***Consolidated version valid from 1 February 2022 until 30 April 2022***

**REPUBLIC OF LITHIUANIA**

**LAW**

**ON DEVELOPMENT OF NON-GOVERNMENTAL ORGANISATIONS**

19 December 2013 No XII-717

(As last amended on 20 January 2022 – No XIV-916)

Vilnius

**CHAPTER I**

**GENERAL PROVISIONS**

**Article 1. Objective and scope of the Law**

1. The objective of this Law shall be to create a favourable environment for non-governmental organisations and to ensure suitable conditions for activities and development of such organisations.

2. This Law shall lay down the principles of formulation and implementation of state policy for the development of non-governmental organisations, the bodies involved in the formulation and implementation of state policy for the development of non-governmental organisations, the procedure for setting up the Council of Non-governmental Organisations and municipal councils of non-governmental organisations as well as their functions, the objectives of and procedure for financing non-governmental organisations through state and municipal budgets (hereinafter: ‘financing’), and the data processing of non-governmental organisations.

3. This Law shall not regulate the establishment, governance, reorganisation, restructuring and liquidation of non-governmental organisations.

**Article 2. Definitions**

1.‘Mutual benefit non-governmental organisation’ means a non-governmental organisation whose activities give benefit only to its participants.

2.‘National non-governmental organisation’ means a non-governmental organisation operating in one or several areas of public policy and being active throughout the Republic of Lithuania.

3.‘Non-governmental organisation’ means a public legal person, independent from state and municipal institutions and agencies, established on a voluntary basis for the benefit of the public or of a group thereof, which does not have as its aim the pursuit of political power or the achievement of purely religious objectives. The following shall not be recognised as non-governmental organisations:

1) legal persons with more than one-third of their participants being legal persons other than non-governmental organisations or religious communities or associations;

2) legal persons whose participants are legal persons other than non-governmental organisations or religious communities or associations and hold more than one-third of the votes at the general meeting of members;

3) political parties;

4) trade unions, employers’ organisations and their confederations;

5) organisations in which membership is mandatory for certain professions;

6) gardeners’ societies, associations of the owners of multi-apartment residential buildings and other types of buildings, as well as other legal persons established to manage shared real estate;

7) social families;

8) permanent arbitral institutions.

4.‘State policy for the development of non-governmental organisations’ means the entirety of measures that improve the conditions of functioning of non-governmental organisations, promote the development of non-governmental organisations at national level and ensure the cooperation of state and municipal institutions and agencies with non-governmental organisations in strengthening civil society.

5.‘National umbrella non-governmental organisation’ means a national non-governmental organisation established under the Law of the Republic of Lithuania on Associations, uniting national and other non-governmental organisations that have common goals.

6.‘Public benefit non-governmental organisation’ means a non-governmental organisation whose activities give benefit not only to its participants but also to the public.

7. Other concepts used in this Law shall be interpreted as they are defined in the Civil Code of the Republic of Lithuania, the Law of the Republic of Lithuania on Local Self-government and the Law of the Republic of Lithuania on Development of Community-based Organisations.

**CHAPTER II**

**FORMULATION AND IMPLEMENTATION OF STATE POLICY FOR THE DEVELOPMENT OF NON-GOVERNMENTAL ORGANISATIONS**

**Article 3. Principles of state policy for the development of non-governmental organisations**

State policy for the development of non-governmental organisations shall be formed and implemented in accordance with the following principles:

1) parity, i.e. equal representation of state and municipal institutions and agencies as well as non-governmental organisations;

2) participation and involvement, i.e. resolution of matters related to non-governmental organisations or their activities by coordinating them in advance with non-governmental organisations and with participation of their representatives;

3) inter-institutional cooperation, i.e. communication and cooperation of state and municipal institutions and agencies in resolving matters related to state policy for the development of non-governmental organisations,

4) information, i.e. exchange of information related to non-governmental organisations or their activities by state and municipal institutions and agencies as well as non-governmental organisations and making it available to the public;

5) voluntarism, i.e. participation of an individual in the activities of non-governmental organisations voluntarily and without compulsion;

6) equality, i.e. equal opportunities for non-governmental organisations to participate within their remit in decision-making and implementing state programmes or measures.

**Article 4. Formulation and implementation of state policy for the development of non-governmental organisations**

1. The Government of the Republic of Lithuania shall set out in planning documents the priorities, goals, objectives and expected results of state policy for the development of non-governmental organisations.

2. The Ministry of Social Security and Labour of the Republic of Lithuania shall:

1) formulate, organise, coordinate and supervise the implementation of state policy for the development of non-governmental organisations;

2) prepare and submit proposals to the Government for the development of non-governmental organisations;

3) collect and analyse data on financing provided to non-governmental organisations by state and municipal institutions and agencies;

4) analyse the situation of non-governmental organisations in the Republic of Lithuania, initiate research in relation to non-governmental organisations and their activities;

5) ensure the consultation of non-governmental organisations on the implementation of this Law;

6) perform other functions provided for in this Law and other legal acts regulating the activities of non-governmental organisations.

3. In implementing state policy for the development of non-governmental organisations, the Ministry of Social Security and Labour, state institutions and agencies shall consult with national umbrella non-governmental organisations and/or the Council of Non-governmental Organisations operating in that public policy area, and municipal institutions and agencies shall consult a municipal council of non-governmental organisations on:

1) legal acts being drafted relating to the activities of non-governmental organisations;

2) planned programmes to finance projects by non-governmental organisations through competitive tendering.

4. A municipal council shall, within its remit:

1) define in planning documents long-term goals of the development of non-governmental organisations and the areas of activity of non-governmental organisations to be financed from the municipal budget, having regard to state policy for the development of non-governmental organisations and the set national priorities and taking into account the needs of the local community;

2) lay down the criteria and procedure for financing public and mutual benefit non-governmental organisations from the municipal budget;

3) approve the composition of the municipal council of non-governmental organisations.

5. The administration of a municipality shall implement measures for the development of non-governmental organisations in the municipality.

**Article 5. Council of Non-governmental Organisations**

1. The Council of Non-governmental Organisations shall be a public advisory body under the Government. The Council of Non-governmental Organisations shall consist of representatives nominated by state institutions and agencies, umbrella national non-governmental organisations and the Association of Local Authorities in Lithuania. The Council of Non-governmental Organisations shall be technically supported by the Ministry of Social Security and Labour.

2. The Council of Non-governmental Organisations shall consist of twenty members: nine representatives of state institutions and agencies, one representative of the Association of Local Authorities in Lithuania and ten representatives of non-governmental organisations. The institutional composition of the Council of Non-governmental Organisations shall be approved by the Government. Representatives shall be delegated to the Council of Non-governmental Organisations in accordance with the procedure laid down by the regulations of the Council of Non-governmental Organisations (hereinafter: ‘regulations of the Council’). These regulations of the Council shall be approved by the Government.

3. The personal composition of the Council of Non-governmental Organisation shall be approved by the Minister of Social Security and Labour. The term of office of a member of the Council of Non-governmental Organisation shall be two years.

4. The Council of Non-governmental Organisations shall elect Chair and Deputy Chair of the Council of Non-governmental Organisations for a two-year term from among the members of the Council of Non-governmental Organisations by secret ballot by a majority of votes of all its members in accordance with the procedure laid down in the regulations of the Council. A representative of non-governmental organisations shall be elected as Chair of the Council of Non-Governmental Organisations, and a representative of a state institution or agency or a representative of the Association of Local Authorities in Lithuania shall be elected as Deputy Chair.

5. The Council of Non-governmental Organisations shall examine matters related to the development of non-governmental organisations and submit proposals to the Seimas, the Government, ministries, state and municipal institutions and agencies regarding state policy for the development of non-governmental organisations, its implementation and priorities of financing of programmes and projects of non-governmental organisations. The Council of Non-governmental Organisations shall carry out an evaluation of the activities of non-governmental organisations in the Republic of Lithuania every two years and publish the results of the evaluation as well as perform other functions laid down in the regulations of the Council.

**Article 6. Municipal council of non-governmental organisations**

1. A municipal council of non-governmental organisations shall be set up by a decision of the council of a relevant municipality.

2. A municipal council of non-governmental organisations shall act in accordance with the regulations of the municipal council of non-governmental organisations approved by the council of the municipality. The municipal council of non-governmental organisations shall be technically supported by the administration of the municipality.

3. A municipal council of non-governmental organisations shall be set up in such a way that not more than 1/2 of the members of the council are representatives of municipal institutions and agencies and not less than 1/2 of the members of the council are representatives of non-governmental organisations operating on the territory of the municipality. The term of office of a member of the municipal council of non-governmental organisation shall be two years. Associations of non-governmental organisations operating on the territory of the municipality shall nominate representatives of the non-governmental organisations to the municipal council of non-governmental organisations. Where there are no associations of non-governmental organisations operating on the territory of the municipality, representatives of non-governmental organisations shall be nominated by the non-governmental organisations operating on the territory of the municipality in accordance with the procedure laid down by the regulations of the municipal council of non-governmental organisations.

4. The chair and the deputy chair of a municipal council of non-governmental organisations shall be elected for a two-year term from among the members of the municipal council of non-governmental organisations by secret ballot by a majority of votes of all its members in accordance with the procedure laid down in the regulations of the municipal council of non-governmental organisations. A representative of non-governmental organisations shall be elected as chair of the municipal council of non-governmental organisations, and a representative of a state institution or agency shall be elected as deputy chair.

5. A municipal council of non-governmental organisations shall:

1) submit proposals to municipal institutions and agencies for the strengthening of non-governmental organisations operating on the territory of the municipality;

2) participate in the preparation of draft legal acts of municipal institutions and agencies relating to the development of non-governmental organisations;

3) participate in the analysis carried out by the municipal institutions and agencies with regard to the provision of public services administered by the municipality and submit proposals for the provision of public services;

4) participate in working groups or expert groups to discuss issues relating to state policy for the development of non-governmental organisations;

5) perform other functions as laid down in the regulations of the municipal council of non-governmental organisations.

6. By a decision of the council of a municipality with up to 100 000 inhabitants, a municipal council of non-governmental organisations may also be entrusted with the functions of a municipal council of community-based organisations in accordance with the procedure laid down in Article 8(6) of the Law on the Development of Community-based Organisations.

**CHAPTER III**

**FINANCING OF NON-GOVERNMENTAL ORGANISATIONS**

**Article 7. Financing of non-governmental organisations**

1. Financing may be allocated to non-governmental organisations through competitive tendering from the state budget or municipal budgets of the Republic of Lithuania to achieve the following goals:

1) to strengthen their activities;

2) to implement the targeted projects in the area of their activity;

3) to implement the projects building capacities necessary for the provision of public services;

4) to implement the Law on the Development of Community-based Organisations;

5) to implement agreements of strategic partnership between the State and non-governmental organisations concluded in accordance with the procedure laid down by the Government.

2. Financing shall be allocated to non-governmental organisations by appropriation managers under ongoing programmes and measures. The appropriation managers implementing programmes and measures in the social field, in the field of the development of non-governmental organisations, protection of human rights or education policy may authorise the public institution European Social Fund Agency to administer those programmes and measures under which financing is provided to non-governmental organisations.

21. The activities of the public institution European Social Fund Agency in performing the functions referred to in paragraph 2 of this Article shall be financed from the state budget appropriations allocated to appropriation managers and/or from other funds.

3. The Government or an institution authorised by it shall lay down a procedure for financing non-governmental organisations from the state budget and administering these funds, project assessment arrangements, a procedure for transferring funds and reporting on the financing received. Appropriation managers shall, in implementing non-governmental organisations’ financing programmes and measures, approve regulations of tendering procedures for financing setting out areas of financing, goals to be achieved and procedures for assessing results of the implementation of projects.

4. The procedure for financing of non-governmental organisations from a municipal budget, the procedure for administering these funds and the areas of activity of non-governmental organisations to be financed shall be established by the municipal council, having regard to state policy for the development of non-governmental organisations and taking into account the needs of the local community.

5. Financing may be allocated to the legal persons falling within the definition of a non-governmental organisation set out in Article 2(3) of this Law.

**Article 8. Financing of public benefit non-governmental organisations**

When allocating the funds for funding the activities of non-governmental organisations, appropriation managers may provide for a priority to be given to non-governmental organisations of public benefit. Non-governmental organisations shall be recognised as public benefit non-governmental organisations in accordance with the procedure laid down by an institution authorised by the Government.

**Article 9. Non-governmental Organisations Fund**

1. The Non-governmental Organisations Fund (hereinafter: the ‘Fund’) shall be set up for the purpose of allocating funds to non-governmental organisations, as well as formulating and implementing state policy for the development of non-governmental organisations. The formulation and implementation of state policy for the development of non-governmental organisations may be allocated not more than 20% of the Fund’s funds. The Fund’s funds may be allocated, through competitive tendering:

1) to build the institutional capacity of non-governmental organisations;

2) to finance, in accordance with the procedure laid down in the regulations of the Fund, the activities of non-governmental organisations as provided for in the regulations of the Fund.

2. The Fund’s resources shall be made up of appropriations allocated to the Ministry of Social Security and Labour and other lawfully obtained funds.

3. The Fund shall be administered in accordance with this Law and other legal acts establishing the principles of and procedure for using state budget funds and the regulations of the Fund approved by the Government. The Fund shall be administered by the Ministry of Social Security and Labour, and the implementation of the Fund’s strategic programmes shall be managed by the public institution European Social Fund Agency. The resources of the Fund may not be used to finance public needs other than those referred to in paragraph 1 of this Article.

4. Decisions on strategic orientations of the Fund’s programmes and the allocation of funds for certain activities of the Fund shall be taken by the Council of the Fund in accordance with the procedure laid down in the regulations of the Fund. The Council of the Fund shall consist of seven members: three representatives of non-governmental organisations, three representatives of state institutions and agencies, and one researcher in the area of non-governmental organisations. A person meeting the requirements of good repute set forth in the Law of the Republic of Lithuania on the Civil Service may be appointed as member of the Council of the Fund. The institutional composition of the Council of the Fund shall be approved by the Government for a term of three years on a recommendation of the Minister of Social Security and Labour. The personal composition of the Council of the Fund shall be approved by the Minister of Social Security and Labour. The procedure for setting up the Council of the Fund, requirements for the competence of the members of the Council of the Fund shall be established in the regulations of the Fund. The work of the members of the Council of the Fund who are not representatives of state institutions and agencies shall be remunerated in accordance with the procedure laid down by the Law of the Republic of Lithuania on Remuneration of Employees of State and Municipal Agencies and Members of Commissions.

**Article 10. Grounds for exclusion of financing**

1. Funds of the state budget and municipal budgets may not be allocated to non-governmental organisations if at least one of the following circumstances is identified:

1) the activities of a legal person have been suspended or restricted on statutory grounds;

2) the seizure and recovery of assets applied to a legal person could be directed to the funds of the state budget, municipal budgets allocated for the implementation of a project, the legal person is in liquidation or bankruptcy proceedings have been opened against the legal person or another person and recovery could be directed to the funds of the state budget, municipal budgets allocated for the implementation of the project;

3) the legal person has submitted false data or falsified documents when applying for the allocation of funds from the state budget or municipal budgets;

4) in using funds of the state budget or municipal budgets, the legal person has failed to perform an agreement on the use of funds of the state budget or municipal budgets concluded with a state or municipal institution or has improperly performed it, where such failure constitutes a material breach of the agreement on the use of funds of the state budget or municipal budgets (as indicated in the agreement);

5) the legal person does not meet the requirements set out in the regulations of tendering procedures for project financing approved by the appropriation manager;

6) the legal person has failed to submit a set of financial statements, an activity report in accordance with the procedure laid down by legal acts and fails to publish on its website (if any) any information about ongoing or completed projects.

2. If the circumstances referred to in paragraph 1 of this Article emerge or transpire after the adoption of a decision to allocate funds of the state budget or municipal budgets to the implementation of a project, the payment of the funds of the state budget or municipal budgets shall be suspended and the funds of the state budget or municipal budgets allocated under such circumstances must, in accordance with the procedure laid down by the appropriation manager and within set time limits, be repaid respectively to the state treasury account specified in an agreement on the use of funds of the state budget or to a municipality’s account specified in an agreement on the use of funds of a municipal budget. If the circumstances referred to in paragraph 1 of this Article disappear before the expiry of a time limit set for the implementation of projects, the payment of the funds of the state budget or municipal budgets shall be resumed for the implementation of the projects whose time limits have not expired.

**Article 11. Publication of information on the allocation of financing to non-governmental organisations**

1. Appropriation managers shall publish on their websites:

1) the areas of activities to be financed in which financing will be allocated to non-governmental organisations;

2) information on the conditions of and procedure for providing financing;

3) information on non-governmental organisations which have submitted applications for financing (the name of a non-governmental organisation, the name of a project and the amount of funds requested);

4) information on non-governmental organisations which have received financing (the name of a non-governmental organisation, the name of a project and the amount of funds allocated);

5) information on ongoing and completed projects of non-governmental organisations.

2. Non-governmental organisations shall publish on their websites information on ongoing and completed projects, indicating their sources of financing.

**CHAPTER IV**

**ACCUMULATION OF INFORMATION ON NON-GOVERNMENTAL ORGANISATIONS**

**Article 12. Accumulation of information on non-governmental organisations**

1. Information on legal persons which are non-governmental organisations shall be accumulated in the Register of Legal Entities and made publicly available.

2. The head of a legal person shall assess whether the legal person under his direction falls within the definition of a non-governmental organisation set out in Article 2(3) of this Law and shall, in accordance with the procedure laid down in the regulations of the Register of Legal Entities, note in the Register of Legal Entities that the legal person is a non-governmental organisation.

3. In the event of reasonable doubt as to whether a legal person falls within the definition of a non-governmental organisation specified in Article 2(3) of this Law, the appropriation manager shall have the right to verify the information evidencing the conformity of the legal person to the characteristics of a non-governmental organisation in the Register of Legal Entities and in the Information System of Legal Entities Participants. In the event of absence of information evidencing the characteristics of a non-governmental organisation in the Register of Legal Entities or in the Information System of Legal Entities Participants, the appropriation manager shall have the right to request this information from the legal person.

4. The appropriation manager, having evidence that a legal person does not conform to the definition of a non-governmental organisation specified in Article 2(3) of this Law, shall apply to the data processor of the Register of Legal Entities for the removal of the note that the legal person is a non-governmental organisation.

5. The data processor of the Register of Legal Entities shall, at its own initiative, remove the note that a legal person is a non-governmental organisation in cases of registration of the liquidation of this legal person initiated by the data processor of the Register of Legal Entities or registration of its status as a legal person in liquidation, in bankruptcy or a bankrupt legal person, as well as upon completion of the legal person’s restructuring proceedings.

6. In the Register of Legal Entities, the note that a legal person is a non-governmental organisation may also be removed at the initiative of that legal person.

7. Where a note on a legal person as a non-governmental organisation has been removed at the initiative of the appropriation manager in the case provided for in paragraph 4 of this Article, the legal person may repeatedly enter the information provided for in paragraph 2 of this Article at least one year after the removal of this note.

*I promulgate this Law passed by the Seimas of the Republic of Lithuania.*

PRESIDENT OF THE REPUBLIC DALIA GRYBAUSKAITĖ