

DRAFT as for April 30 2008

Approved by Resolution No...

Of the Government of the Republic of Lithuania of

.... 2008

NATIONAL PROGRAMME FOR THE DEVELOPMENT OF CORPORATE SOCIAL RESPONSIBILITY FOR 2009-2011

I. GENERAL PROVISIONS

1. The purpose of the National Programme for the Development of Corporate Social Responsibility for 2009-2011 (hereinafter referred to as the “Programme”) is to create an enabling environment for the development of corporate social responsibility (hereinafter referred to as “CSR”) in Lithuania and to encourage companies to apply these principles in their activities. With this Programme, the Government of the Republic of Lithuania recognises that socially responsible business satisfies the public welfare expectations and is beneficial for social and economic development of the society.
2. The main concept used in this Programme - “Corporate Social Responsibility” (hereinafter referred to as “CSR”) – is a policy and practice of enterprises and organisations whereby they, complying with the laws, international agreements and the agreed standards of conduct, voluntarily integrate social and environmental issues and the principles of transparent business into the internal processes and external relations of their activities and, together with civil society partners and Government, participate in search for innovative solutions to systematic social, environmental and broader economic issues.
3. The Programme demonstrates a consistent, targeted and integrated attitude of the State towards the development of CSR in the Republic of Lithuania.
4. The implementation of the Programme will help enterprises to apply the principles of sustainable development in their activities and ensure the achievement of the objective formulated in the Lisbon Strategy - to create a competitive and dynamic economy based on knowledge, sustainable economic development and harmonious relations between representatives of business, state institutions and the civil society.
5. The Strategy has been drafted on the basis of the provisions of the European Union (hereinafter referred to as the “EU”) on promotion and development of corporate social responsibility, taking into consideration the National Strategy for Sustainable Development approved by Resolution No 1160 of the Government of the Republic of Lithuania of 11

September 2003 (*Official Gazette*, No [89-4029](#), 2003), the National Lisbon Strategy Implementation Programme approved by Resolution No 1270 of the Government of the Republic of Lithuania of 22 November 2005 (*Official Gazette*, No 139-5019, 2005), the National Long-term Development Strategy approved by Resolution No IX-1187 of the Seimas of the Republic of Lithuania of 12 November 2002 (*Official Gazette*, No 113-5029, 2002), and having evaluated the implementation results of Order No A1-337 of the Minister of Social Security and Labour of the Republic of Lithuania of 22 December 2005 “*On measures promoting corporate social responsibility for 2006-2008*” (*Official Gazette*, No 2-28, 2006).

6. Internal and external factors and processes determining the state of CSR in Lithuania have been analysed in the Programme (Chapter II. Situation analysis), the tasks and objectives for the development of CSR have been presented (Chapter III) as well as the forecasted results and their evaluation criteria (Chapter IV), Programme implementation, evaluation and monitoring (Chapter V) and Programme funding (Chapter VI). The Action Plan for the Implementation of the Programme for 2009-2011 is attached.

II. SITUATION ANALYSIS

7. CSR has become an important part of global discussions and discussions within the European Union (EU) on globalisation, competitiveness and sustainable development. In the EU, CSR is related to the economic, social and environmental objectives of the Lisbon Strategy, as it is believed that enterprises implementing CSR will contribute to the creation of jobs, the improvement of working conditions, the guaranteeing of the rights of employees, and the development of science and technological innovations. The EU Council recommended the Member States to “encourage enterprises in developing their corporate social responsibility” in the “*Guidelines for Growth and Jobs*” (2005-2008). It is stipulated in the European Commission (EC) Communication of 23 March 2006 “*Implementing the Partnership for Growth and Jobs: Making Europe a pole of excellence on CSR*” that the EC will devote considerable attention to the promotion of CSR with an emphasis on Member States where CSR is a less well-known concept. The European Parliament is convinced that increasing social and environmental responsibility by business, linked to the principle of corporate accountability, represents an essential element of the European social model, Europe's strategy for sustainable development, and for the purposes of meeting the social challenges of economic globalisation (the report of the European Parliament and Resolution of 13 March 2007 “*On corporate social responsibility: a new partnership*” (2006/2133(INI)).

8. In the Programme for 2006–2008, the Government of Lithuania has undertaken to increase social responsibility of business and included among the priorities the task “to carry out efficient economic reforms by promoting the production and expanding the range of services and to further implement a socially oriented market economy model”.
9. to link the Programme with renewed sustainable development strategy when it is approved.
10. In 2005, the National Network of Responsible Businesses was established in Lithuania. It acts as part of the United Nations Global Compact Initiative (hereinafter referred to as the “GC”) and unites over 50 enterprises and organisations. The network provides opportunities for training, promotes cooperation and partnership among various sectors in Lithuania and abroad with a view to attaining the objectives of sustainable development.
11. In 2006-2008, seeking to promote and increase social responsibility of business, the measures promoting CSR were prepared and implemented (Resolution No 315 of the Government of the Republic of Lithuania of 24 March 2005 (*Official Gazette*, No 40-1290, 2005)), as well as attributed to implementing measures of the priorities of the Government of Confidence (Resolution of the Government of the Republic of Lithuania of 17 October 2006 “*On the approval of the implementing measures of the Republic of Lithuania Government Programme for 2004-2008*” (*Official Gazette*, No 112-4273, 2006)).
12. There are the following state institutions that participate in CSR promotion process: the Ministry of Social Security and Labour of the Republic of Lithuania, the Ministry of Environment of the Republic of Lithuania, the Ministry of Economy of the Republic of Lithuania, the Ministry of Finance of the Republic of Lithuania, and the Ministry of Education and Science of the Republic of Lithuania. The Standing Commission for Corporate Social Responsibility Development Coordination that coordinates the measures promoting the development of CSR in Lithuania was established on the initiative of the Ministry of Social Security and Labour in 2006. Representatives of state institutions actively participate in the process of formulation of CSR policy in the EU.
13. On the initiative of the Ministry of Social Security and Labour and the United Nations Development Programme, the analysis of the current state of CSR in Lithuania was carried out as well as the analysis of the legislation of the Republic of Lithuania concerning the factors that promote and hinder CSR and proposals for the improvement of the legislation with a view to promoting CSR in Lithuania were formulated on the basis of the results of the analysis. The analysis of CSR administrative framework on state level was also performed (in the process).
14. The funds for the development of CSR are allocated both from the state budget and the European Union structural support for 2007–2013 (Resolution No 1449 of the Government

of the Republic of Lithuania “*On the approval of annexes to the operational programmes for human resources development, economic growth and cohesion promotion*” (Official Gazette, No 7-241, 2008), Resolution No 252 of the Government of the Republic of Lithuania of 14 March 2006 “*On allocation of responsibility for administration of the European Union structural support for 2007-2013 under the convergence objective of the European Union cohesion policy and setting up of the European Union Structural Support Committee of the Government of the Republic of Lithuania for Resolution of Issues of the European Union Structural Support for 2004-2006 and 2007-2013*” (Official Gazette, No 31-1085, 2006).

15. The analysis of the current state of CSR in Lithuania has revealed that CSR promotion measures are often created and implemented separately, there is a lack of inter-institutional cooperation and coordination, the capacities of institutions are insufficient and there is no established administrative framework suitable for introduction and coordination of CSR implementation.
16. The climate change, exhaustion of natural resources, increasing cost of energy resources, lack of competent labour force, crisis of reputation suffered by enterprises, changing needs of the society and increasing pressure from the society are the actual factors that urge enterprises follow a more modern and more responsible social and environmental policy.
17. The following systematic and difficult to overcome obstacles as weak social activity of the population and insufficiently strong trade unions and other public organisations hinder the development of CSR. CSR is perceived only fragmentary and is not sufficiently integrated into the strategies of enterprises. In business environment, especially among small and medium business, there is a prevalent opinion that CSR is a costly process without any real benefits. In Lithuania, enterprises mainly compete in terms of prices, sometimes – in terms of quality, and rarely - in terms of reputation or social responsibility.

III. TASKS AND OBJECTIVES

18. The following tasks and objectives are provided for in the Programme:
 - 18.1. Objective 1 – create an enabling legal and institutional environment for the development of corporate social responsibility.

The main tasks:

- 18.1.1. to draft amendments to legal acts promoting the development of CSR;

18.1.2. to create an administrative framework of public authorities with a view to ensuring the development of CSR and to ensure efficient cooperation between institutions in the field of CSR promotion.

18.2. Objective 2 – promote better awareness of CSR and raise social and environmental consciousness.

The main tasks:

18.2.1. to ensure state recognition for enterprises which are active in the field of CSR;

18.2.2. to increase transparency and reliability of CSR activity;

18.2.3. to encourage the organisations of civil society to work in the field of CSR;

18.2.4. to promote responsible consumption;

18.3. Objective 3 – strengthen the competence of enterprises and other interest groups in the field of CSR.

The main tasks:

18.3.1. to prepare methodological tools for the application of CSR principles and to ensure their dissemination and exchange of good practice;

18.3.2. to promote formal and non-formal education, research and self-education on CSR issues.

IV. FORECASTED RESULTS AND EVALUATION CRITERIA

19. There are the following forecasted results of the implementation of this Programme:

19.1. according to the created system of CSR indicators, the analysis of the current state will be carried out in the I quarter of 2009;

19.2. an enabling legal and institutional environment for the development of corporate social responsibility will be created by 2011;

19.3. starting from 2009, the number of enterprises implementing the principles of corporate social responsibility and publicly declaring CSR provisions will increase;

19.4. social and environmental image of enterprises in the society will improve;

19.5. the competence of business and public administration and representatives of groups of the society to implement the provisions of sustainable development will increase;

19.6. the employees will be more satisfied with their work and the environment, social security and loyalty to the enterprise will increase and the number of judicial cases concerning the employment relations will decrease.

20. The efficiency of implementation of this Programme will be evaluated taking into consideration:
- 20.1. the number of enterprises that apply CSR standards and publish public reports on CSR activity that has increased starting from 2009;
 - 20.2. the increased number of the events on CSR issues??;
 - 20.3. the increased number of participants in the events and seminars on a wider range of issues;
 - 20.4. the increased number of amended and/or drafted legal acts that reflect the provisions of CSR promotion;
 - 20.5. the number of prepared methodologies for CSR application and explanations that help enterprises implement CSR in their activities;
 - 20.6. the number of drafted and implemented qualification improvement programmes on CSR issues for public servants, teachers, lecturers and other interest groups.

V. PROGRAMME IMPLEMENTATION, EVALUATION AND MONITORING

21. To achieve the objectives and tasks of this Programme, the Action Plan for the Implementation of the CSR Development Programme for 2009-2011 has been approved, where specific measures aimed at ensuring the development of CSR are stipulated.
22. The main institution organising and coordinating the implementation of the Programme is **the Ministry NN** of the Republic of Lithuania. The Commission for CSR Development Strategy Implementation Coordination (hereinafter referred to as the “Commission”) approved by Ordinance of the Prime Minister shall directly coordinate the implementation of the measures specified in the Programme. The Commission shall consist of representatives of the concerned ministries and other institutions, international organisations, social and economic partners, scientific and non-governmental organisations. Every two years, the Commission will perform an evaluation of the implementation of the Programme, indicate the efficiency of the undertaken measures and submit proposals to the coordinating institution. The Commission shall have the right to submit, together with the evaluation, the proposals concerning the amendments to the Action Plan. Having summarised the received surveys and proposals, the **Ministry NN** shall, every two years and in accordance with the established procedure, prepare and by 1 March submit to the Government of the Republic of Lithuania the reports on the implementation of the Action Plan and the proposals concerning its improvement and shall also inform the concerned state institutions and agencies, non-governmental organisations and the society. Every two years, the institutions responsible for

the implementation of the Action Plan of the Programme shall, by 1 February, submit to **the Ministry NN** the information about the implementation of the measures stipulated in the Programme.

23. The tasks and implementing measures of the Programme shall be discussed each year and may be revised.

VI. PROGRAMME FUNDING

24. The Action Plan of the Programme will be implemented using the funds from the state budget of the Republic of Lithuania, from the funds received from the European Union, international organisations and other sources. For the implementation of the measures stipulated in the Programme, non-governmental and international organisations will be invited to participate, especially when carrying out joint projects where a part of funds for the project is allocated from the state budget of the Republic of Lithuania and a part – from international or EU funds. The preliminary need for funds from the state budget of the Republic of Lithuania for the implementation of the measures of this Programme – LTL thousand. Out of this number, in 2009 – LTL..... thousand, in 2010 – LTL..... thousand, and in 2011 – LTL..... thousand.
25. The institutions stipulated in the Action Plan, which are responsible for the implementation of separate measures of the Action Plan, shall annually plan and submit, in accordance with the procedure prescribed by legal acts of the Republic of Lithuania, to the Ministry of Finance the need for funds, and to the Commission – the reports on the implementation of the measures for the previous year by 1 March. It is planned to prepare and approve the measures of the Programme for 2012 and 2013 and their funding by the end of 2011, after the evaluation of the results of the measures implemented in the period 2008-2010.
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