INTEGRATED ACTION PLAN

APN Network:	**C4TALENT**
City:	Alytus
Version:	7.0

URBACT

Co-funded by the European Union

Interreg

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1. INTRODUCTION AND CONTEXT

1.1. Introduction to the document

Alytus city as a partner of C4TALENT network is generally focused on solving a problem of young people and talent outflow from Alytus city. Accordingly, the thematic focus areas of Alytus city under the IAP are as follows:

- **Entrepreneurship Ecosystem**: establishing an entrepreneurial hub to support local businesses and strengthen the entrepreneurial ecosystem, increasing attraction of financial opportunities to start businesses, connecting local government, businesses, educational institutions and civil society. Accordingly, main actions are planned to be focused on creation of startups support packs, organization of mentoring sessions for startups and entrepreneurs, education strengthening in Alytus city schools in respect to entrepreneurship topics.
- **Talent Attraction**: formulating a participatory talent attraction and retention strategy to create long-term solutions. Accordingly, main actions are planned to be focused on organization of talent attraction days in Alytus city, increasing the attractiveness of the specialties of Alytus city College and opportunities to get a higher education in Alytus city, exploring Alytus city's potential as a hub for remote workers promoting the quality of life and affordability in Alytus city.
- **Access to physical spaces and infrastructure:** creating a physical infrastructure for startups, organization of business community meetings to encourage business development in Alytus city. Accordingly, the main action is planned to be focused on the establishment of a co-working spaces, business incubators and/or innovation hubs.

In addition, the focus of Alytus city's IAP is also linked with the vision to create favourable infrastructure and ecosystem for Tech and Digital business development that encourage young people to stay and work in Alytus city, (with the purpose of making Alytus city a capital of digital startups and innovations in South Lithuania).

1.2.Background

WHAT?	This chapter presents the "URBACT background" of the IAP It will be prepared by the LE, same text for each network partner
CONTENT	Short description of the C4TALENT APN Overview of thematic focus Summary description of the URBACT approach

Approx. no. of pages	1,5 – 2 pages
In DRAFT 4	Will be provided by LE before the deadline for submission, include in draft 4

1.3.Focus of the document

The Integrated Action Plan for Alytus city focuses on reducing the outflow of young people and talents by creating a better environment for business, education, and innovation. One of the main goals is to support startups and small businesses by providing financial assistance, mentorship programs, and networking opportunities. Alytus city is going to establish co-working spaces, business incubators and innovation hubs to help entrepreneurs start and grow their businesses. To strengthen the local economy, Alytus will also work on attracting investments, improving access to financial resources and building partnerships between businesses, the local government as well as educational institutions.

In addition to business support, its is also outlined in the Integrated Action Plan that Alytus city is seeking to improve the Alytus city's attractiveness for young professionals and remote workers. This involves enhancing infrastructure, promoting a high quality of life, developing Alytus city as a hub for digital and tech-based businesses. Education will also play a key role, with actions aimed at making local schools and colleges more competitive and relevant to the job market. By implementing these strategies together with goals to create attractive green areas, Alytus city aims to become the capital of digital startups and innovation in Southern Lithuania, creating long-term opportunities that encourage talented people to stay, work, and build their future in the city.

1.4. City context

Location and territorial context

Alytus city: area 39.45 km², population 51 340

Alytus city is located in the southern part of Lithuania and is a constituent part of Alytus County, consisting of five municipalities. The green areas in Alytus city are combined with the industrial, business and cultural parts. Alytus city is notable for its old industrial traditions which began to form in the middle of the 20th century. Large-scale industry triggered the rapid development of the city and helped Alytus city to earn the name of the Lithuanian industrial leader. As of today, there are various industrial enterprises operating in Alytus city – furniture, textile, electronics, chemical, rubber and plastic factories and food industry (meat, milk, drinks).

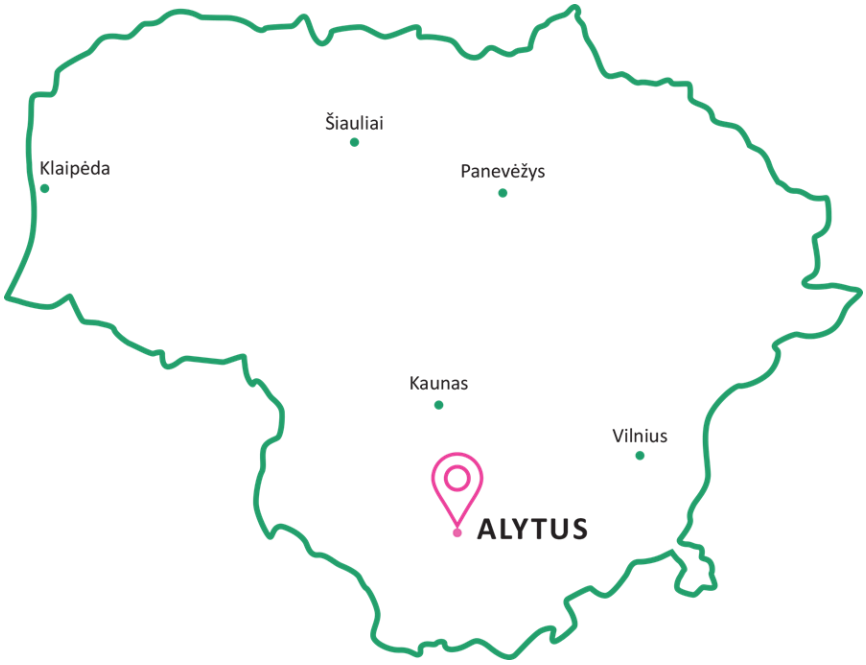


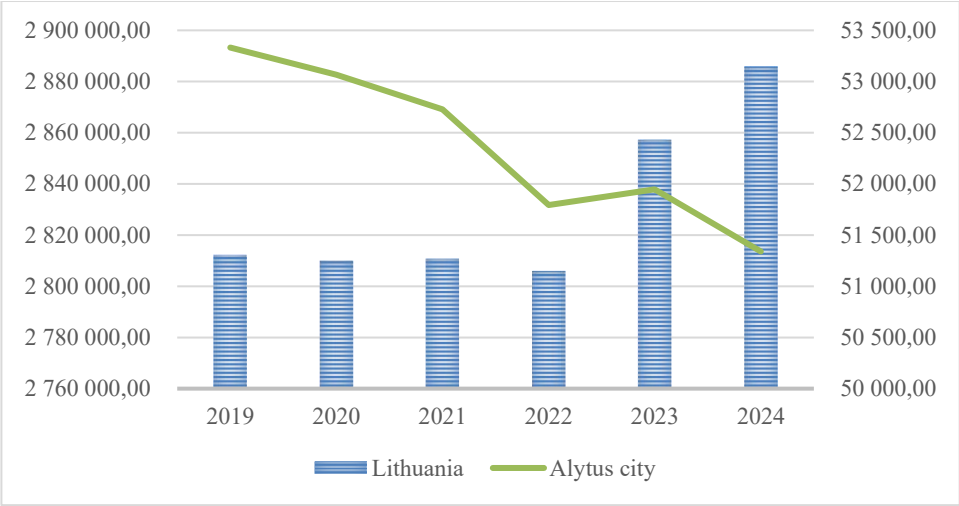
Image 1. Alytus city location in Lithuania, marked in red

Alytus city has an easy access to the biggest Lithuanian cities – capital city Vilnius (108.7 km away) and the second largest Lithuanian city Kaunas (70.5 km away). From the wider geographical perspective, Alytus city is located in a relatively convenient position, at the intersection of one of the largest markets – Poland is 55 km away. As a result, the geographical location and relatively well-developed infrastructure enabled Alytus city to strengthen its industrial standing while maintaining an ethnographic identity within Lithuania.

Population and demography

According to the SDA, in the beginning of 2024, there were 51 340 inhabitants in Alytus city. Generally, the population of Alytus County is continuously declining as well as the general Lithuanian population when immigration factor is excluded (during 2022-2024, Lithuanian population faced a significant increase due to immigrants from Ukraine, therefore the total Lithuanian population number has grown). According to the Eurostat summary, during the 20-year period from 1 January 2003 to 1 January 2023, Lithuania has been among the leading countries having one of the relatively largest population declines (-17%) in the European Union (hereinafter – *EU*) when the immigration factor is excluded. This general long-term tendency also coincides with the population decline in Alytus County. In addition, for comparison, according to Eurostat, the overall trend in the EU from 2020 to 2023 shows a marginal population increase by 0.003% only, taking into account natural demographic factors, COVID-19 pandemic, migration and geopolitical tensions.

Graph 1. Population tendency in Alytus city versus Lithuania during 2019-2024, number of inhabitants



Source. State Data Agency

According to the SDA, at the beginning of 2024, more than a half of Alytus County's population was in the working-age. At the same time almost a quarter of Alytus city's citizens were already at the retirement age and one tenth aged 0–15. Analysing the period from 2019 to early 2024, the percentage of working-age residents in the Alytus County has been slightly decreasing and the share of children aged 0–15 has dropped as well. Nevertheless, the percentage of retirement-age residents has been steadily increasing during the same period.

Table 1. Population summary indicating working-age, residents aged 0–15 and retirement age populations during 2019-2024, percentage

	2019	2020	2021	2022	2023	2024
Lithuania						
0-15 years	14.8	14.8	14.8	14.9	15.0	15.5
Working age	65.7	65.6	65.3	65.1	65.0	63.0
Retirement age	19.5	19.6	19.9	20.0	20.0	21.5
Alytus County						
0-15 years	12.7	12.7	11.9	12.0	12.1	12.8
Working age	66.8	66.2	65.4	64.9	64.4	61.8
Retirement age	20.5	21.1	22.7	23.1	23.5	25.4

Source. State Data Agency

The net migration in Alytus County has been negative and the number of individuals leaving exceeded the number of the arriving. Only 2023 resulted in positive net migration (+315 individuals) with one of the main contributing factors being the war in Ukraine. During this period, the national net migration trend also shifted from negative to positive, with 44,934 more people arriving in the country than leaving in 2023.

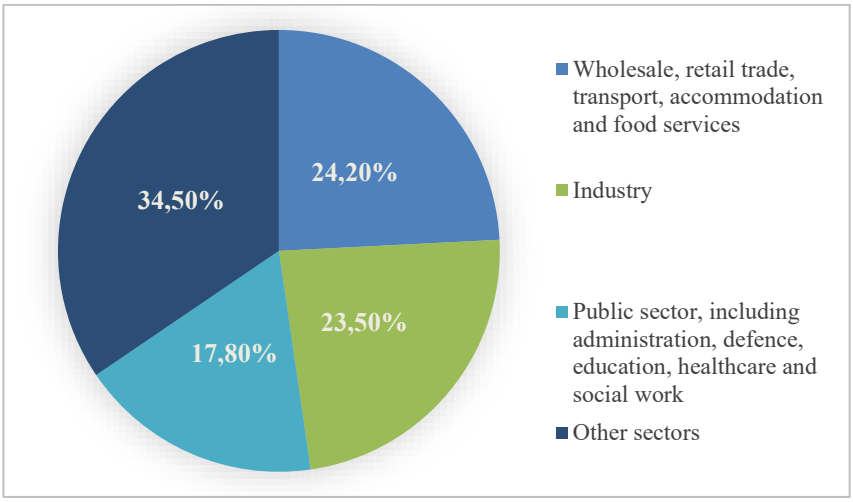
Summarizing the population and demographic situation in Alytus County, the general tendency is that population of Alytus County has been declining given the diminishing birth rates, increasing mortality as well as the increase in retirement age and the declining working-age population.

Economy and employment

As regional centre, Alytus city concentrates most jobs and services. Alytus city is primarily focused on the production of low value-added goods such as furniture, wood products, plastics, and their derivatives. In 2024, there were 2 279 operating business entities in Alytus city with majority of them being small and medium-sized enterprises. In comparison, in Alytus County there were 5 008 operating business entities in the beginning of 2024, meaning Alytus city's entities accounted to almost a half of entities of Alytus County in 2024.

According to SDA, more than sixty percent of gross value added in 2023 in Alytus County was generated by, and most individuals were employed in, the wholesale and retail trade, transport, accommodation and food services sectors industry and public sector. The remaining part was generated in other sectors. Compared to the national Lithuanian turnover, Alytus County's turnover in 2023 accounted for 2.13% of Lithuania's total turnover, with a slight decrease from 2022.

Graph 2. Gross value added by sectors in Alytus County, percentage



Source. State Data Agency

Based on the data published by SDA, employment level of individuals aged 20-64 in Alytus city was 79.3% in 2022 and 79.6% in 2023, being slightly higher than Lithuanian national average (by 0.3% higher in 2022 and 0.8% in 2023) and notably exceeding EU average (by 4.7% higher in 2022 and 4.3% in 2023). On the contrary, in 2023 the employment in Alytus County has been lower than both Lithuanian national and EU averages. As a result, low value-added businesses dominate in terms of employment in Alytus city and Alytus County.

Despite an overall stable employment rate, gender-based labor market disparities remain in Alytus city. Women remain involved less in technical and high-value sectors, facing barriers to career advancement. Encouraging female-led businesses and increasing access to reskilling initiatives would be essential in fostering a more balanced workforce.

Table 3. Employment level of individuals aged 20-64 in 2022 and 2023, percentage

	2022	2023
EU	74.6	75.3
Lithuania	79.0	78.8
Alytus County	75.2	71.9
Alytus city	79.3	79.6

Source. State Data Agency, Eurostat

There is s a large gap between women's and men's entrepreneurship rates, indicating that Lithuania is not exploiting the potential that would be opened up by a greater participation of women in the economy. 26% of men and almost half as many (14%) of women plan to become entrepreneurs in the coming years, according to a survey conducted by SEB Bank's 2024 -11 initiative.

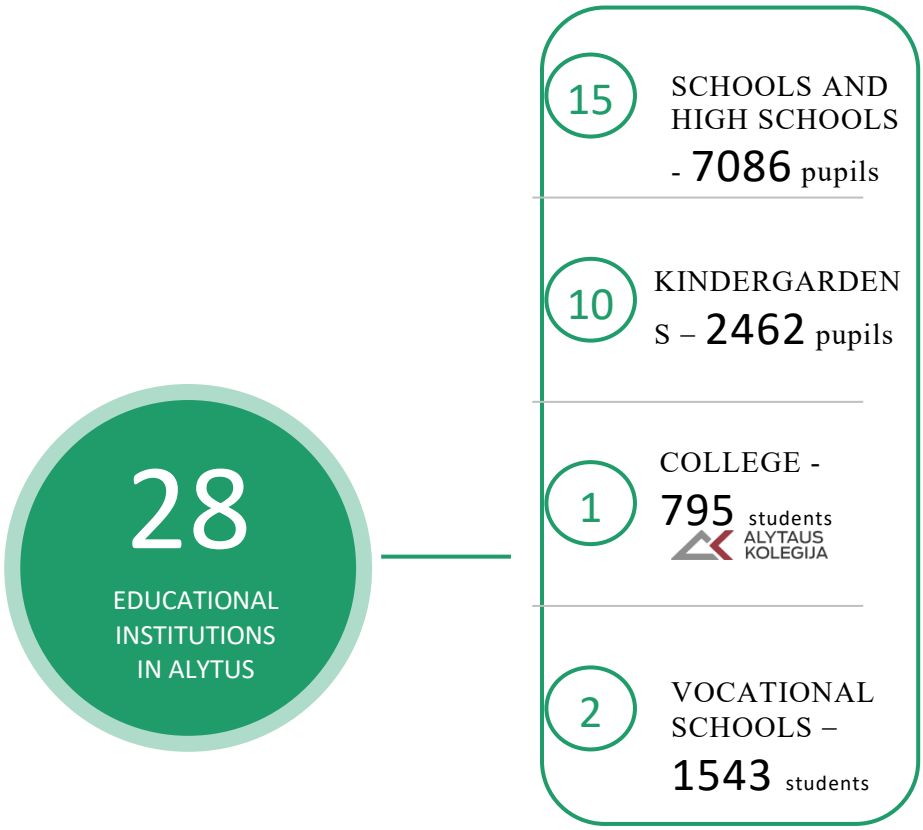
It is very important to listen to the experience of women who are starting their own businesses, to help them remove obstacles on their way, and to encourage and inspire women who are shying away from the idea of owning their own business.

A periodic survey on entrepreneurship carried out by SEB Bank's initiative shows that fear of failure or uncertainty about the future are less likely to be identified as the main obstacles to entrepreneurship. Lack of knowledge and skills, as well as doubts about their business idea, are still among the most common reasons for both men and women in Lithuania to start a business. It can therefore be assumed that with more knowledge on how to set up and run a business, Lithuanians would be better able to select and refine business ideas and implement them with more confidence.

Alytus city concentrates most jobs and services in the region, however low value-added businesses dominate in terms of employment in Alytus city and Alytus County with employment levels lower than both Lithuanian national and EU averages in 2023. As in all Lithuania there is a large gap between women's and men's entrepreneurship rates in Alytus city too.

Social environment

Alytus city is family-oriented: offers 28 educational institutions, has almost 500 cultural events per year and encourages creativity. However, it still faces the following significant social issues related to elderly care, access to healthcare, education and income inequality, as described in more detail in the “Summary of key problems / challenges” section.



Alytus city education institutions

Environment, CO_2 emissions, climate change

The environment in Alytus city is a combination of relatively well-developed manufacturing and processing industries with green areas, since more than a third of Alytus city's urban area is green. Generally, SDA has announced that Lithuanian CO_2 emissions have significantly decreased since 1990, falling by more than 65%. However, there is limited regional data available for CO_2 emissions in Alytus city or Alytus County specifically, nevertheless CO_2 emissions in Alytus County are mostly tied to the industrial activities (manufacturing and processing industries, specifically wood processing and furniture manufacturing) and are believed to be the main contributors in the area.

According to SDA, in respect to the total emissions (including solids, liquid substances, sulfur dioxide, nitrogen oxides, carbon monoxide and other pollutants), Alytus County has the second lowest total emissions, as compared to nine other Lithuanian counties. More specifically, Alytus County was contributing to 3.10% of net emissions in 2022 (1 773.23 tons) and 2.40% in 2023 (1 249.94 tons). In comparison, in 2023, Telšiai County accounted for 33.74% of net national emissions, Kaunas 16.33% and Vilnius 13.19%.

Table 4. Total emissions by County during in 2022 and 2023, percentage

	2022	2023
Telšiai County	33.6	33.74
Kaunas County	14.58	16.33
Vilnius County	12.40	13.19
Šiauliai County	14.73	12.81
Klaipėda County	7.71	7.69
Panevėžys County	6.46	6.39
Utena County	3.35	3.52
Marijampolė County	3.06	2.77
Alytus County	3.10	2.40
Tauragė County	1.25	1.17

Source. State Data Agency

Considering the climate change, Alytus city municipality is taking measures and is implementing "2024-2026 Strategic Action Plan of Alytus City Municipality" which is focused to increase energy efficiency in order to reduce environmental impact. In addition, "Sustainable development strategy of the city of Alytus for 2023 – 2029" is also aimed to increasing the appeal of green spaces and adapting them to residents, as a result contributing to the improvement of living environment quality. In the context of the of talent attraction, green spaces and focus towards sustainability in Alytus could have positive impact since highly educated and talented individuals could see value in green, walkable environments. As a result, this could impact their choice of destination to live and work.

As a result, together with the development of business infrastructure, renovation of existing buildings, it is also aimed to create green areas and favourable legislative environment towards green solutions and low emissions increasing the quality of life. One of the purposes it is done that entrepreneurs and new businesses could utilize green areas for collaboration, during events enhancing business community, building and improving local business ecosystem since Alytus city lacks hubs or other areas and their development take time.

1.5.Key policies and strategies

Facing challenges such as climate change, social and economic challenges, Alytus City administration developed and implements various strategic documents addressing key aspects of development.

Title of the Strategy / Policy Document	Summary description	Relevance to the focus area of the IAP (if any)
Strategic development	Strategic development plan of Alytus city until 2030 is a comprehensive legal strategic	The IAP measures are implemented through the

plan of Alytus city until 2030	planning document outlining development strategy for the Alytus city and identifies the main priorities: 1) Horizontal Priority: **Smart City;** 2) Priority I: **Comfortable City;** 3) Priority II: **Opportunity City.** Alytus city vision - **Alytus – a sustainably growing city of opportunities.** The vision "Alytus 2030" will be achieved by implementing these two priorities and specific goals. This approach aligns with an integrated perspective, shaping Alytus city's development policy in social, economic, spatial, and functional aspects. Overall, the strategic plan outlines 2 priorities, 6 goals, 21 tasks, and 119 measures	Strategic Development Plan's Priority II: Opportunity City. Specifically, they align with Goal 2.3.1: Develop the City's Potential. **Task 2.3.1:** Create conditions for residents' self-realization and entrepreneurship growth. **Task 2.3.2:** Improve the city's accessibility and investment attractiveness.
2024-2026 Strategic action plan of Alytus city municipality	In 2024–2026, the Alytus city municipality focuses on the following priorities: 1.1. Increasing energy efficiency to reduce environmental impact. 1.2. Ensuring sustainable territorial and infrastructure development. 1.3. Expanding leisure opportunities for residents. 1.4. Providing high-quality education services that meet the changing needs of society. 1.5. Enhancing Alytus city's investment attractiveness, promoting business growth, and encouraging international cooperation. The 2024–2026 Alytus city municipality strategic action plan includes 3 programs: 1.1. The Sustainable Territorial and Infrastructure Development Program.	According to 2024-2026 Strategic Action Plan of Alytus City Municipality main projects in policy area are implemented through **33.3.1. Objective: Create Conditions for Residents' Self-Expression and Entrepreneurship Growth.**

	1.2. The Administration and Public Service Delivery Program. 1.3. The Smart and Civic-Minded Society Development Program.	
Sustainable development strategy of Alytus city for 2023 - 2029	The goal of strategy is to invest in sustainable and personalized development of Alytus city to increase the attractiveness of Alytus city. The needs for sustainable development of the of Alytus city: 1. Improve the infrastructure of educational institutions and their accessibility to meet the needs of the population 2. Increase Alytus city's attractiveness for investment and business development (the city lacks prepared plots and premises for attracting investments; public infrastructure in industrial areas is underdeveloped; free land is not being utilized). Revitalize Alytus city's green spaces to increase their appeal to residents (the infrastructure of the city's green spaces is not adapted to the needs of different age groups; there are no conditions for active leisure; residents of Alytus city face a shortage of green spaces close to their homes that meet their needs).	16.5 million euro is allocated for the implementation of five actions, which will be dedicated to creating and developing a favourable environment for business growth.
Alytus region functional zone strategy for 2023 - 2029	The development of functional zones is based on the promotion of joint activities of municipalities. The functional zone of the Alytus County consists of the municipalities of the city of Alytus, Druskininkai, Alytus, Varėna and Lazdijai municipalities. The strategy envisages that municipalities will jointly create and use public	23,5 million euro is allocated for the implementation of 14 actions, which will be dedicated to creating and developing a favourable environment for business growth.

	infrastructure for investment attraction, small business and tourism development, bicycles, public transport, non-formal education and public health services. The investments provided for in the functional zone strategy of the Alytus region amount to 75.4 million euros. Implementation period 2023 – 2029.	
Alytus region development plan for 2022-2030	Alytus region development plan for 2022-2030 outlines key initiatives to enhance education, infrastructure and economic growth. The Education Accessibility Program improves early childhood education infrastructure and accessibility. The Sustainable Urban Development Program modernizes public services, infrastructure and economic zones to increase investment attractiveness. The Regional Economic Development Initiative fosters business infrastructure, supports SMEs, and enhances public transport.	The plan is related to IAP's objectives by increasing education access, encourage business development and improve infrastructure. Accordingly, it is planned to make Alytus as more attractive location for skilled professionals and investments. Specific initiatives will support women's participation in business, leadership roles, and high-value industries, increasing Alytus city's competitiveness and talent retention.
Alytus region functional zone strategy for 2024-2029	This strategy aims to strengthen economic and social connections among the municipalities of Alytus city, Alytus district, Druskininkai, Varėna, and Lazdijai. The strategy promotes	It is aligned with the objectives of IAP by promoting entrepreneurship, attracting investments and

	joint investments in business infrastructure, small business development, tourism, public transport, and education. A major focus is on expanding the industrial park at the border of Alytus city and district, facilitating investment attraction and job creation. The strategy also prioritizes sustainable development, with initiatives to improve transport accessibility, increase tourism infrastructure and strengthen cross-municipality cooperation.	improving infrastructure for startups. Specifically, the development of shared business infrastructure and financial incentives for new businesses directly contribute to the IAP's goals of talent attraction and retention in Alytus city. Total investment for the strategy is 75.4 million euros.

1.6. Summary of interventions in the policy area so far

According to 2024-2026 Strategic action plan of Alytus city municipality, main projects in policy area are implemented through the following objective:

33.3.1. Create conditions for residents' self-expression and entrepreneurship growth.

The goal is to encourage the growth and development of new small and medium-sized enterprises, organize training for improvement, provide business-related consulting, and direct businesses to the appropriate specialists (in construction, environmental issues, and other relevant areas).

Measures planned for this objective:

33.3.1.01. Expansion of public information, consulting, and financial support services for businesses

- **Purpose:** Improve conditions for small and medium-sized businesses. This measure is implemented annually, and Alytus city Council has approved several regulations:
  - Business promotion and funding regulation (Decision No. T-38, 2022-02-24);
  - Financial support for small and medium-sized enterprises (Decision No. T-59, 2013-03-28.);
  - Investment in Alytus industrial park regulation (Decision No. T-400, 2019-12-18).
- **Objective:** Improve conditions for small and medium-sized enterprises and provide licenses for retailing alcoholic beverages

and tobacco products in accordance with national regulations and municipal decisions.

More than 300 enterprises received advice and services under this measure in 2024. Financial support for training, consultancy and business start-up was provided to 35 businesses. During the period 5 new businesses were set up in Alytus municipality with the municipal support

33.3.1.02. Improvement of the investment environment by offering new attractive areas and incentives

- **Purpose:** Enhance the investment environment by offering land lease and property tax incentives, compensating land development costs (e.g., tree removal, soil improvement), and providing information about available land and incentives in the industrial park.
- Regulation: Investment in Alytus industrial park regulation (Decision No. T-400, 2019-12-18)

Under this measure, in 2024, Alytus City Municipality provided more than EUR 150 000 in support to businesses, which they used to construct engineering communications and to prepare land plots for business development. During this period, 2 investment agreements were concluded with investors, thus improving almost 7 ha of the industrial park.

33.3.1.03. Improvement of business service in Alytus city

- **Purpose:** Increase the variety of communication forms between the city municipality and businesses, facilitate open and constructive dialogue, and engage socially vulnerable groups. This includes participating in various exhibitions, organizing business events to promote Alytus city's businesses, and developing a one-stop-shop for business services.

In 2024, Alytus City Municipality organised the Alytus Business Forum, which was attended by more than 300 business representatives. Meetings were also organised between business entities operating in Alytus.

33.3.1.04. Promotion of business development

- **Purpose:** Reconstruction of the building at Žuvinto g. 4, Alytus, to create coworking spaces and provide one-stop-shop services for businesses, including accessibility for people with disabilities.

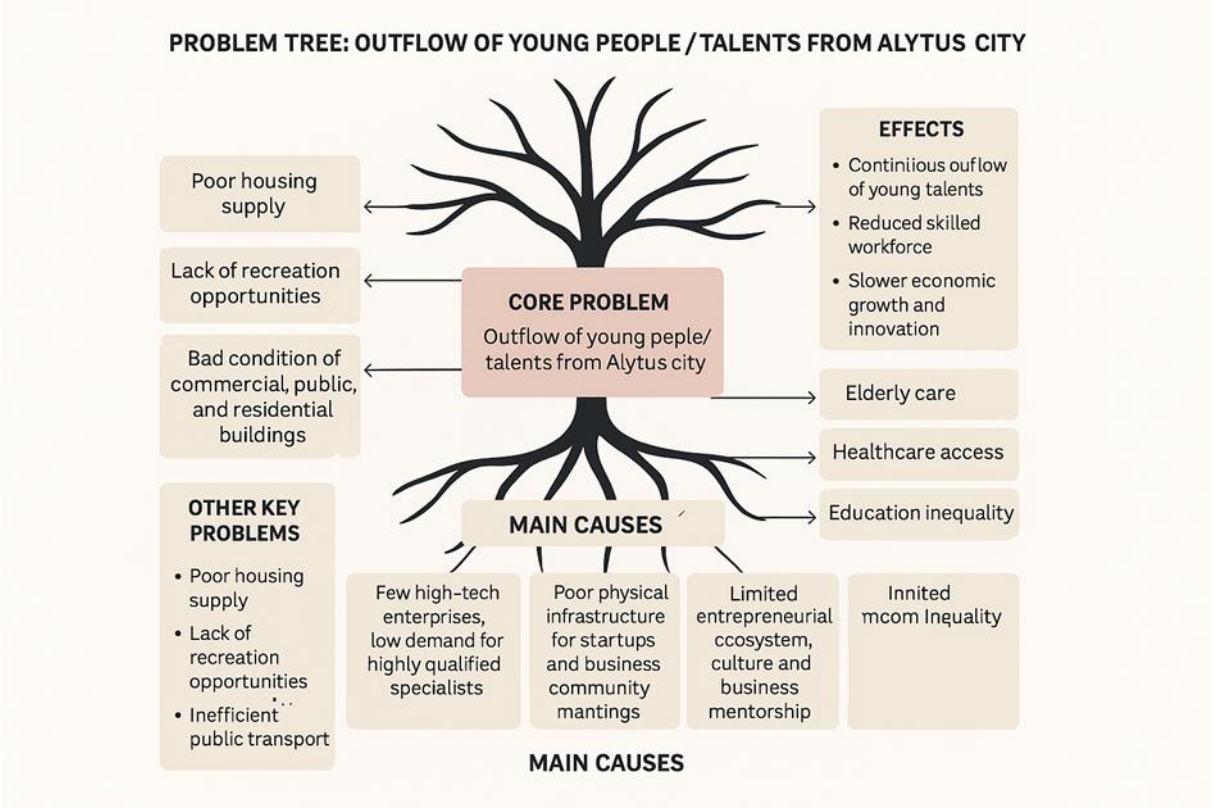
The project is planned to be implemented by 2027. Technical documentation now is under preparation.

33.3.1.05. Increasing the functionality of Alytus industrial park

- **Purpose:** Construct a production-purpose building in the Industrial Park area (Verslo g. 1, Verslo g. 3 Alytus), considering the needs of persons with disabilities.
- The project is planned to be completed by 2026 and procurement procedures for the construction works are underway.

2. INTERVENTION LOGIC AND INTEGRATED APPROACH

2.1.Summary of key problems / challenges



Core problem: Outflow of young people/talents from Alytus city.

Main causes of core problem:

- There are no universities in the city, unattractive specialities of Alytus city's college. After graduation from school, young people choose to study in other Lithuanian cities (mostly Vilnius and Kaunas) due to the absence of further education possibilities in Alytus city. As a result,

after the graduation from university/college many young talents choose to pursue careers in the cities where they studied and do not come back to live to Alytus city, increasing the problem of talent outflow. This makes it harder for Alytus city to build a skilled workforce and reduces the ability to develop further as more innovative city;

- Few high-tech enterprises, low demand for highly qualified specialists. Alytus city is primarily focused on the production of low value-added goods such as furniture, wood products, plastics, and their derivatives. Most individuals in Alytus County are employed in businesses operating in wholesale and retail trade, manufacturing, construction, agriculture and fishery sectors. As a result, low value-added businesses dominate in terms of employment in Alytus County due to the absence of high-tech enterprises. Accordingly, Alytus County faces limited economic growth, low demand for highly qualified specialists which could create high value-added to whole Alytus County. This negatively affects city's ability to maintain talents in Alytus city, therefore skilled professionals choose to seek opportunities elsewhere, contributing to brain drain in the region. This creates a cycle where Alytus city struggles to attract and retain young talents due to the absence of higher-tech workplaces and businesses are not actively entering Alytus city because of low number of skilled workforce;
- Poor physical infrastructure for startups and business community meetings. Though Alytus city has plans for economic diversification and enterprise development, many of the necessary conditions for business community growth and development are not met, one of them being the absence of convenient physical infrastructure. Such physical infrastructure (hubs, co-working spaces) would promote talent attraction, increase networking, potentially leading to the creation of startups and increased cooperation between motivated and talented individuals. Currently, in Alytus city there is "Alytaus pramonės parkas" connecting industrial businesses, Dzūkų krašto menų inkubatorius „Menų pirtis" where artists (jewellers, ceramicists, painters, graphic designers and photographs can use more than 1600 sq. m. premises for their activities and business community "Spiečius" which only offers space for maximum 22 members. Taking this into account, currently in Alytus city there is no infrastructure for businesses to develop in Tech and Digital and more value-added areas, which could attract more talents to Alytus city;
- Finance opportunities to start business. According to the stakeholders, starting a business in Alytus city is not encouraged or promoted enough – there is no strong entrepreneurial culture or network, which could ease the ability to attract finances for individuals planning to establish a business as a result contributing to the creation of Alytus city's future. Considering that, young people in Alytus city face significant financial limitations to establish businesses, making them to move to other cities with more developed entrepreneurial networks;

- Alytus city has a limited entrepreneurial ecosystem, culture and business mentorship network, making it difficult for entrepreneurs to access guidance, collaboration and capital. Also, compared to larger Lithuanian cities, Alytus lacks an ecosystem of incubators, accelerators, and innovation hubs, leading to fewer opportunities for networking and business scaling.

Other key problems and challenges identified, directly related to the core problem:

Infrastructure, buildings and recreation areas:

- Poor supply for housing, regardless of their affordability as compared to larger Lithuanian cities. One of the reasons of young people and talents leaving Alytus city is that there are not enough buildings ensuring convenient and high-quality living conditions. Alytus city is planning to tackle this issue by increasing rate of renovations, planning the strategies how to increase development of new apartments and individual housing;
- Not enough opportunities for recreation – no large shopping centres, high-quality restaurants, etc. Alytus city is planning to develop current infrastructure of the city to attract new businesses (restaurants, new activities etc.), renovate green areas to make them tailored to the needs of citizens where businesses could establish, organize various events etc.
- Bad condition of commercial, public and residential buildings, needing renovation. This requires financial investments to further develop for businesses and ensure proper living conditions for individuals (potential employees and business-starters), however currently the attraction of financial opportunities is limited in Alytus city. Alytus city is implementing a strategy to ensure faster renovation and utilization of resources since the official renovation programs are slowing down;
- Complicated train connections with other parts of the country. Inefficient public transportation infrastructure (there is no possibility to directly travel from Alytus city to larger Lithuanian cities) lowers the mobility of individuals, therefore making them to settle in locations with more developed public infrastructure.

Social issues:

- Elderly care. Since Alytus city faces growing population of elderly individuals requiring support and care, there is an increasing need of institutions which could ensure of ongoing elderly care and available spaces. As of this day, there are limited spaces available to receive elderly care, therefore it is not available to all citizens.
- Healthcare access. Alytus city has one polyclinic and one hospital under the authority of the Alytus city municipality administration.

Healthcare sector in Alytus city also faces talent outflow since many professionals choose to pursue careers in larger Lithuanian cities, the access to healthcare is also limited (limited staff and long waiting times, some of procedures are not performed locally in Alytus city) and citizens are traveling to surrounding cities to receive healthcare services;

- Education inequality. The absence of higher education institutions causes many young people to leave for universities in other cities (Vilnius and Kaunas) with few returning after graduation. This results in brain drain, limiting long-term innovation and workforce potential. In addition, currently, the need for preschool education is not being met in Alytus city, the existing preschool infrastructure is worn out and does not meet modern requirements, the current educational infrastructure does not provide the conditions for delivering high-quality educational services, making the educational environment inequal and uncompetitive as compared to surrounding regions;
- Income inequality. The dominance of low value-added industries leads to uncompetitive salaries in Alytus as compared to surrounding regions, especially when compared to two largest Lithuanian cities Vilnius and Kaunas. This contributes to income inequality and limited access to resources and lack of opportunities.

2.2. Our vision

Vision of Alytus city: We imagine Alytus as a modern, exciting place where young people want to live, work, and build their future. The goal is to turn Alytus into the digital startup and innovation capital of Southern Lithuania.

In the future, Alytus will be:

• A hub for digital and tech businesses.

• A place where startups grow with the help of strong support and good infrastructure.

• A city with affordable living, great quality of life, and a friendly, supportive community.

What This Means in Practice:

• Modern, environment friendly workspaces like co-working hubs and innovation centres will be available for young people to start and grow their businesses.

• Educational programs will include more tech and digital subjects, helping students prepare for careers in innovation.

• Mentorship and networking events will connect young entrepreneurs with experienced professionals who can guide and support them.

• Living in Alytus will be attractive, not only because of career opportunities but also thanks to a healthy lifestyle, green areas, and a vibrant community.

Long-term Vision:

Young people will stay in Alytus after graduation because they'll find real chances to succeed in their careers. More companies — even international ones — will be attracted to the city, bringing investments and creating new jobs in tech and digital fields.

Alytus will become known as a city where innovation, talent, and community come together.

2.3. Our objectives

Overall objective: make Alytus an innovative city where more young people decide to stay, work, and start businesses, especially in Tech and Digital fields.

Specific objectives:

Improve access to state-of-the-art infrastructure for startup businesses. Alytus city lacks spaces for startups and business communities to collaborate.

We want to build co-working spaces, business incubators, and innovation hubs where entrepreneurs can work, meet, and grow their ideas. These spaces will help:

• Make it easier to start a business.

• Encourage collaboration and new ideas.

- Attract young, talented people, especially women.

Success will be measured by the number of new spaces and startups operating in them.

- **Improving access to financial resources for startups.** Entrepreneurs in Alytus city face challenges securing and attracting funding. Starting a business can be expensive. Alytus will:
- Offer local grants and startup funds.
- Attract investors and venture capital.
  Organize pitch events and training workshops to help entrepreneurs secure funding.

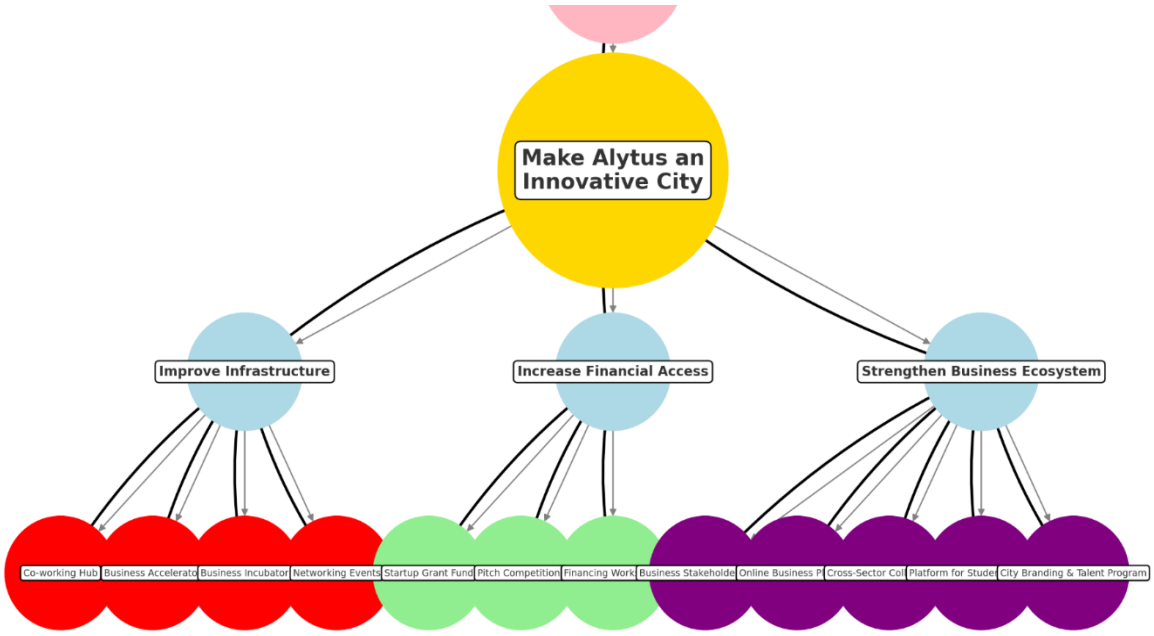
We will track how many startups receive funding and how much support is given.

Building and improving local business ecosystem. To grow a healthy business environment, Alytus plans to:

- Connect businesses, schools, government, and community groups.
- Organize mentorship and networking events.
- Support partnerships that help startups succeed.

We aim to increase cooperation, learning, and shared projects between local stakeholders.

In short, Alytus wants to make it easier to start a business, help young people succeed, and create a place where innovation thrives. All these actions are focused on keeping talent in the city and making Alytus a top choice for living and working.



2.4. Intervention areas and list of actions

Specific objective / intervention area 1	To develop physical infrastructure for startups and business community meetings		
Result indicator: Number of new co-working spaces, business incubators, and innovation hubs established	**Definition**	**Baseline value (Year 2025)**	**Target value (Year 2028)**
	Measures the number of physical spaces created or renovated to support startups and business meetings in Alytus city	0	At least 1 new co-working spaces and 1 business incubator established by 2028
Result indicator: Number of startups, operating in Alytus city's hub.	Measures the number of new created business, operating in Alytus bub	0	At least 5 new startups operating in Alytus Hub at 2028

Action	Output	Intended outcome	Responsible organisation	Timescale
1.1 Establish regional co-working and innovation Hub	At least 1 co-working and innovation hubs established	Better access for starting and growing business. Created high quality, state of art physical spaces	Alytus city municipality	48 months

1.2 Develop a business accelerator program. Better conditions for women's business.	At least 5 startups participating in the accelerator program annually	Growth of number of established startups. More startups scaling business successfully.	Alytus city municipality, social partners, business angels	18 months
1.3 Launch a business incubator program. Better conditions for women's business.	At least 5 early-stage startups supported by the incubator	Support early-stage startups with mentoring, office space, and resources to accelerate growth	Alytus city municipality	6 – 12 months
1.4 Organize regular regional networking events and workshops	At least 5 networking events and workshops organized annually	Foster collaboration, knowledge sharing, and opportunities for partnerships among startups and businesses	Alytus city municipality, social partners, business	Start within 3 months, with quarterly events
1.5 Provide STEAM lessons for basic school students	At least 2 hour learning for each grade during the year	stimulate children's desire to delve deeper into the field of TEC	Alytus city municipality, social partners, business	Start within 6 months.

Specific objective / intervention area 2	To improve access to financial resources for startups		
Result indicator:	**Definition**	**Baseline value (Year 2025)**	**Target value (Year 2026)**
Number of startups receiving financial support and still operanting afrer 1 year	Measures the number of startups that obtain financial assistance through local grant programs or	0	At least 2 startups operates in 1 year after receive

	investor matchmaking initiatives and operate survive more than 1 year		financial support
Total amount of funding provided to startups	Measures the total financial support distributed to startups through grants and investment programs	0	At least EUR 50 000 distributed annually

Action	Output	Intended outcome	Responsible organisation	Timescale
2.1 Establish a startup grant fund	At least EUR 50 000 of grant funding distributed annually	Provide early-stage startups with seed funding to cover initial costs such as product development, marketing, and hiring.	Alytus city municipality, social partners, business angels	20 months to establish and ongoing grant cycles
2.2 Organize pitch competitions with financial rewards	At least 5 startups participating in pitch competitions annually	Provide startups an opportunity to pitch ideas to investors and win financial prizes or investment offers.	Alytus city municipality, business angels, social partners	6 months to organize the first event; annual or bi-annual competition
2.3 Set up a startup financing workshop series	At least 3 financial literacy and funding workshops organized annually	Educate startups on how to secure funding, manage finances, and pitch to investors.	Alytus city municipality, social partners, business	3-6 months to set up; ongoing workshops quarterly

Specific objective / intervention area 3	To build business ecosystem involving all stakeholders

	Definition	Baseline value (Year 2025)	Target value (Year 2026)
Result indicator: *Number of business community meetings and networking events organized*	Measures the number of formal networking events, stakeholder forums, and workshops that facilitate collaboration between businesses, government, and educational institutions	0	At least 2 business networking events and stakeholder forums held annually from 2026
Number of mentorship and partnership programs established	Tracks the number of mentorship initiatives and formal collaborations between startups, experienced entrepreneurs, investors, and academic institutions	0	At least 2 mentorship or partnership programs established by 2026
Number of businesses and institutions engaged in ecosystem development activities	Measures the number of businesses, startups, educational institutions, and investors actively participating in business ecosystem programs	0	25+ businesses and institutions actively engaged by 2028

Action	Output	Intended outcome	Responsible organisation	Timescale
3.1 Create a business stakeholder forum	At least 1 stakeholder forums held annually	Establish a regular platform where startups, established businesses, government, academia, and	Alytus city municipality, social partners, business	4-6 months to establish; ongoing meetings

		investors can meet to discuss collaboration, challenges, and opportunities. Also place focus on including women in the workforce more by supporting female entrepreneurship, creating forum themes and programs for women in business.		
3.2 Develop an online business ecosystem platform	At least 20 registered users on the business ecosystem platform	Provide a digital platform where stakeholders can connect, share resources, and collaborate on projects.	Alytus city municipality, business, social partners	9-12 months to develop and launch; ongoing maintenance
3.3 Organize cross-sector collaboration workshops	At least 2 cross-sector collaboration workshops organized annually	Facilitate workshops where startups, corporations, academic institutions, and investors can work together on solving industry-specific challenges.	Alytus city municipality, social partners, business	6 months to organize the first workshop; bi-annual workshops afterward

3.4 To develop platform for learners, students, expatriates;	At least 100 registered persons	Create an online platform where high school leavers, students, expatriates and businesses can submit their personal details to find contacts for jobs and co-working opportunities	Alytus city municipality, social partners, business, media	12 months
3.5 Prepare city branding and talent attraction program.	Prepared program	Develop city attractiveness presentation programme to showcase the city's attractiveness for work and life and to provide tools for finding talent	Alytus city municipality, social partners, business, media	18 months

3. ACTIVITY PLAN

3.1.Intervention Area 1

Action Title	1.1 Establish a co-working and innovation Hub	**Action Owner**	Alytus city municipality
Description	**Stakeholders**	**Links to objectives:**	Improve access to state-of-the-art infrastructure for startup businesses
Establish a co-working and innovation hub with modern facilities, high-speed internet, and networking spaces to support startups and entrepreneurs	Municipal government, local businesses, universities, chambers of commerce	**Estimated costs:**	7 100 000 eur
		Readiness:	15% 100%

Activity	**Timing**		**Deliverable**	**Estimated cost**	**Source of funding**
	Start	**End**			
1.1.1 Identify suitable location	2023	2024	Feasibility study report	3600	City budget
1.1.2 Secure needed funding	2024	2025	Signed agreements with partners and ministry of interior	-	-
1.1.3 Design and renovation	2025	2027	Renovated workspace	5 000 000	EU funds City budget State bugdet

1.1.4 Install facilities and equipment	2027	2028	Fully equipped co-working hub	2 070 000	EU funds City budget State budget
1.1.5 Launch and operational setup	2028	2028	Official opening event	20 000	City budget Business

Action Title	1.2 Develop a business accelerator program	**Action Owner**	Alytus city municipality, business
Description	**Stakeholders**	**Links to objectives:**	Improve access to state-of-the-art infrastructure for startup businesses
Establish a business accelerator program providing mentorship, training, and seed funding to startups	Angel investors, universities, successful entrepreneurs	**Estimated costs:**	65 000
		Readiness:	0% 100%

Activity	**Timing**		**Deliverable**	**Estimated cost**	**Source of funding**
	Start	**End**			
1.2.1 Design program structure and allocate money	2025	2026	Accelerator program blueprint	2000	City budget Business
1.2.2 Recruit mentors and partners	2026	2026	Signed partnership agreements	10000	City budget

					Business, State budget
1.2.3 Launch application process	2026	2026	At least 5 startups selected	50000	City budget Business,
1.2.4 Conduct training and mentoring	2026	2026	At least 5 startups trained	-	-
1.2.5 Evaluate program impact	2027	2027	Program evaluation report	3000	City budget

Action Title	1.3 Launch a business incubator program	**Action Owner**	Alytus city municipality, Alytus Hub, business
Description	**Stakeholders**	**Links to objectives:**	Improve access to state-of-the-art infrastructure for startup businesses
Support early-stage startups with mentoring, office space, and business development training	Entrepreneurs, Startups, academic institutions	**Estimated costs:**	45 000
		Readiness:	0% 100%

Activity	**Timing**		**Deliverable**	**Estimated cost**	**Source of funding**
	Start	**End**			
1.3.1 Develop business support program	2027	-	Prepared program	-	-

1.3.3 Promote and attract startups	2028	-	5 startup enrollments	10 000	city budget
1.3.4 Provide incubation services	2028	-	Fully operational incubator	30 000	city budget
1.3.5 Monitor and assess performance	2029	2029	Impact assessment report	5 000	City budget

Action Title	1.4 Organize regular networking events and workshops	**Action Owner**	Alytus city municipality, Alytus Hub, business
Description	**Stakeholders**	**Links to objectives:**	Improve access to state-of-the-art infrastructure for startup businesses
Organize business networking events and workshops to connect entrepreneurs, investors, and industry experts	Business associations, local media, sponsors	**Estimated costs:**	70 000
		Readiness:	0% 100%

Activity	**Timing**		**Deliverable**	**Estimated cost**	**Source of funding**
	Start	**End**			
1.4.1 Develop event schedule	2026	2028	Annual event plan	-	-
1.4.2 Secure venues and speakers	2026	2028	Confirmed speakers and locations	10 000	City budget, business, EU funds

1.4.3 Promote events	2026	2028	Marketing campaign and outreach	10 000	City budget, business
1.4.4 Host events	2026	2028	At least 5 events held annually	50 000	City budget, business, EU funds
1.4.5 Collect feedback and improve	2026	2028	Event evaluation reports	-	-

Action Title	1.5 Provide STEAM lessons for basic school students	**Action Owner**	Alytus city municipality, education institutions
Description	**Stakeholders**	**Links to objectives:**	Improve access to state-of-the-art infrastructure for startup businesses
Organize at least 2 hour STEAM learning for each grade during the year in order stimulate children's desire to delve deeper into the field of TEC	Business, Education institutions	**Estimated costs:**	70 000
		Readiness:	0% 100%

Activity	**Timing**		**Deliverable**	**Estimated cost**	**Source of funding**
	Start	**End**			
1.5.1 Develop learning schedule	2026	2028	Annual plan	-	-
1.5.2 Develop training programs	2026	2028	Confirmed training programs	20 000	City budget, state budget

1.5.3 Implement trainings	2026	2028	Lessons	50 000	City budget, state budget, business
1.5.4 Collect feedback and improve	2026	2028	Lessons evaluation reports	-	-

3.2. Intervention Area 2

Action Title	2.1 Establish a startup grant fund	**Action Owner**	Alytus city municipality
Description	**Stakeholders**	**Links to objectives:**	Improving access to financial resources for startups
Provide financial grants to startups to cover initial costs like product development and hiring	Municipal government, local banks, business associations, sponsors	**Estimated costs:**	55 000
		Readiness:	0% 100%

Activity	**Timing**		**Deliverable**	**Estimated cost**	**Source of funding**
	Start	**End**			
2.1.1. Find potential investors for the fund	2026	2026	Database of potential investors	-	Will be done by municipal workers
2.1.2 Define eligibility criteria	2027	2027	Finite list of eligibility criteria	-	Will be done by municipal workers
2.1.3 Create grant application process	2027	2027	Functioning grant application system	-	Will be done by municipal workers

2.1.4 Select grant recipients	2027	2027	2-5 startups	5 000	Municipal budget
2.1.5 Make a test with small group of startups and distribute funds, track progress	2027	2027	Financial support provided, progress reports	50 000	Municipal budget, business, state budget

Action Title	2.2. Organize pitch competitions with financial rewards	**Action Owner**	Alytus city municipality
Description	**Stakeholders**	**Links to objectives:**	Improving access to financial resources for startups
Organize pitch competitions where startups present their ideas to investors and compete for financial prizes	Local businesses, investment firms, sponsors, media partners	**Estimated costs:**	105 000
		Readiness:	0% 100%

Activity	**Timing**		**Deliverable**	**Estimated cost**	**Source of funding**
	Start	**End**			
2.2.1 Define competition format	2026 2027 2028	2026 2027 2028	Structured event plan	-	Will be done by municipal workers
2.2.2 Promote competition	2026	2026	Marketing campaign	15 000	Municipality budget

	2027 2028	2027 2028			
2.2.3 Host pitch competition	2026 2027 2028	2026 2027 2028	Event for the competition	90 000	Municipal budget, State budget, EU funds, business
2.2.4 Evaluate impact	2026 2027 2028	2026 2027 2028	Evaluation report	-	Will be done by municipal workers

Action Title	2.3 Set up a startup financing workshop series	**Action Owner**	Alytus city municipality
Description	**Stakeholders**	**Links to objectives:**	Improving access to financial resources for startups
Conduct workshops to educate startups on funding options and financial management	Local banks, financial advisors, universities, business incubators	**Estimated costs:**	66 000
		Readiness:	0% 100%

Activity	**Timing**		**Deliverable**	**Estimated cost**	**Source of funding**
	Start	**End**			
2.3.1 Develop workshop content	2026 2027	2026 2027	Workshop plan	-	Will be done by municipal workers,

	2028	2028			ULG members, business
2.3.2 Recruit expert speakers	2026 2027 2028	2026 2027 2028	Signed speaker agreements	10 000 10 000 10 000	Municipal budget, EU funds
2.3.3 Promote workshop series	2026 2027 2028	2026 2027 2028	Marketing campaign	2 000 2 000 2 000	Municipal budget
2.34 Host workshops	2026 2027 2028	2026 2027 2028	At least 3 workshops conducted	10 000 10 000 10 000	Municipal budget, EU funds
2.3.5 Collect feedback and improve	2026 2027 2028	2026 2027 2028	Workshop impact report	-	Will be done by municipal workers, ULG members, business

3.3. Intervention area 3

Action Title	3.1 Create a business stakeholder forum	**Action Owner**	Alytus city municipality
Description	**Stakeholders**	**Links to objectives:**	Building and improving local business ecosystem
	Business associations,	**Estimated costs:**	120 000

Establish a recurring forum for businesses, government, and academia to collaborate	universities, municipal government, local chambers of commerce, business	**Readiness:**					
			0%				100%

Activity	Timing		Deliverable	Estimated cost	Source of funding
	Start	End			
3.1.1 Identify key stakeholders	2025 2026 2027 2028	2025 2026 2027 2028	Stakeholder list	-	Will be done by municipal workers, ULG members, business -
3.1.2 Organize and host first forum	2025 2026 2027 2028	2025 2026 2027 2028	Forum event	30 000 30 000 30 000 30 000	State budget, Municipal budget
3.1.3 Conduct follow-up meetings and create meeting reports	2025 2026 2027 2028	2025 2026 2027 2028	At least 1 forum held	-	Will be done by municipal workers, ULG members, business -

Action Title	3.2 Develop an online business ecosystem platform	**Action Owner**	Alytus city municipality
Description	**Stakeholders**	**Links to objectives:**	Building and improving local business ecosystem
Create an online platform to facilitate collaboration, knowledge sharing, and networking among businesses and entrepreneurs	Tech companies, universities, business incubators, investor networks	**Estimated costs:**	30 000
		Readiness:	0% 100%

Activity	Timing		Deliverable	Estimated cost	Source of funding
	Start	End			
3.2.1 Define platform requirements	2026	2026	Functional specifications	5 000	Municipal budget, business
3.2.2 Develop platform prototype	2026	2026	Initial version completed	15 000	Municipal budget, business
3.2.3 Launch pilot testing	2026	2026	User feedback collected	-	-

3.2.4 Implement improvements	2026	2026	Updated platform launched	10 000	Municipal budget, business
3.2.5 Full-scale launch	2026	2026	Active and fully functioning platform	-	-

Action Title	3.3 Organize cross-sector collaboration workshops	**Action Owner**	Alytus city municipality
Description	**Stakeholders**	**Links to objectives:**	Building and improving local business ecosystem
Organize workshops to encourage cooperation between startups, corporations, academic institutions, and investors	Universities, large corporations, local businesses, business incubators	**Estimated costs:**	75 000
		Readiness:	0% 100%

Activity	**Timing**		**Deliverable**	**Estimated cost**	**Source of funding**
	Start	**End**			
3.3.1 Identify key sectors	2026 2027 2028	2026 2027 2028	List of relevant sectors	-	Will be done by municipal workers, ULG members, business -
3.3.2 Develop workshop agenda	2026 2027 2028	2026 2027 2028	Workshop agenda	-	Will be done by municipal workers, ULG members, business -

3.3.3 Secure speakers and partners	2026 2027 2028	2026 2027 2028	Signed participation agreements	10 000 10 000 10 000	Municipal budget, EU funds
3.3.4 Conduct workshops	2026 2027 2028	2026 2027 2028	At least 5 workshops held	15 000 15 000 15 000	Municipal budget, EU funds
3.3.5 Evaluate effectiveness	2026 2027 2028	2026 2027 2028	Effectiveness report	-	Will be done by municipal workers, ULG members, business -

Action Title	3.4 To develop platform for learners, students, expatriates	**Action Owner**	Alytus city municipality
Description	**Stakeholders**	**Links to objectives:**	Building and improving local business ecosystem
Create an online platform where high school leavers, students, expatriates and businesses can submit their personal details to find contacts for jobs and co-working opportunities	Alytus city municipality, social partners, business, media	**Estimated costs:**	30 000
		Readiness:	0% 100%

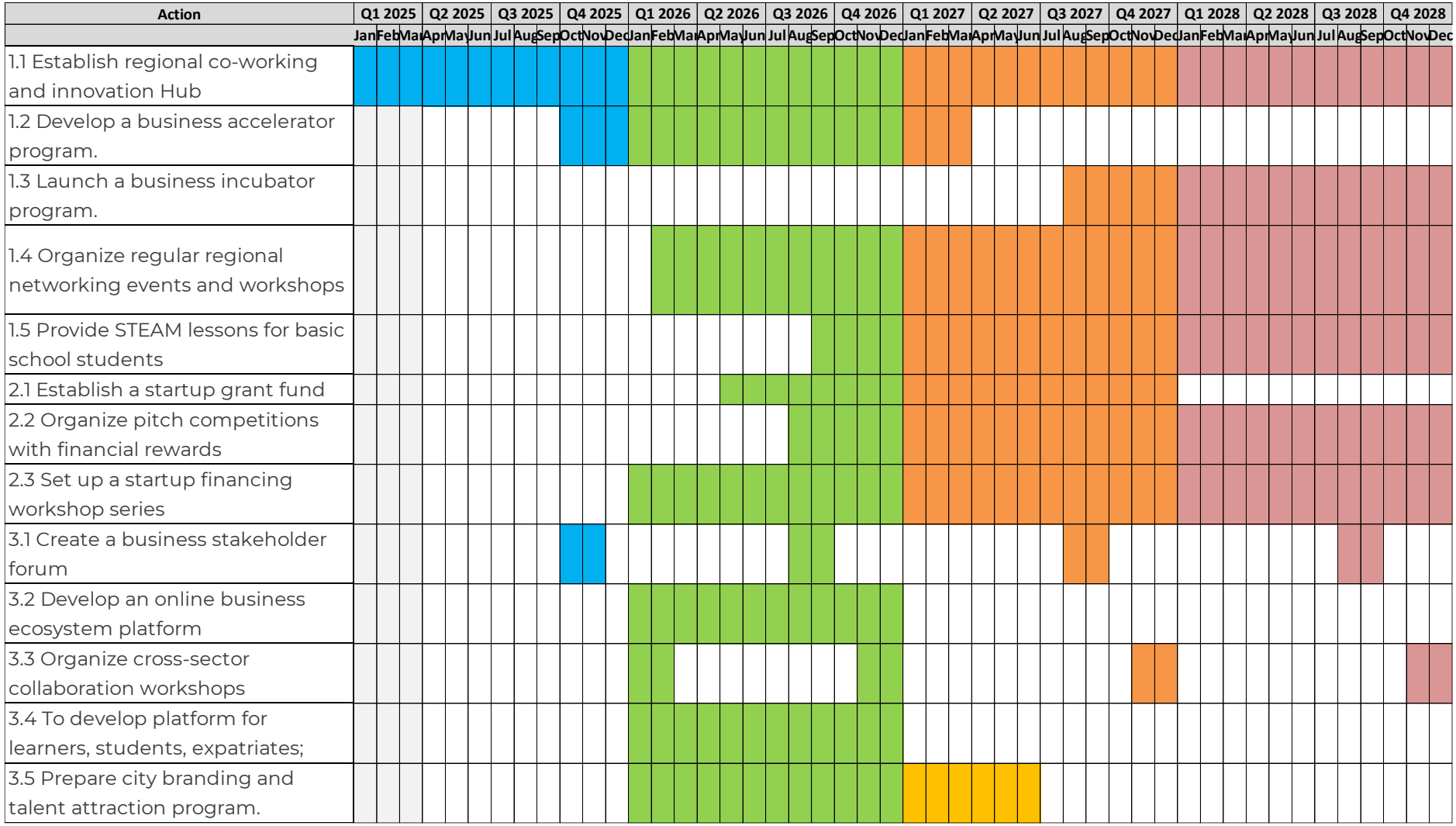
Activity	Timing		Deliverable	Estimated cost	Source of funding
	Start	End			
3.4.1 Develop platform framework	2026	2026	Platform guidelines developed	5000	Municipal budget, -
3.4.2 Recruit service providers	2026	2026	Agreement with service provider	-	-
3.4.3 Platform creation	2026	2026	Successfully operating platform	15 000	Municipal budget, EU funds
3.4.4 Review and optimize	2026	2026	Program evaluation report	10 000	Municipal budget, EU funds

Action Title	3.5 Prepare city branding and talent attraction program.	**Action Owner**	Alytus city municipality
Description	**Stakeholders**	**Links to objectives:**	Building and improving local business ecosystem
Develop city attractiveness presentation programme to showcase the city's attractiveness for work and life and to provide tools for finding talent	Alytus city municipality, social partners, business, media	**Estimated costs:**	30 000
		Readiness:	0% 100%

Activity	Timing		Deliverable	Estimated cost	Source of funding
	Start	End			
3.5.1 Develop program framework	2026	2026	Program guidelines developed	-	Will be done by municipal workers, ULG members, business -
3.5.2 Recruit service providers	2026	2026	Agreement with service provider	-	- Will be done by municipal workers, -
3.5.3 Program development	2026	2027	Prepared program	30 000	Municipal budget

4. IMPLEMENTATION FRAMEWORK

4.1. Gantt



4.2. Governance of implementation

The implementation of the Alytus City Integrated Action Plan (IAP) will be led by the Alytus City Municipality and formally approved by the Alytus City Council, which ensures political support and budgetary allocation.

Governance Structure & Responsibilities

Alytus City Council

- Approves the IAP and all major amendments.
- Final decision-maker in case of strategic redirection or budget reallocation.

Business Support Department (Lead Implementer)

- Manages the day-to-day coordination and oversight.
- Prepares progress reports, tracks KPIs, and oversees funding distribution.

IAP Implementation Task Force (within Business Support Department)

Key roles:

- Project Manager – Leads overall execution and stakeholder communication.
- Financial Coordinator – Manages funding, financial monitoring, and reporting.
- Stakeholder Engagement Officer – Organizes meetings, workshops, and public consultations.

Steering Committee

- Composed of the Vice Mayor, municipal leaders, business, and educational representatives.
- Meets quarterly to:
- Review strategic decisions.
- Resolve escalated issues.
- Advise on necessary plan adaptations.

Urban Local Group (ULG)

- Includes stakeholders from business, education, civil society, and public sector.
- Advises on specific actions and ensures grassroots engagement.

Coordination Mechanisms

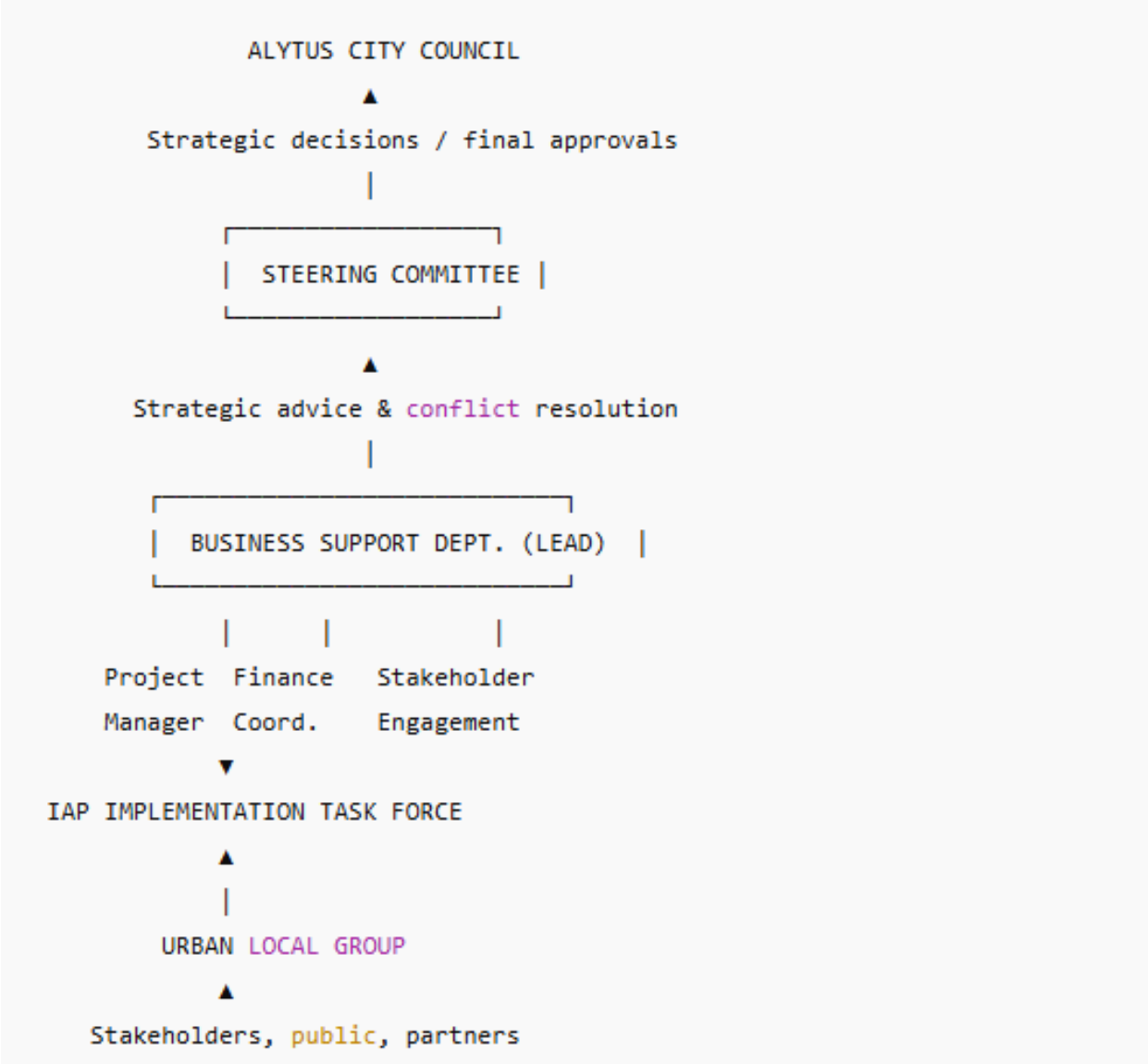
- Working groups will be created for key areas (e.g., startup infrastructure, education, funding).
- A digital collaboration platform (e.g., shared dashboard) will be used to:

- Share documents and timelines.
- Monitor task progress.
- Facilitate real-time communication between stakeholders.

Conflict Resolution & Decision-Making

- Minor operational decisions will be made by the Project Manager in consultation with task force members.
- Conflicts or delays are first addressed in the Task Force; if unresolved, they are escalated to the Steering Committee.
- Major changes (e.g., shifting funds, changing objectives) require approval from the Alytus City Council.

This improved governance structure ensures that responsibilities are clear, conflicts can be addressed quickly, and all stakeholders are meaningfully involved in implementation.



4.3. Resourcing and Funding

Summary Financial Table

Action Title	Responsible organisation	Cost (EUR)	Sources of Funding	Timing	
				Start	End
Intervention Area / Specific Objective 1. To develop physical infrastructure for startups and business community meetings					
1.1 Establish a co-working and innovation Hub	Alytus city municipality	7 100 000	EU funds City budget State budget	2023	2028
1.2 Develop a business accelerator program	Alytus city municipality	65 000	EU funds City budget State budget, business	2025	2027
1.3 Launch a business incubator program	Alytus city municipality	45 000	City budget State budget	2025	2029
1.4 Organize regular networking events and workshops	Alytus city municipality	70 000	EU funds City budget State budget	2026	2028

1.5 Provide STEAM lessons for basic school students	Alytus city municipality	70 000	EU funds City budget State budget	2026	2028
Intervention Area / Specific Objective 2 To improve access to financial resources for startups					
2.1 Establish a startup grant fund	Alytus city municipality	55 000	EU funds City budget	2026	2027
2.2 Organize pitch competitions with financial rewards	Alytus city municipality	105 000	EU funds City budget	2026	2028
2.3 Set up a startup financing workshop series	Alytus city municipality	66 000	EU funds City budget	2026	2028
Intervention Area / Specific Objective 3 To build business ecosystem involving all stakeholders					
3.1 Create a business stakeholder forum	Alytus city municipality	120 000	EU funds City budget	2025	2028
3.2 Develop an online business ecosystem platform	Alytus city municipality	30 000	EU funds City budget	2026	2026
3.3 Organize cross-sector	Alytus city municipality	75 000	EU funds	2026	2028

collaboration workshops			City budget		
3.4 To develop platform for learners, students, expatriates;	Alytus city municipality	30 000	EU funds City budget	2026	2026
3.5 Prepare city branding and talent attraction program.	Alytus city municipality	30 000	EU funds City budget	2026	2026
Total for IAP		**7 861 000**			

Funding Sources – Suggested Mechanisms

To finance the IAP effectively, Alytus will combine **municipal funds**, **national support programs**, and **EU structural and innovation funding**, including:

- **EU Structural and Investment Funds**:
  - **European Regional Development Fund (ERDF)** – infrastructure and innovation hubs.
  - **European Social Fund+ (ESF+)** – skills, entrepreneurship, inclusion.
- **EU Programmes and Calls**:
  - **Horizon Europe** – innovation and startup accelerator support.
  - **Digital Europe Programme** – ecosystem platform and digital skills.

    - **Interreg Europe / URBACT** – cooperation and cross-border knowledge sharing.
- **National & Regional Funds**:
    - **Lithuanian Innovation Promotion Fund**
    - **National SME development schemes**
- **Private Sector / NGOs**:
    - **Local sponsorships** (for events, platforms).
    - **Angel investors and venture capital** (for accelerator/startup support).

Phased Funding Plan

Phase	Years	Key Actions to Fund	Estimated Total (€)
Short-Term	2025–2026	Startup grants, accelerator, stakeholder forum, early events	~220 000
Mid-Term	2026–2027	Financing workshops, incubator, online platform, pitch competitions	~ 287 000
Long-Term	2027–2029	Innovation Hub, branding program, student/expat platform	~7,400 000

Non-Financial Resources Needed

- **Land/Buildings**: The co-working hub will use a municipally owned site (Žuvinto g. 4).
- **Expertise**: Partnerships with universities, business mentors, and tech associations.
- **Legal and Technical Services**: For platform development, grant compliance, and public procurement.

Conclusion

By combining **targeted funding**, **well-structured phasing**, and **diverse resource channels**, Alytus can sustainably implement its IAP and ensure measurable impact. A Funding Strategy Task Group will be created within the IAP Task Force to track opportunities and prepare applications. Regular coordination with national funding agencies and EU liaison offices will help Alytus secure the required financial backing.

4.4. Monitoring Framework and Process

Effective monitoring is essential to ensure the successful implementation of the Integrated Action Plan (IAP) for Alytus City. This framework defines **who is responsible**, **how data will be collected and used**, and **how findings will influence decision-making**.

Responsibility for Monitoring

The **Business Support Department** will lead the monitoring process through a **dedicated Monitoring and Evaluation (M&E) Team**, embedded within the IAP Implementation Task Force. This team will:

- **Coordinate all monitoring efforts**, ensuring consistency and accuracy.
- **Assign tracking responsibilities** to specific municipal departments based on indicator type (e.g., financial KPIs to Finance Dept., business KPIs to Business Support Dept.).
- Compile, validate, and report all data regularly.

Indicator Type	Responsible Entity
Financial metrics (grants, investments)	**Finance and Investment Department**
Startup creation, ecosystem activities	**Business Support Department**
Education-related indicators	**Education Department**
Social engagement, ULG impact	**ULG cordinator**

Monitoring Tools and Frequency

Report Type	Frequency	Produced By	Submitted To
Internal Progress Report	Quarterly	M&E Team	IAP Task Force & Steering Committee
Annual Public Report	Annually	M&E Team + Departmental Data	City Council
Mid-Term Evaluation	End of Year 1	M&E Team + external evaluator	Steering Committee & City Council
Final Evaluation	End of IAP	Independent external evaluator	City Council & Steering Committee

Digital Dashboard: An online IAP monitoring platform will be used to track KPIs in real time, allow stakeholder access, and support transparency.

Role of the Steering Committee and ULG in Monitoring

- **Steering Committee**: Reviews quarterly and annual reports. If performance lags, they initiate corrective measures and recommend strategic adjustments to the City Council.
- **Urbact Local Group (ULG)**: Participates in **annual review workshops**, providing feedback on impact, equity, and relevance. They also monitor social inclusion and grassroots engagement indicators.

Independent External Evaluation

To strengthen accountability and transparency, the IAP includes:

- A **mid-term review** by a third-party expert in public policy or audit
- A **final impact evaluation** focused on effectiveness, efficiency, and long-term sustainability.

These evaluations will:

- Validate the internal monitoring results.
- Provide objective recommendations for future IAPs or scaling actions.

Using Monitoring Data for Action

- **Corrective Action Process**:
    - KPIs falling behind target are flagged by the M&E Team.
    - Steering Committee discusses and agrees on mitigation strategies.
    - Adjustments (budget reallocation, timeline shifts) are proposed and approved by the City Council.
- **Public Accountability**:
    - Annual public reporting ensures transparency.
    - Citizen input is invited through feedback forms and forums linked to ULG sessions.

Conclusion

This improved monitoring framework ensures:

- Clear accountability through department-level roles.
- Informed governance through Steering Committee oversight.
- Independent review for credibility.
- Active stakeholder involvement via the ULG.

It ensures that **monitoring is not only about data collection but also about continuous learning, adaptation, and inclusive decision-making**.

Result indicators

Specific objective	Result indicator			
	Definition	Baseline value	Target value	Source of Information
SO1 Improve access to state-of-the-art infrastructure for startup businesses	Number of new co-working spaces, business incubators and innovation hubs established	0	At least 1 co-working space and business incubator established	Municipal Infrastructure Reports, Building Permits
	Number of startups, operating in Alytus city's hub	0	At least 5 startups operating within new hubs	Business Registration Data, Hub Operator Logs
SO2 Improving access to financial resources for startups	Number of startups receiving financial support and still operating after 1 year Total amount of funding provided to startups	0 0	At least 2 startups receive financial support and operate after 1 year At least 50 000 Eur. per year	Municipal Grant Program Records, Financial Disbursement Logs Municipal Budget Reports, Grant Disbursement Tracking

SO3 Building and improving local business ecosystem	*Number of business community meetings and networking events organized*	0	Minimum 5 per year starting 2026	Event Attendance Logs, Business Support Dept. Reports
	Number of mentorship and partnership networking events organized	0	Minimum 5 programs by 2026	Program Documentation, ULG Records
	Number of businesses and institutions engaged in ecosystem development activities	0	25+ engaged by 2028	Stakeholder Surveys, Program Registration Logs

Output indicators

Action	Output indicator			
	Definition	Baseline value	Target value	Source of Information
1.1 Establish a co-working and innovation Hub	Co-working space and incubator established	0	2 (1 of each type)	Building Completion Reports, Launch Records
1.2 Develop a business accelerator program	Startups participating annually	0	At least 5 per year	Accelerator Program Logs

1.3 Launch a business incubator program	Early-stage startups supported annually	0	At least 5	Incubator Records, Participant Feedback
1.4 Organize regular networking events and workshops	Events held annually	0	At least 5 per year	Event Agendas, Attendance Sheets
1.5 Provide STEAM lessons for basic school students	Lessons organized	0	Organize at least 2 hour STEAM learning for each grade during the year	Attendance Sheets
2.1 Establish a startup grant fund	Startups receiving grants	0	Minimum 5 per year	Grant Records, Disbursement Reports
2.2 Organize pitch competitions with financial rewards	Startups participating annually	0	Minimum 5 per year	Grant Records, Disbursement Reports
2.3 Set up a startup financing workshop series	Workshops conducted	0	Minimum 3 per year	Grant Records, Disbursement Reports
3.1 Create a business stakeholder forum	Forums held annually	0	1 per year	Forum Agendas, Attendance Logs
3.2 Develop an online business ecosystem platform	Registered users on platform	0	20+ by 2027	Platform Analytics, Registration Data

3.3 Organize cross-sector collaboration workshops	Workshops held annually	0	2 per year	Workshop Materials, Evaluation Surveys
3.4 To develop platform for learners, students, expatriates;	Individuals registered	0	1,500 by 2028	Platform Analytics, User Database
3.5 Prepare city branding and talent attraction program.	Program developed	0	1	Municipality Reports

Action	**Output Indicator**	**Definition**	**Baseline (2025)**	**Target (2028)**	**Source of Information / Method**
1.1 Co-working and Innovation Hub	Co-working space and incubator established	Facilities made operational for startups	0	2 (1 of each type)	Building Completion Reports, Launch Records
1.2 Business Accelerator Program	Startups participating annually	Startups formally enrolled in the accelerator	0	At least 5 per year	Accelerator Program Logs
1.3 Business Incubator Program	Early-stage startups supported annually	Startups receiving incubation services	0	At least 5	Incubator Records, Participant Feedback

Action	Output Indicator	Definition	Baseline (2025)	Target (2028)	Source of Information / Method
1.4 Networking Events & Workshops	Events held annually	Number of formal events conducted	0	At least 5 per year	Event Agendas, Attendance Sheets
2.1 Startup Grant Fund	Startups receiving grants	Number of distinct startups funded	0	Minimum 5 per year	Grant Records, Disbursement Reports
2.2 Pitch Competitions	Startups participating annually	Startups involved in pitch rounds	0	At least 5 per year	Event Reports, Jury Selection Logs
2.3 Financing Workshop Series	Workshops conducted	Financial literacy sessions for startups	0	3 per year	Workshop Reports, Pre/Post-Surveys
3.1 Stakeholder Forum	Forums held annually	Meetings to promote cross-sector dialogue	0	1 per year	Forum Agendas, Attendance Logs
3.2 Ecosystem Platform	Registered users on platform	Unique user profiles or organizations	0	20+ by 2027	Platform Analytics, Registration Data
3.3 Collaboration Workshops	Workshops held annually	Cross-sector innovation problem-solving sessions	0	2 per year	Workshop Materials, Evaluation Surveys
3.4 Platform for Learners/Expatriates	Individuals registered	Platform users posting profiles or opportunities	0	1,500 by 2028	Platform Analytics, User Database

Action	Output Indicator	Definition	Baseline (2025)	Target (2028)	Source of Information / Method
3.5 City Branding Program	Program developed	Communication and promotion plan completed	0	1 comprehensive program by 2028	Program Report, Public Communication Plan

4.5. Overview and Analysis of Risks

Risk Analysis Table	Description of the Risks	Likelihood (high, medium, low)	Impact (high, moderate, low)	Prevention	Mitigation
Administrative Risks	Delays in decision-making by Alytus City Council	Medium	High	Set clear deadlines and milestones for decision-making; ensure frequent communication with decision-makers	Establish contingency plans to allow project continuation while awaiting approvals
	Lack of coordination among departments and stakeholders	Medium	High	Clearly define responsibilities and establish a governance framework	Hold regular stakeholder meetings and implement an online coordination platform
Financial Risks	Insufficient funding from municipal and external sources	Medium	High	Secure multiple funding sources, including EU and private investments	Adjust project scope if needed and explore alternative financing options (e.g., public-private partnerships)
	Delays in fund allocation and budget approvals	Medium	Moderate	Set financial deadlines and ensure early preparation of funding applications	Implement phased funding disbursement to maintain workflow

Operational Risks	L ow engagement of local businesses and entrepreneurs	Medium	High	Conduct awareness campaigns and provide incentives for participation	Adjust outreach strategies and establish stronger networking events
	Shortage of qualified personnel for implementation	High	High	Develop partnerships with universities and business associations to attract talent	Provide training programs and mentorship to build local expertise
	Infrastructure development delays	Medium	High	Ensure detailed planning and early procurement of necessary resources	Establish alternative locations or temporary infrastructure solutions
Other Risks	Economic downturn affecting business activity in Alytus city	Low	High	Develop a flexible strategy that allows adaptation to economic conditions	Create emergency support programs for startups and SMEs
	Resistance to change from local businesses or institutions	Medium	Moderate	Engage stakeholders early and involve them in decision-making	Implement a communication strategy to highlight benefits and success stories

5. THE PLANNING PROCESS

5.1.Summary Description of the Planning Process

The planning process for the Integrated Action Plan (IAP) of Alytus city municipality is conducted in a structured and participatory manner, ensuring alignment with local development priorities, stakeholder engagement, and best practices in urban planning. The process was carried out in multiple phases, from initial problem identification to the finalization of strategic interventions.

The planning began with a comprehensive analysis of the key challenges facing Alytus city municipality, particularly focusing on the outflow of young talent, lack of startup infrastructure, limited financial support for businesses, and weak stakeholder collaboration. Data was collected from municipal reports, economic assessments, and stakeholder consultations to ensure a well-informed foundation for the action plan.

A crucial part of the planning process was stakeholder involvement. An Urban Local Group (ULG) was established, comprising representatives from local businesses, startups, educational institutions, municipal authorities, and civil society organizations. The group met regularly to discuss challenges, propose solutions, and shape the vision of the IAP. Public forums and workshops were also organized to ensure transparency and inclusiveness in decision-making.

Based on stakeholder consultations and research findings, the core strategic objectives were defined:

1. Developing physical infrastructure to support startups and business networking;
2. Improving access to financial resources for new and growing businesses;
3. Strengthening the business ecosystem by fostering partnerships and networking opportunities.

A set of targeted actions under each objective was designed to be realistic and measurable.

Going further, to ensure the effective execution of the IAP, a governance structure was established. The Business support Department of Alytus city municipality was designated as the lead coordinating body, with a dedicated Implementation Task Force managing the process. A Steering Committee was also formed to oversee progress and provide guidance.

A detailed risk analysis was conducted to identify potential challenges in implementing the IAP, followed by mitigation strategies. A monitoring framework was developed, incorporating key performance indicators (KPIs), quarterly progress reports, and annual evaluations to track the success of the plan.

The final version of the IAP was drafted, incorporating feedback from stakeholders and aligning with local, regional, and EU policy objectives. The plan will be submitted to the Alytus City Council for official approval, ensuring long-term institutional commitment to its implementation.

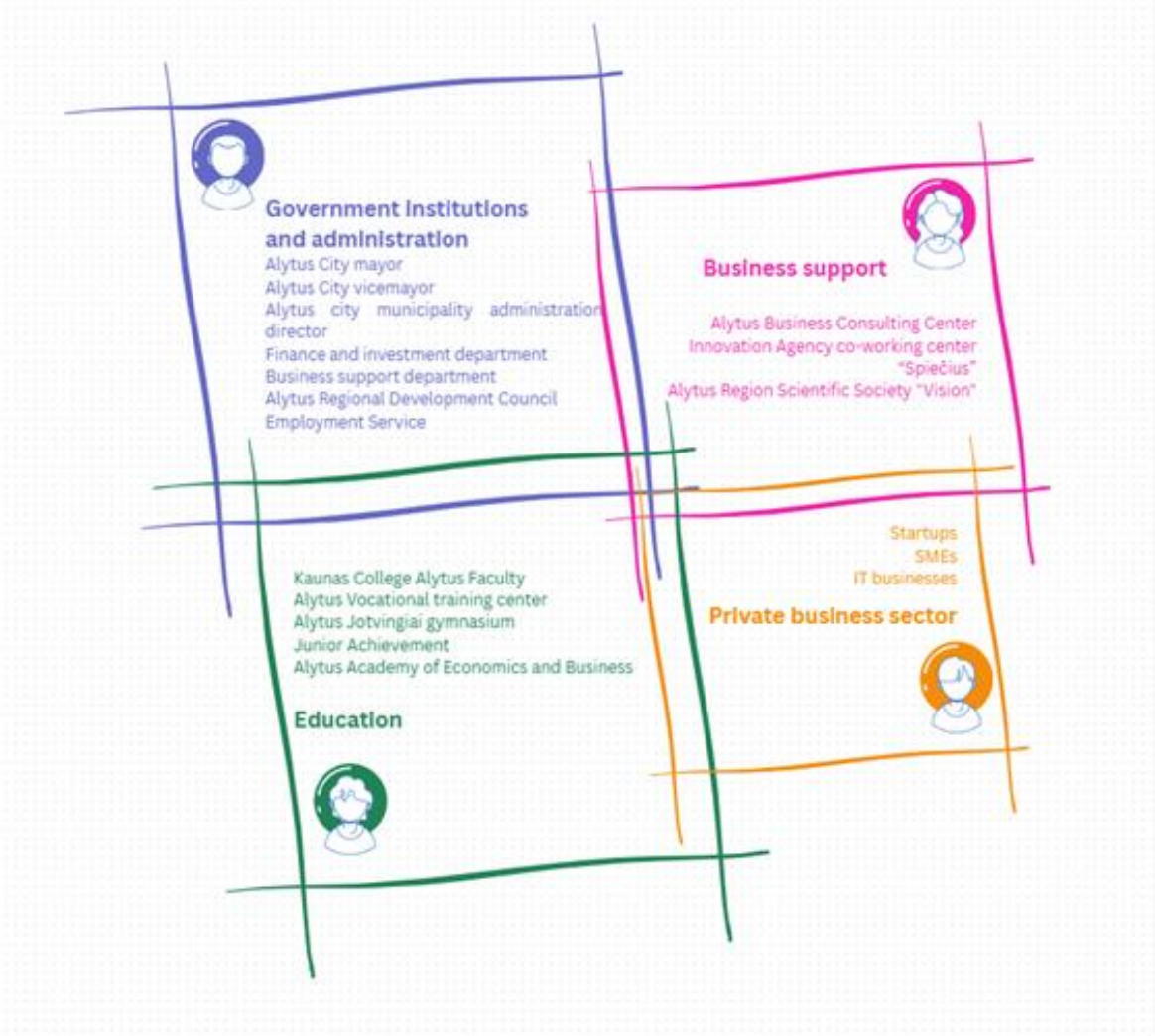
This structured planning process ensured that the IAP is comprehensive, practical, and aligned with the needs of Alytus city municipality's business community and economic development goals.

5.2. Presentation of the ULG - its members and roles

The Urban Local Group (ULG) for Alytus City plays a vital role in shaping, implementing, and monitoring the Integrated Action Plan (IAP). The ULG brings together a diverse network of local stakeholders to provide grounded knowledge, ensure relevance, and build a shared sense of ownership in economic development and talent retention strategies.

Composition of the ULG

The group includes representatives from:



Each member brings distinct expertise and access to different stakeholder groups, ensuring a wide-reaching impact.

The ULG members actively contribute to the planning, implementation, and monitoring of the IAP. Their roles include:

- Strategic Advisory in providing recommendations on the direction of economic development strategies and identifying key challenges and opportunities;
- Stakeholder Engagement in acting as a communication channel between businesses, policymakers, and the broader community to ensure alignment with local needs;
- Support in Implementation in contributing expertise, facilitating networking, and mobilizing resources to implement planned actions effectively;
- Monitoring and Feedback in evaluating the effectiveness of the IAP's actions, proposing necessary adjustments, and ensuring transparency throughout the process.

Over project period, the URBACT Local Group has served as a dynamic and evolving forum comprising a diverse range of stakeholders. To increase effectiveness and focus, the ULG was structured into smaller working groups tasked with specific responsibilities. This allowed for more targeted collaboration and efficient progress on key areas of the strategy.

The ULG meets quarterly to review progress, discuss challenges, and refine implementation strategies. Additionally, specialized working groups were formed to focus on specific areas such as funding access, infrastructure development, and business networking initiatives.

By integrating a broad range of stakeholders and fostering a collaborative approach, the ULG ensures that the IAP is responsive to local needs, effectively implemented, and sustainable in the long run.

Name	Organisation represented, position	Relevance to the policy challenge	Possible future role in the IAP
Nerijus Cesiulis	City mayor	Project support and policy alignment	Implementation supervision
Gintaras Rakaitis	Administration director	Project support and policy alignment	Implementation supervision
Neringa Rinkevičiūtė-Laurinaitienė	Finance and investment department	Project management	IAP implementation
Rasa Michnovič	Business support department	Business support	IAP implementation
Asta Kimantė	ULG coordinator		IAP implementation
Kamilė Albavičienė	Business support department	Business support	IAP implementation
Algimanta Ščiglinskienė	Public institution Alytus Business Consulting Center	Business association	Possible social partner
Rytis Zautra	Alytus Region Scientific Society "Vision"	Know-how	Possible social partner
Vilija Maksimaviciene	Employment Service		Possible social partner
Jurgita Butrimaitė	Alytus region development council	Project support, EU funding	Possible social partner
Robertas Ulinskas	JSC IT Solutions	IT business	Possible angel

Živilė Šatienė	Alytus vocational training centre	Vocational education collaboration	Possible social partner
Iveta Dimšienė	Spiečius	Business support	Possible social partner
Donatas Vasiliauskas	Junior Achievemnet	Young talents	Possible social partner
Toma Ramančiukaitė	Balti miltai, SC	Startup	Possible angel
Mindaugas Samuolaitis	Kaunas College Alytus Faculty	Higher education collaboration	Possible social partner

5.3. Role and Impact of Transnational Learning – the URBACT added value

The participation of Alytus City in the URBACT Program has provided significant added value by facilitating transnational learning, capacity building, and best practice exchange. Through the C4TALENT network, Alytus city has gained exposure to innovative strategies, methodologies, and policy approaches that enhance the effectiveness of the IAP.

To sum up, main key Benefits of Transnational Learning could be distinguished:

- Examples of co-working spaces, startup incubators, financial support programs and governance models from partner cities have been analyzed and integrated into Alytus' approach. The visit to Norrsken Barcelona House provided a positive example for the concept.
- Local stakeholders, including municipal representatives, business leaders, and educational institutions have benefited from training sessions, workshops, and peer-to-peer exchanges;
- New governance and management tools have been introduced to improve coordination and efficiency in implementing the IAP;
- Lessons from URBACT partner cities have reinforced the importance of collaborative governance models and multi-stakeholder engagement. MasterClass of Alison Partridge and Tracey Johnson highlighted that not every city needs a hub – some remain empty after they are built, unfortunately, because the concept behind them wasn't very strong.
- The development of the ULG was inspired by best practices from URBACT, ensuring inclusive and participatory decision-making;
- The insights gained from URBACT have helped align Alytus city's economic development strategies with EU priorities, including green economy, digital transformation, and inclusive growth;

- New approaches to monitoring and evaluation have been adapted to ensure that the IAP remains dynamic and results-driven.

Moreover, the project also has a long-term positive impact on Alytus city, since by participating Alytus city has developed a more structured, innovative, and sustainable approach to business support, entrepreneurship and economic development. The transnational collaboration has helped to refine local policies with international insights, develop cross-border partnerships that can lead to future cooperation projects and ensure long-term sustainability of the IAP through continuous learning and adaptation.

The URBACT experience has significantly improved the knowledge base, networking opportunities and policy-making capabilities of Alytus city, ensuring a stronger, more resilient business ecosystem in the long run.

5.4. Testing Actions and Key Learnings

Pilot Objective

The pilot action was designed to **reduce the outflow of young talent** by encouraging entrepreneurship among youth (up to 29 years old) through **direct financial support**, **business setup incentives**, and **public promotion of entrepreneurship**.

What Was Tested?

- **A new amendment** to the Alytus Business Support Programme, allowing **young individuals** and **their startups** to receive municipal funding for:
    - Business registration costs
    - Equipment acquisition
    - Premises rental
    - Training and consultations

Public awareness and engagement were enhanced by organizing the **"Innovation and Entrepreneurship Camp Night in Alytus"**, a youth-focused event promoting the new funding opportunity.

Quantitative Results

Metric	Result
Total program budget	€43,000
Applications received	10
Applications under youth-focused measure	2

Metric	Result
% of total allocated to young entrepreneurs	~18%
Grants awarded to youth	2 (totaling €7,700)
Satisfaction rate (feedback survey)	100% reported ease of application and satisfaction with support

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Success Measurement

Success was not only measured by the **number of applications**, but also by:

- **Application-to-approval rate**: 100% of youth-focused applications were approved.
- **Youth engagement quality**: Beneficiaries expressed strong satisfaction with the process and clarity of support.
- **Public event participation**: "Camp Night" attracted over 60 attendees, including students, aspiring entrepreneurs, and youth organisations.

Iteration and Scaling Strategy

Based on the pilot's success, several **lessons and next steps** have been identified:

1. Increase Outreach to Younger Entrepreneurs

- Many potential applicants learned about the program too late or were unaware of eligibility criteria.
- Future versions will include **targeted communication campaigns** (via schools, youth organisations, TikTok/Instagram).

2. Simplify Application Process Further

- While current feedback was positive, digital application forms and online submission tools will be introduced.

3. Introduce Follow-Up Mentorship

- Grants alone are not enough—next iteration will pair recipients with **local mentors** from the business community for 6-month follow-up support.

4. Measure Long-Term Outcomes

- A new metric will be added to track **business survival rate** after 12 and 24 months.
- Grant recipients will submit **brief quarterly updates** to the Business Support Department.

How the Pilot Influences the IAP

The pilot confirmed that **young people in Alytus are motivated but lack support structures**. As a result, the tested support model is:

- **Fully integrated into the IAP's Intervention Area 2** (Improving access to finance).
- Serving as a **proof of concept** for future actions like pitch competitions and startup grant schemes.
- Inspiring the creation of **a recurring "Youth Startup Day"** as part of Alytus' annual business calendar.

Conclusion

The testing action proved that even small-scale, well-designed interventions can **trigger real entrepreneurial interest among youth**. With minor adjustments and broader outreach, it can be **scaled city-wide** and become a cornerstone of Alytus' strategy to **retain young talent and build an innovation-driven economy**.

6. SUPPORTING DOCUMENTS

These are basically the annexes that should not fit in the IAP core text but contain valuable complementary or supporting information.

Some examples:

- detailed tables of statistical data
- images (for instance the picture of a problem tree you created in your ULG)
- Visual design of a building, hub planned
- detailed results of a survey you delivered
- etc…