



USAID
FROM THE AMERICAN PEOPLE

COUNTRY PROFILE

Lithuania

APRIL 2008

OVERVIEW

The primary goal of the United States is for Lithuania to play a positive and stabilizing role in an integrated Europe and to participate fully in regional political, economic and security structures. The Enhanced



Vilnius

Partnership in Northern Europe (EPINE), which includes the Baltic countries, has three main goals: (1) enhancing political security, which includes working with NATO to develop capabilities and combating terrorism and weapons of mass destruction; (2) promoting healthy societies and healthy neighbors focuses on problems such as disease, trafficking in persons, corruption and environment that threaten national and regional stability; and (3) promoting vibrant economies helps create bridges between U.S. businesses and businesses in the

Nordic-Baltic region that foster entrepreneurship. Lithuania joined both the North Atlantic Treaty Organization and the European Union (EU) in 2004.

Between 1991 and 2000, USAID delivered \$90 million to support Lithuania in its transition from communism to a market-oriented democracy. Aid from the American people focused on fiscal policy reform, banking, small and medium enterprise development, energy safety and policy reform, environmental protection, and democratic reform. Although the USAID Mission in Vilnius closed its doors in 2000, the legacy of USAID development assistance has endured.

PROGRAM SUMMARY

STABLE CAPITAL MARKETS INVITE INVESTMENT

USAID provided support to Lithuania's fledgling primary capital market institutions—Stock Exchange, Securities Commission, and Depository—focusing on an improved legal foundation for the entire system. USAID-funded advisors worked on primary laws and supporting rules to ensure transparency and safety in the securities markets. Investor rights were improved and the financial viability of brokerage companies was strengthened. In addition, the Stock Exchange's trading system was improved to process transactions faster, provide more information, and

LITHUANIA SNAPSHOT

Date of independence:
March 11, 1990
Capital: Vilnius
Population: 3.575 million
GDP per capita: \$15,300
(purchasing power parity)

For more information,
See www.usaid.gov
Keyword: Lithuania



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COUNTRY PROFILE CONTINUED

improve surveillance and reliability. Today, the Lithuanian capital markets are stable and have a solid technical and legal base for further growth.

FUNDS FURTHER DEMOCRATIC AND ECONOMIC PROGRESS

The Baltic American Partnership Fund, jointly funded at \$15 million for a ten-year period by USAID and the Soros Foundation, has provided resources to ensure that NGOs provide a lasting legacy for democratic and civil society development in Estonia, Latvia and Lithuania. The Fund will close-out in 2008.

The Baltic American Enterprise Fund (BaAEF) was established with a \$50 million USAID endowment in 1995 to promote private sector business. Through the infusion of new capital resources, BaAEF assisted in the development of the small and medium enterprise sector in Estonia, Latvia, and Lithuania. As a financial partner for growth-oriented companies, entrepreneurs, and new homeowner families, the Fund has helped to fuel economic development and the emergence of a middle class throughout the Baltic States.

PARTNERSHIPS TO MAXIMIZE ENERGY EFFICIENCY

With USAID support, Lithuania joined the Regional Energy Efficiency program which integrates the three Baltic national utility companies and has increased energy efficiency, improved energy sector coordination, and made energy more affordable by restructuring pricing systems to more accurately reflect the market value of electricity and power.

POST-PRESENCE RELATIONS

A SUSTAINING PARTNERSHIP FOR REGIONAL DEVELOPMENT

As a relatively new EU member, Lithuania has begun preparing itself to become a foreign assistance donor country. A joint project undertaken by Lithuania's Ministry of Foreign Affairs in cooperation with the United Nations Development Program seeks to inform the public about aid policies, strengthen the capacity of Lithuania's civil service, establish a database of Lithuanian development experts and create the institutional framework for development and aid policy in Lithuania. The United States is exploring opportunities to collaborate with Lithuania to promote democracy and economic growth in the region and elsewhere in the world.

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