



City of Alytus

Integrated Action plan SUMMARY

URBACT



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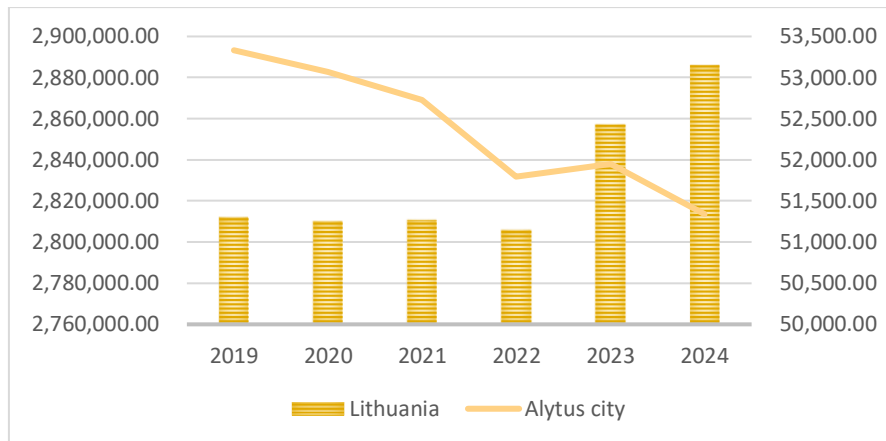
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1. CONTEXT: ALYTUS CITY PROFILE & CHALLENGES

Alytus is a mid-sized Lithuanian city of 51,340 residents located in the southern part of the country. Though it is the sixth-largest city by population, it is the smallest in terms of land area (39.45 km²). Strategically positioned, Alytus has strong road connectivity to Vilnius (109 km), Kaunas (71 km), and Poland (55 km), positioning it as a potential regional hub.

Demographic Trends

- **Population Decline:** From 2019 to 2024, the birth rate in Alytus County dropped by 32%, and the natural population change averaged -410 per year.
- **Aging Society:** By 2024, 25.4% of the county's residents were at retirement age, compared to only 12.8% under age 15.
- **Negative Migration:** Migration trends are mostly negative, with young people leaving for education and rarely returning.



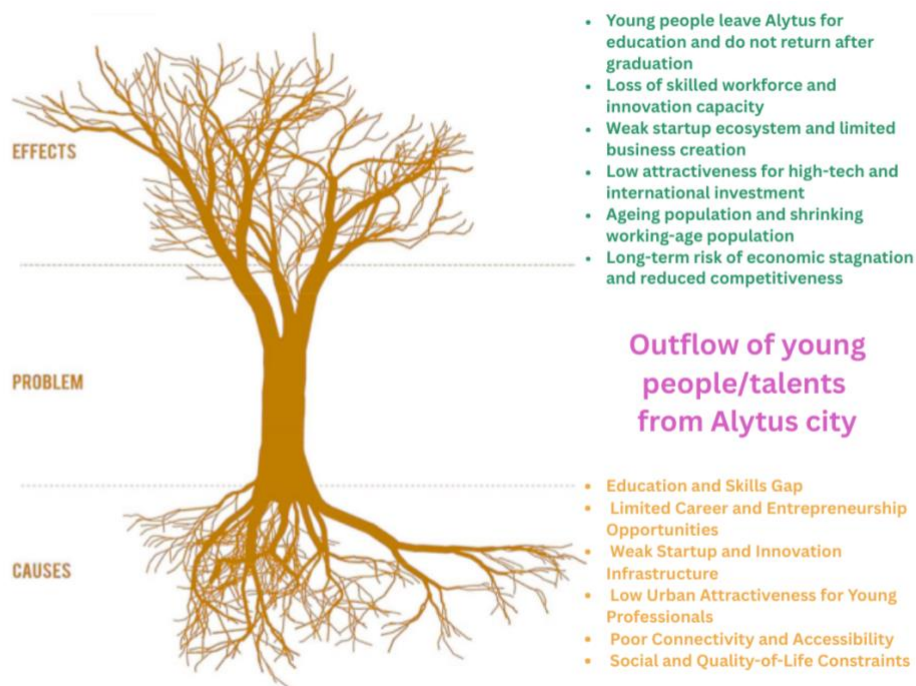
Graph 1. Population tendency in Alytus city versus Lithuania during 2019-2024, number of inhabitants

Economic Structure

The city is characterized by a legacy of industrial production — including furniture, plastics, food processing, and textiles — and a substantial portion of its area is composed of green public spaces (over one-third). However, its economic structure is largely based on low-value-added manufacturing and services.

Alytus has 2,279 businesses, comprising nearly half of all businesses in Alytus County. However, most are small and medium-sized enterprises (SMEs) concentrated in traditional industries. Key stats:

- **Employment (2024):** 79.6% in Alytus city — above national (78.8%) and EU average (75.3%).
- **Gender Gap:** Women are underrepresented in high-value and technical fields.
- **Value-added limitation:** Over 60% of gross value added stems from low-growth sectors such as trade, transport, and accommodation.



Graph 2. Problem tree

During ULG meetings it was discussed a lot of challenges that city faces up. However all stakeholders agreed that main challenge that has very big influence to city development is related with young talents.

Core Challenge: Talent Outflow and Brain Drain

Outflow of young people/talents from Alytus city, driven by:

- Lack of universities and attractive higher education options.
- Absence of modern workspaces or innovation-driven business infrastructure.
- Few high-tech or knowledge-intensive employers.
- Limited financial support for startups and weak entrepreneurial culture.

Structural & Infrastructure Challenges

- 1. Weak startup infrastructure:**
 - No dedicated tech incubators or hubs.
 - Only 22 spaces available in the “Spiečius” community hub.
- 2. Limited housing & urban amenities:**
 - Few attractive residential or recreational options.
 - No large shopping malls or high-end dining/leisure infrastructure.
- 3. Outdated educational infrastructure:**
 - Preschool infrastructure does not meet modern standards.
 - Absence of competitive university education offerings in the city.
- 4. Poor intercity connectivity:**
 - No direct train access to Vilnius or Kaunas.
 - Low public transportation convenience for commuters.

Social Challenges

- **Elderly care:** Insufficient care institutions and availability.

- **Healthcare access:** Limited staff and long wait times; some services unavailable locally.
- **Income inequality:** Due to dominance of low-value industries, salaries are lower than in major cities.

Alytus possesses strategic geographic advantages and a motivated local workforce. However, the city struggles with depopulation, a weak innovation ecosystem, and insufficient youth retention. Addressing these interconnected challenges through improved infrastructure, education, business support, and branding efforts is essential for reversing the talent outflow and positioning Alytus as a digital and entrepreneurial capital in Southern Lithuania.

2. METHODOLOGY. ULG. VISION DEFINITION

Methodology

C4TALENT is a transnational **URBACT Action Planning Network** uniting European cities to tackle a common challenge: **retaining and attracting talent to smaller urban areas**. Mission - to design Integrated Action Plans (IAPs) that help participating cities become more attractive and competitive places for **young people, professionals, entrepreneurs, and digital talent**.

The network consists of **small and medium-sized cities** from across Europe, each facing challenges related to youth outmigration, weak startup ecosystems, brain drain to capital cities, limited access to modern work and education infrastructure. Participating cities (e.g. Alytus, Lithuania) collaborate with peers, share solutions, and **co-develop strategies** to strengthen their **entrepreneurial ecosystems**, improve quality of life, and build future-ready cities.

C4TALENT Provides expert support from URBACT, peer learning through transnational workshops and site visits, practical tools and guidance to co-create policy with stakeholders, opportunities to test pilot actions and adapt best practices from across Europe.

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, best practices in urban planning and also made testing actions results.

URBACT Local Group

A crucial part of the planning process was stakeholder involvement. An URBACT Local Group (ULG) was established, comprising representatives from:



Graph 3. URBACT Local Group

ULG members met regularly and discussed issues related to the IAP. The activities of the ULG are as follows:



Graph 4. URBACT Local Groupe meetings time line

Vision definition

By closely working with the ULG, the core problem was identified and an ambitious vision was defined.

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.

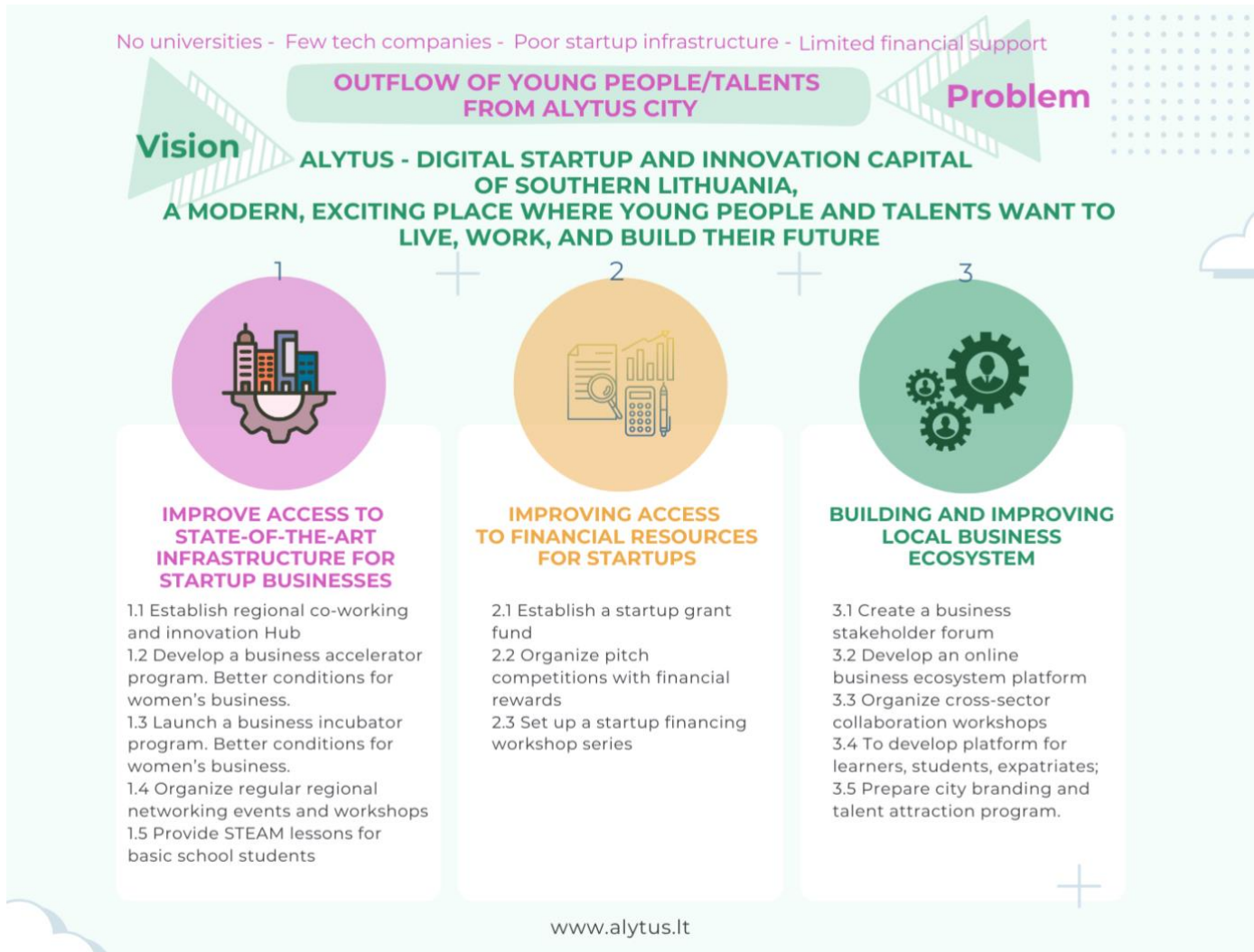
- Educational programs will include more tech and digital subjects, helping students prepare for careers in innovation.
- Mentorship and networking events will connect young entrepreneurs with experienced professionals who can guide and support them.
- Living in Alytus will be attractive, not only because 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.

3. VISUAL SUMMARY OF INTERVENTION LOGIC



Graph 5. Intervention logic

4. SUMMARY ACTION TABLES

STRATEGIC OBJECTIVE 1:

Improve access to state-of-the-art infrastructure for startup businesses.

Action	Description	Output target	Action Lead	Partners	Resourcing	Timeframe
1.1 Establish regional co-working and innovation Hub	Establish a co-working and innovation hub with modern facilities, high-speed internet, and networking spaces to support startups and entrepreneurs	At least 1 co-working and innovation hubs established	Alytus city municipality		EU funds City budget State budget	48 months Long-term
1.2 Develop a business accelerator program. Better conditions for women's business.	Establish a business accelerator program providing mentorship, training, and seed funding to startups	At least 5 startups participating in the accelerator program annually	Alytus city municipality	social partners, business angels	City budget Business, State budget	18 months Medium-term
1.3 Launch a business incubator program. Better conditions for women's business.	Support early-stage startups with mentoring, office space, and business development training	At least 5 early-stage startups supported by the incubator	Alytus city municipality		city budget	6 – 12 months Short-term

1.4 Organize regular regional networking events and workshops	Organize business networking events and workshops to connect entrepreneurs, investors, and industry experts	At least 5 networking events and workshops organized annually	Alytus city municipality	social partners, business	City budget, business, EU funds	Start within 3 months, with quarterly events Long-term
1.5 Provide STEAM lessons for basic school students	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	At least 2 hour learning for each grade during the year	Alytus city municipality	social partners, business	City budget, state budget, business	Start within 6 months Long-term

**STRATEGIC OBJECTIVE 2:
Improving access to financial resources for startups**

Action	Description	Output target	Action Lead	Partners	Resourcing	Timeframe
2.1 Establish a startup grant fund	Provide financial grants to startups to cover initial costs like product development and hiring	At least EUR 50 000 of grant funding distributed annually	Alytus city municipality	social partners, business angels	City budget, business, state budget	20 months to establish; ongoing grant cycles
2.2 Organize pitch competitions	Organize pitch competitions where startups present their ideas to investors and	At least 5 startups participating in pitch competitions annually	Alytus city municipality	social partners, business angels	City budget, State budget, EU funds, business	6 months to organize the first event; annual or bi-annual competition

with financial rewards	compete for financial prizes					
2.3 Set up a startup financing workshop series	Conduct workshops to educate startups on funding options and financial management	At least 3 financial literacy and funding workshops organized annually	Alytus city municipality	social partners, business	City budget, EU funds, business	3-6 months to set up; ongoing workshops quarterly

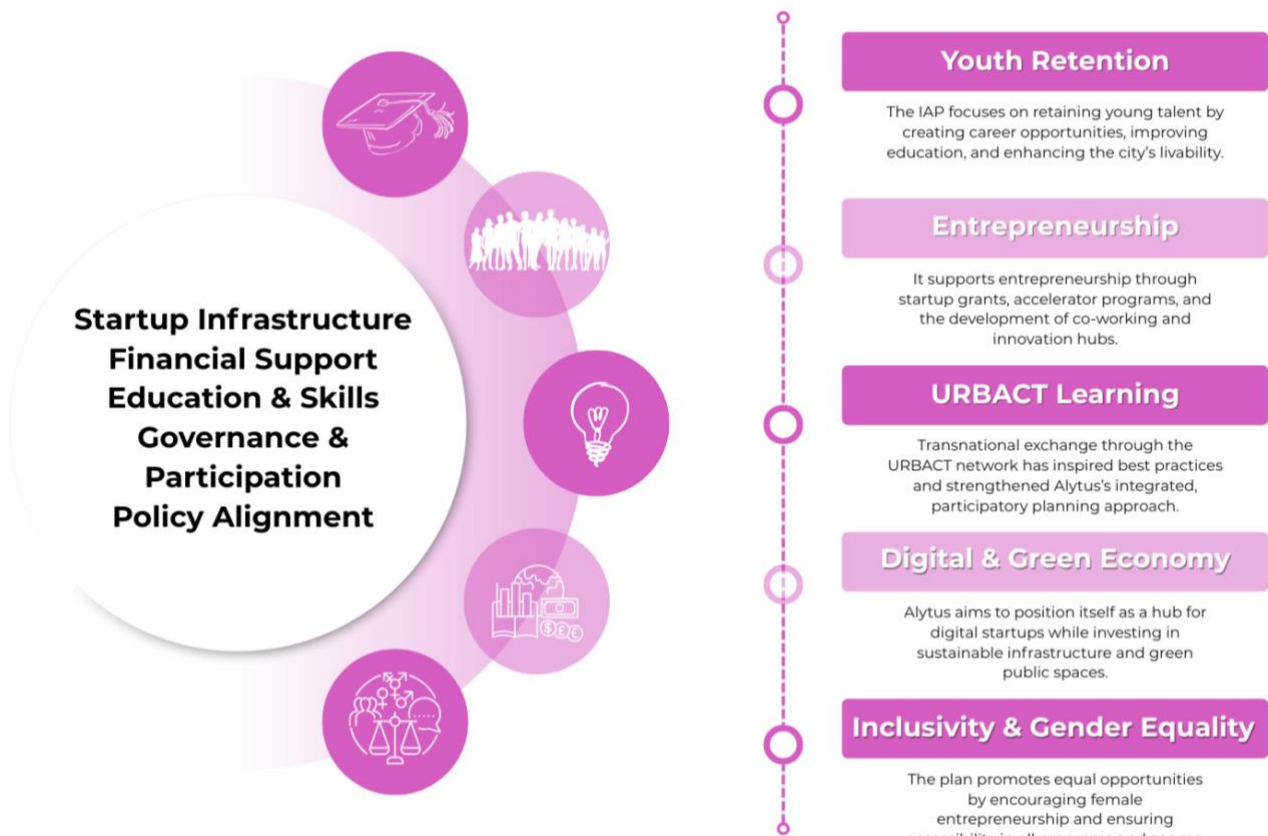
**STRATEGIC OBJECTIVE 3:
Building and improving local business ecosystem**

Action	Description	Output target	Action Lead	Partners	Resourcing	Timeframe
3.1 Create a business stakeholder forum	Establish a recurring forum for businesses, government, and academia to collaborate	At least 1 stakeholder forums held annually	Alytus city municipality	social partners, business	City budget, State budget, business	4-6 months to establish; ongoing meetings
3.2 Develop an online business ecosystem platform	Create an online platform to facilitate collaboration, knowledge sharing, and networking among businesses and entrepreneurs	At least 20 registered users on the business ecosystem platform	Alytus city municipality	social partners, business	City budget, business	9-12 months to develop and launch; ongoing maintenance
3.3 Organize cross-sector	Organize workshops to encourage cooperation between startups,	At least 2 cross-sector collaboration	Alytus city municipality	social partners, business	City budget, EU funds, business	6 months to organize the first workshop; bi-

collaboration workshops	corporations, academic institutions, and investors	workshops organized annually				annual workshops afterward
3.4 To develop platform for learners, students, expatriates;	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	At least 100 registered persons	Alytus city municipality	social partners, business, media	City budget, EU funds	12 months
3.5 Prepare city branding and talent attraction program.	Develop city attractiveness presentation programme to showcase the city's attractiveness for work and life and to provide tools for finding talent	Prepared program	Alytus city municipality	social partners, business, media	City budget, business	18 months

5. INTEGRATED APPROACH

The Integrated Action Plan (IAP) for Alytus City adopts a **holistic, multi-stakeholder, and multi-sectoral approach** to address the outflow of young talent and create an ecosystem that supports entrepreneurship, innovation, and sustainable development. The integrated methodology ensures that actions are not fragmented but aligned across key areas—**infrastructure, funding, education, governance, and community engagement**.



Graph 6. Integrated approach

Strategic Integration Across Sectors

The plan connects diverse sectors such as business development, education, digitalization, social inclusion, and green infrastructure. For example, startup support actions are complemented by STEAM education in schools, financial incentives, and co-working spaces, all reinforcing each other to improve Alytus' entrepreneurial climate.

Stakeholder Engagement

The involvement of the **Urban Local Group (ULG)**—a diverse body of representatives from local government, businesses, educational institutions, NGOs, and citizens—ensures that local needs and expertise shape the strategy. The ULG's working groups further specialized on infrastructure, funding, and outreach, enhancing coordination and local ownership of the plan.

Alignment with Policy Frameworks

The IAP is tightly aligned with local, regional, and national policies (e.g., the **Strategic Development Plan of Alytus 2030, Sustainable Development Strategy 2023–2029**, and **Functional Zone Strategy 2024–2029**) and European priorities like digital transformation and green economy. This increases synergies and strengthens eligibility for external funding.

Cross-Cutting Themes

The IAP mainstreams **gender equality, youth empowerment**, and **inclusivity**. Special attention is given to increasing participation of women in business, and to ensuring accessibility and relevance of educational and startup programs.

Learning and Adaptation

The integrated approach is strengthened by lessons from **URBACT transnational learning**, such as insights from Norrsken Barcelona or masterclasses on inclusive hub design. These experiences informed the plan's priorities and delivery model, ensuring relevance and feasibility.

By weaving together physical development, economic initiatives, governance reforms, and community empowerment, the integrated approach ensures that the IAP delivers not just isolated improvements, but a **coherent transformation of Alytus into a talent-friendly, innovation-driven city**.

Participation in the C4TALENT network had a clear influence on the development of Alytus' Integrated Action Plan by strengthening its focus on talent retention through entrepreneurship, startup infrastructure and ecosystem building. Transnational exchanges provided practical insights into co-working hub concepts, support instruments and participatory governance models, which were adapted to the local context and embedded in the IAP. C4TALENT builds on Alytus' previous URBACT experience in **Tech Revolution 2.0** network, economic development, capitalising on established stakeholder cooperation and participatory planning practices, while moving from earlier strategic learning towards more concrete, implementable actions. Together, the URBACT projects form a cumulative learning process that reinforces Alytus' long-term capacity to attract and retain talent.

7. FUNDING, GOVERNANCE & MONITORING

Funding

The total estimated budget for implementing Alytus City's IAP is **€7.9 million**, covering infrastructure development, startup support, ecosystem building, and talent retention measures. 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).

A phased funding strategy is planned:

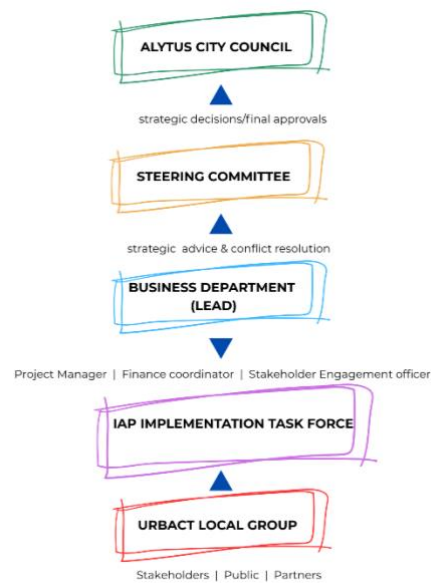
- **Short-Term (2025–2026):** €220,000 for startup grants, forums, and events
- **Mid-Term (2026–2027):** €287,000 for workshops, incubators, and competitions
- **Long-Term (2027–2029):** €7.4 million, primarily for the co-working and innovation hub

Non-financial resources include municipally owned land (e.g., Žuvinto g. 4 for the Alytus HUB) and expertise from educational institutions and business networks.

Governance

Implementation will be led by the **Alytus City Municipality**, with formal approval from the **City Council**. Governance responsibilities are distributed as follows:

- **City Council:** Final authority on major decisions and budget reallocations.
- **Business Support Department:** Manages day-to-day operations, reporting, and financial oversight.
- **IAP Task Force:** Includes a Project Manager, Financial Coordinator, and Stakeholder Engagement Officer.
- **Steering Committee:** Composed of local officials and stakeholders, meets quarterly.
- **Urban Local Group (ULG):** Represents businesses, educators, and civil society; provides grassroots insight and helps in implementation.



A digital collaboration platform will support communication, while working groups ensure detailed coordination across priority areas.

Monitoring

Monitoring will be coordinated by the **Business Support Department's M&E Team**. It includes:

- **Quarterly internal reports** and **annual public reports**
- **Mid-term and final evaluations** (independent)
- Real-time tracking via a **digital dashboard**

Indicators will measure both results (e.g., number of startups funded, new business spaces) and outputs (e.g., number of events, mentorships).

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 coordinator

The **Steering Committee** will act on underperformance, supported by stakeholder feedback through the ULG. Adjustments, including budget or timeline changes, require Council approval.