (low GHG and ambient air pollutants) by 2050. It is to provide energy to consumers safely and at a competitive price while contributing to the country's modern economy, competitiveness and investment. Energy production is to use renewable energy sources and technologies that ensure energy is produced in a nonpolluting way. Consumers are also to have the capability to produce the energy they need to meet their needs.

The plan was updated and presented for public consultation in 2023. The Lithuanian government also benefited from policy recommendations provided by the OECD and the European Commission. It was slated to be finalized in the first half of 2024 and should provide a good basis for further policy actions and the monitoring of progress toward achieving the sectoral targets. It integrates a number of other strategic documents of Lithuania in the fields of energy, environment and other related areas.

Recent progress in this field is reflected in the Climate Change Performance Index 2024, in which Lithuania improved its ranking to reach 19th place. Lithuania fell into the middle ranks in the GHG emissions, renewable energy, and energy use categories, but was ranked low in the area of climate policy. The authors of the index report highlighted the gap between the country's ambitious targets and poor record of implementation. They noted that while there are targets for reducing fossil fuel dependence, minimal action has been taken to achieve these goals. For example, the retention of oil refinery factories and gas pipe infrastructure as national strategic goals are concerning.

The authors also pointed out that, although the import of biomass from Belarus

stopped after the Russian invasion of Ukraine, these imports have been replaced by increased local production and imports from other countries. They saw this as a missed opportunity to shift away from fossil fuels toward renewable, with a significant risk of missing reduction targets. Additionally, they emphasized the need for better collaboration between policymakers and utility companies, the development of short-term strategies aligned with the 1.5°C target, and the termination of biomass use.

In its draft updated National Energy and Climate Plan, the government highlighted the strengths of the country's situation and acknowledged gaps in its policies. While noting the positive record in terms of greenhouse gas emissions and their absorption by forests, it observed that the country was lagging behind other EU members in the area of environmental taxation, particularly with transport taxes being among the EU's lowest. External criticisms of the continued reliance on fossil fuels and the retention of environmentally harmful subsidies were also noted.

Overall, the NECP 2021 – 2030 provides a solid foundation for planning new policy measures and monitoring progress toward achieving them. However, it is unclear whether implementation efforts will stick to the plan, especially in light of recent protests by farmers against some environmental policy measures, and the potential impact of these policies on energy and transport prices for vulnerable households. The European Commission will continue to monitor progress, particularly in areas where Recovery and Resilience Fund money will be invested to advance the green transition.

According to the New Generation Lithuania plan, more than €800 million, or 37.8% of the funds from this EU funding source, are earmarked for climate projects. These projects include investments in solar and wind projects, the promotion of electric vehicles, renovations of buildings, and peatland restoration efforts.

Effective Environmental Health Protection

Policy Efforts
and Commitment
to Minimizing
Environmental
Health Risks
Score: 7

The government is largely committed to protecting environmental health. The Ministry of Environment is responsible for reducing and preventing air, water and soil pollution in Lithuania, with the Ministry of Health and other institutions, particularly the Department of Environmental Protection under the Ministry of Environment, also playing a role in policymaking and implementation.

In its 2021 report, the OECD noted that “Lithuania had a centralized environmental governance system with a modest role for local authorities. To implement the government’s ambitious environmental agenda, interinstitutional working groups collaborate on legislation and strategic documents, as well as on joint initiatives between relevant government stakeholders.” The report emphasized that “better coordination was necessary to integrate environmental considerations into sectoral policies and achieve a whole-of-government approach to environmental management. Municipalities should be more proactive in advancing the country’s agenda on climate change, circular economy and sustainable mobility.”

In the 2022 Environmental Performance Index, Lithuania was ranked 31st among 180 countries, an improvement from 35th place in 2020. It was ranked 33rd in the area of air quality, 57th in sanitation and drinking water, 21st in heavy metals, and 16th in waste management.

Water supply and sewage infrastructure have improved substantially over the years thanks to the use of EU structural funds. However, providing adequate connections to the public water supply remains a challenge in some areas. Moreover, wastewater treatment is inadequate in some respects, with significant differences evident between rural and urban areas.

In 2020, 79.44% of households were connected to wastewater treatment plants. This figure has been increasing very gradually over the last decade. The government plans to raise this proportion to 85% by 2025 and to 95% by 2030. The OECD survey (2021) emphasized that “water pollution is worsening across the country.” In particular, mineral fertilizers in agriculture and “insufficiently treated wastewater” are causes for concern.

In its 2021 report, the OECD acknowledged the progress made in waste management. It noted that the country “moved from landfilling almost all its waste to recycling and composting most of it in less than a decade. This impressive progress is a result of increased separate waste collection; construction of sorting facilities; improved labeling requirements; near-complete service coverage; education and awareness campaigns; and expansion of deposit-refund schemes to cover glass, plastic and aluminum beverage containers.” The OECD advised Lithuanian authorities to focus on reducing waste generation and improving material productivity by adopting and implementing cross-sectoral circular economy policies.

Environmental regulation has been reinforced over the last 20 years through the alignment of the country’s environmental legislation with EU directives. According to the OECD (2021), “it could be further improved by using

activity-specific standard environmental requirements (general binding rules) for low-impact installations. This would reduce the regulatory costs for competent authorities and the administrative burden for regulated entities.”

Effective Ecosystem and Biodiversity Preservation

Policy Efforts and Commitment to Preserving Ecosystems and Protecting Biodiversity
Score: 8

The government is largely committed to protecting ecosystems and biodiversity. The Ministry of Environment is responsible for overseeing the preservation of biodiversity and preventing its loss, including efforts to increase the pace of afforestation, which are closely monitored by environmental NGOs (Lithuanian Ministry of Environment, 2024). The policy of biodiversity protection is coordinated by the Ministry’s group of environmental protection policy. The Department of Environmental Protection, under the Ministry of Environment, is responsible for implementing biodiversity protection policy.

According to Lithuanian authorities, protected territories make up 17.64% of the country’s territory, with 13% falling under the Natura 2000 program and 1% designated as reserves (Lithuanian Ministry of Environment 2024). The area covered by forests increased slightly over the last decade to a total of 2,064.6 thousand hectares in 2022, or 33.8% of the country’s territory. In the Environmental Performance Index, Lithuania ranked 31st among 180 countries in 2022 – an improvement from 35th place in 2020. It was ranked particularly well in the area of biodiversity, in which it placed 13th, but fared significantly worse in the areas of ecosystem services (112th) and fisheries (107th).

In 1992, Lithuania signed the Convention on Biological Diversity, which was ratified by the Seimas in 1995. It also participates in other international agreements on topics such as the protection of migrating species and the regulation of whale hunting. Additionally, Lithuania has been part of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), which was established by states to enhance interactions between policymakers and scientists in support of biodiversity, ecosystem services, conservation, long-term human well-being and sustainable development. Lithuania also participates in the implementation of the EU biodiversity strategy for 2030.

Several laws regulate the protection of wildlife, plants and various species in Lithuania. The most recent National Protection of Environment strategy was adopted in 2015. In the same year, an action plan for the protection of landscape and biodiversity for 2015 – 2020 was introduced. This plan

provided concrete policy measures and procedures for their implementation, along with specific target indicators and monitoring and reporting mechanisms. However, there is no information on the Ministry of Environment’s website regarding a new strategy or action plan for ecosystem and biodiversity protection policies beyond 2020 that are aligned with the EU biodiversity strategy for 2030.

Effective Contributions to Global Environmental Protection

Policy Efforts and Commitment to a Global Environmental Policy
Score: 7

Lithuanian policymakers contribute to international efforts to strengthen global environmental protection regimes, but this policy area is not perceived as a government priority. Lithuania has demonstrated commitment to existing regimes – especially those promulgated by the EU or promoted by its institutions – by incorporating international or European environmental provisions into national legislation or strategic documents and implementing them.

In 2012, the Lithuanian parliament approved a national policy strategy on climate-change management to further carry out Lithuania’s commitments in the areas of climate change and energy. Although Lithuanian policymakers typically do not actively advance global environmental strategies, Lithuania contributed to the Warsaw Climate Change Conference in 2013 as part of its European Council presidency. Additionally, Lithuania successfully initiated the 2013 UN resolution on cooperative measures to assess and increase awareness of environmental effects related to waste from chemical munitions dumped at sea.

The country’s institutions are most active at the regional level, addressing issues related to the Baltic Sea. In recent years, concerns about the safety of the Astravyets nuclear power plant, constructed in neighboring Belarus, have become significant. Lithuania has outlawed the use of electricity generated by the Belarusian nuclear power plant.

Environment protection is among the main strategic directions of Lithuania’s development cooperation policy for 2022 – 2025 (Lithuanian Ministry of Foreign Affairs, 2024). According to Lithuanian authorities, the country has been assisting Moldova, Armenia and Georgia in drafting legal norms on recycling, supporting the design and installation of modern waste sorting facilities and solar power plants. Lithuania’s effective deposit-refund system for recycling beverage packaging has been showcased to various recipients of development assistance, with some countries adopting it. Since 2022, however, the primary focus of developmental cooperation has shifted to

humanitarian and financial support for Ukraine. This has included helping to maintain the functioning of state institutions, ensuring the provision of public services during the war and rebuilding civilian infrastructure.

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