



## REVIEW OF POLICY DOCUMENTS AND RECOMMENDATIONS FOR THE DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP IN THE ZEMGALE PLANNING REGION AND NORTHERN LITHUANIA (PANEVĒŽYS REGION)

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### REVIEW OF POLICY DOCUMENTS AND RECOMMENDATIONS FOR THE DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP IN THE NORTHERN LITHUANIA (PANEVĖŽYS REGION)

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## REVIEW OF POLICY DOCUMENTS AND RECOMMENDATIONS FOR THE DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP IN THE ZEMGALE PLANNING REGION

### Introduction

There are 25 social enterprises operating in the Zemgale region, accounting for 9% of the total number in Latvia (as of 30 November 2025). Almost half (48%) of these enterprises focus on social care services, a quarter (24%) operate in the field of education, 16% represent the health and sports sector, while the remaining 12% cover the environmental, tourism and cultural sectors. This distribution of sectors reflects a strong focus on regional needs, including care for the elderly and the integration of different population groups, effectively promoting employment and reducing social exclusion. Social entrepreneurship thus serves as an innovative tool for achieving regional socio-economic goals, offering sustainable solutions and combining business efficiency with social welfare.

To promote the development of social entrepreneurship in the region, the review provides policymakers with an analytical overview of the social entrepreneurship ecosystem in the Zemgale Planning Region (ZPR). Based on regional plans and the action plans of the municipalities of Bauska, Aizkraukle, Jelgava, Dobele, Jēkabpils district, and the city of Jelgava, the report analyzes the regulatory framework, cooperation models, the needs and resources of target groups, and emphasizes the importance of social entrepreneurship in addressing the challenges of the region, identifying its potential for development and obstacles.

The main task is to provide practical recommendations for integration into the "Zemgale Planning Region Development Programme 2021-2027" (ZPR Development Programme), creating a coordinated support system in the region.

### Overview of planning documents, regulatory acts and cooperation models

A stable and coordinated policy framework is a critical prerequisite for the targeted and sustainable development of social entrepreneurship. It not only ensures legal clarity and predictability for entrepreneurs, but also promotes the effectiveness of support mechanisms and cooperation between public, private and non-governmental sector participants.



The field of social entrepreneurship (SE) in the Zemgale region is influenced by several national and local documents that form its legal and strategic basis:

- **National regulatory acts:**
  - **The Social Enterprise Law**, which defines the status of social enterprises, their operating principles and support mechanisms.
  - Related **Cabinet of Ministers regulations** detailing the application of the law: CM Regulations No. 173 (on target groups and status granting), No. 101 (on the Social Enterprise Commission) and No. 197 (on commercial activity support conditions).
- **Regional and municipal strategies:**
  - [The ZPR Development Programme 2021-2027](#) sets out specific courses of action, such as R 2.1.3., which aims to promote the synergy of social services with other services, including the promotion of social entrepreneurship, and R 3.1.3., which calls for promoting the development of SE in the region by identifying and pooling municipal resources.
  - **Local government development programmes and sustainable development strategies** set specific tasks at the local level. For example, [the Bauska District Development Programme for 2022-2028](#) includes action line U 7.4.1., which provides for "establishing cooperation with social entrepreneurs" and creating a support system for promoting SE; Chapter 6, "Functional Cooperation Areas," [of the Jelgava City and Jelgava County Sustainable Development Strategy until 2034](#) provides for mutual cooperation with social entrepreneurs in addressing social service issues, etc.

At the regional and local levels, the development of social entrepreneurship is integrated into broader development planning documents, which indicates a strategic, albeit still fragmented, approach to promoting this area.

This integration forms the basis for several stable cooperation models in the Zemgale region, which promote the development of the SE ecosystem. The cooperation models also show that the support that local governments can provide to social enterprises is diverse:

- **Delegation of social services:** Local governments actively cooperate with non-governmental organizations (NGOs) by delegating the provision of social services to them. For example, Bauska Municipality cooperates with the association "Cerību spārni" (Wings of Hope), which provides day centres, respite services, specialized workshops, and group homes. Jēkabpils Municipality cooperates with the association "Latvijas Sarkanais Krusts" in the field of home care services and with the association "Vidusdaugavas NVO" in



providing day centre services. Similar to cooperation with NGOs, local government services can also be delegated to social enterprises.

- Financial support programmes:** Local governments organize grant competitions for NGOs and entrepreneurs, which often serve as the first step toward implementing social ideas. These include competitions specifically designed for starting/developing social businesses, such as the SE idea competition "Impulss" in Jelgava, as well as the SE grant programme "Augšup" (Upwards), which has been implemented in the Jelgava region in cooperation with SEB Bank, but other municipalities are also planning to participate in the future.
- Community involvement and advisory networks:** Participatory budgets, residents' and entrepreneurs' advisory councils serve as platforms for identifying needs, engaging in dialogue with the public and businesses, and making joint decisions on the development of social initiatives. Local governments also offer mentoring and consulting services to social entrepreneurs.
- Provision of premises and infrastructure:** Local governments provide premises and outdoor areas for use free of charge and grant discounts on rent. For example, in Jelgava, a rent discount has been granted to the social enterprise SIA Austras raksti, and SIA BJMK has been granted the use of land for a parking lot and outdoor activities. Local governments also create specially equipped places - co-working and co-working spaces, community centres where entrepreneurs, including social entrepreneurs, can work, hold meetings, and use various equipment (in Dobeles, Aizkraukle, Jēkabpils, and Bauska municipalities).

These cooperation models often have a project-based approach, which points to a regional challenge: the transition from reactive cooperation to the formation of strategic, sustainable partnerships. An analysis of the policy framework and cooperation practices reveals both significant strengths and major challenges in the region.

Strengths	Challenges
<p><b>Active SE sector:</b> Many strong SEs are active in the region, especially in the city of Jelgava. Successful cooperation between local governments and SEs has also been implemented in the region, creating a base of experience that can be replicated. Meanwhile, there are organizations in the NGO sector that</p>	<p><b>Limited cooperation between partners:</b> Cooperation between local governments and social entrepreneurs is often fragmented and based on individual projects, with a lack of long-term strategic coordination.</p>



<p>have the potential to become SEs.</p>	
<p><b>Municipal grant programmes:</b> Grant competitions and participatory budgets serve as a basis for financial support for new social initiatives. However, most grant programmes are general in nature. Action plans (Dobele, Aizkraukle, Jēkabpils counties) include plans to introduce specific criteria (additional points) for supporting social entrepreneurship.</p>	<p><b>Insufficient public awareness:</b> There is a low level of understanding among both the public and decision-makers about the nature, objectives, and potential benefits of social entrepreneurship. More active communication is also needed from social entrepreneurs themselves about their activities and the positive social impact they have.</p>
<p><b>Consultative mechanisms established:</b> Consultative councils of residents and entrepreneurs are a good tool for establishing dialogue and identifying community needs. Some municipalities have already introduced local support instruments for social enterprises, such as real estate discounts (in Jelgava). Other municipalities have identified the need to develop local support instruments (Aizkraukle and Jēkabpils counties).</p>	<p><b>Regulatory restrictions:</b> Certain aspects of regulations are perceived as burdensome or insufficiently flexible, which hinders the development of social enterprises. Local and regional support instruments for social enterprises require additional political will and a regulatory framework.</p>
<p><b>Experience in providing delegated services:</b> Long-term cooperation with NGOs in the delegation of social services has created a network of reliable partners and proven cooperation models that can be transformed into social entrepreneurship.</p>	<p><b>NGOs lack business skills:</b> Many NGOs with a social mission lack knowledge about business model development, marketing, and financial planning, which hinders their potential to become social enterprises. This points to the need to develop not a general but a specialized support mechanism, such as a business incubator for social initiatives.</p>
<p><b>Experience and understanding of the field:</b> The Zemgale planning region has experience in coordinating business support at the regional level and an understanding of social entrepreneurship.</p>	<p><b>Lack of delegation and resources:</b> There is no delegation or resources specified in regulatory acts and planning documents to perform a coordinating function in the medium term.</p>



Understanding the existing political and cooperation models, the next step is to assess how they align with the real needs of communities and available resources in order to create a targeted and effective support system.

## Needs and resources

The development of an effective social entrepreneurship support policy in the Zemgale planning region depends on reducing the "resource-needs gap." Based on local government action plans, priority target groups with unmet needs have been identified that social enterprises can address with integrated solutions (transport, employment, inclusion):

- **Young people (especially the NEET group and those without work experience):** lack of internships, first jobs, and mentors; insufficient self-motivation and lack of social skills.
- **People with disabilities and functional impairments:** limited job opportunities, difficult environmental accessibility, insufficient transport and service availability.
- **Seniors (65+):** loneliness and isolation, low digital literacy, limited access to healthcare.
- **The long-term unemployed:** lack of motivation and skills, addiction problems, lack of suitable jobs, especially in rural areas.
- **Other groups:** returnees – difficulties in starting a business and lack of support centres, low-income residents – low financial literacy and limited access to services, former prisoners – lack of mentors, housing, jobs, Ukrainian civilians with refugee status – integration into the labor market (the Ukrainian community also lacks understanding and information about social entrepreneurship as a potential opportunity to solve their social problems).

These interrelated needs often cannot be fully met by the traditional market or the public sector. To fill this "resource-need gap," local governments have access to systemic resources to strengthen the social entrepreneurship ecosystem:

1. **Institutional and support centres:** Local governments have established or delegated functions to specific institutions that provide systemic support for entrepreneurship and social initiatives.
2. **Infrastructure and premises:** Local governments provide the physical environment for the implementation of ideas and the start-up of businesses - co-working and office spaces, community centres, and NGO houses.
3. **Financial instruments:** Systematic financial support is provided through regular competitions and budget programmes – grant competitions, participatory budgeting, property tax relief.



4. **Human resources and information support:** Specific employees are appointed in local governments – business consultants and coordinators, mentoring networks and advisory councils are being created.
5. **Strategic planning and data:** ZPR and local government development programmes, as well as databases, serve as a resource for long-term planning and attracting EU funds.
6. **Advisory councils:** Local governments actively establish business advisory councils and networks to promote dialogue with local entrepreneurs and improve the business environment, as well as encourage the establishment of local advisory councils, ensuring that the interests of local communities are represented and that the territory is developed.

Although resources are available, their use is not yet targeted and fully linked to identified needs (e.g., mentors for young people, NGO capacity building), creating untapped synergy potential for maximum social impact, which can be promoted by implementing the objectives included in local government action plans to address these needs.

## Strategy and action plan

Based on the ZPR development programme and municipal action plans, the main strategic objectives at the regional level for the development of social entrepreneurship are focused on streamlining the ecosystem, increasing the number of companies and integrating SE into the provision of social services:

1. **Creation of a support system:** Create permanent support platforms and mechanisms, identifying available resources to ensure regular training and consultation for social enterprises.
2. **Quantitative growth:** Increase the number of social enterprises in municipalities by 20%–25% or promote the creation of specific new enterprises in the coming years.
3. **Delegation of services:** Integrate social enterprises into the provision of social services (e.g., senior care) by delegating municipal functions to them and improving the quality of life for target groups.
4. **Financial instruments:** Introduce specific financial support mechanisms, including grant programmes with specific criteria and property tax relief.
5. **Youth engagement:** Strengthen the social entrepreneurship of young people and reduce unemployment by creating specialized educational and mentoring programmes.
6. **Strengthening cooperation:** Coordinate the Penta Helix cooperation model (state/local government, business, science/education, SE/NGOs, society) to create a unified and sustainable support ecosystem.



In order to achieve the set goals, municipal action plans provide for a number of specific measures, which can be divided into the following groups:

Group of measures	Examples of specific planned actions
<b>Financial support</b>	Thematic grants, tax breaks, priority in procurement
<b>Capacity building</b>	Seminars, mentoring programmes
<b>Information and communication activities</b>	Social entrepreneurship sections on websites, SE thematic campaigns, success stories in the media
<b>Promotion of cooperation</b>	Networking forums, "common needs table" meetings
<b>Integration into education</b>	Thematic lectures and social entrepreneurship games in schools

To ensure that these planned measures are implemented effectively and have a measurable impact, it is strategically necessary to introduce a robust evaluation system and proactively manage potential risks, which will be discussed in the next chapter.

## Evaluation and risks

Clear indicators allow municipalities to demonstrate results to residents and optimize their budgets, while risk management facilitates the implementation of plans. To assess the impact of the action plan, municipalities have defined both quantitative and qualitative indicators.

**Quantitative indicators** provide measurable data on the volume of activities and physical results achieved, for example the number of registered social enterprises in the region and in each municipality the number of new jobs created in social enterprises, the number of support measures organized, etc. **Qualitative indicators**, on the other hand, describe the depth of impact and changes in the ecosystem, such as increased awareness of social entrepreneurship among the public, entrepreneurs, and decision-makers, improvements in the employment of target groups, etc.

All local government action plans identify similar risk factors that may hinder the development of social entrepreneurship. The most frequently mentioned risks and measures to mitigate them are summarized below.



Risk factor	Potential impact	Mitigation measures
<b>Lack of or instability of funding</b>	Delay or suspension of the implementation of support measures provided for in the action plan. In municipal plans, this is identified as a high or medium risk factor, indicating a systemic rather than a local problem.	Diversify funding sources by attracting EU funds, the private sector and state programmes. Plan the necessary co-financing in municipal budgets in a timely manner.
<b>Insufficient public awareness and involvement</b>	Low support for initiatives, low number of applications for grants, and low public participation.	Develop and implement targeted information campaigns. Actively promote examples of good practice and success stories. Organize educational events in community centers, schools, and libraries.
<b>Insufficient capacity and expertise at the local level</b>	Inability to effectively plan and implement support measures and provide quality advice.	Attract external experts and mentors (from the Social Entrepreneurship Association of Latvia or SEAL, ZPR, other municipalities). Organize regular training and experience exchange events for municipal employees.
<b>Limited cooperation between partners</b>	Initiatives are not coordinated, resources are used inefficiently, and it is difficult to ensure long-term impact.	Organize regular meetings and networking events for all parties involved. Create and maintain cooperation platforms. Actively involve business and citizen advisory councils in strategic planning.

Managing these risks depends largely on the ability to build sustainable partnerships and ensure broad public involvement, which is the focus of the analysis in the next section.



## Partnerships and public involvement

Strong partnerships and active public participation are the lifeblood of the social entrepreneurship ecosystem. They ensure its vitality, legitimacy, and relevance to the real needs of communities. Without effective cooperation between the public, private, and non-governmental sectors, as well as without the support and involvement of citizens, even the best-designed support programmes will not be able to achieve long-term impact. The local governments of the Zemgale region have outlined several strategies in their action plans to strengthen partnerships and promote public involvement.

Summarizing the planned activities, the following main directions stand out:

- **Networking and cooperation platforms:** Organizing regular forums, contact exchanges, and ecosystem working groups, as well as creating digital communities (e.g., WhatsApp groups) for the rapid exchange of information.
- **Involvement of young people and the education sector:** Integrating social entrepreneurship topics into schools through games and workshops, as well as organizing idea competitions (e.g., "My Social Business Idea" in Jelgava County).
- **Public information and "open doors":** Information campaigns, promotion of success stories, and open days at companies to reduce stereotypes.
- **Participation and feedback:** Surveying the opinions of residents and entrepreneurs through questionnaires and advisory councils, involving them in decision-making.
- **Institutional partnership:** Signing memoranda of cooperation and strengthening the Penta Helix model at the regional level.

## Conclusions and recommendations

An analysis of the action plans of local governments in the ZPR region has identified stable potential for the development of social entrepreneurship, which is complemented by an active NGO sector and local government support initiatives. However, there are also significant challenges related to low awareness, fragmented cooperation, and insufficient business skills. A coordinated regional approach is strategically necessary to promote the sustainable and targeted development of SE.

The above-mentioned challenges and potential lead to the following main conclusions:

**1. The Zemgale planning region has a stable foundation for the development of social entrepreneurship.** It consists of an active and experienced social entrepreneurship sector (25 registered SEs, successfully implemented collaborations), financial support mechanisms



introduced by local governments (grant competitions, participatory budgets) and a national-level regulatory framework that provides a legal framework. Social entrepreneurship is already included in the ZPR and local government development programs or demonstrates a strategic commitment to integrate SE into development programmes.

**2. The main obstacles to the growth of social entrepreneurship are low awareness among the public and decision-makers, insufficient cross-sectoral cooperation, and a lack of business skills in the NGO sector.** Together, these factors create an environment in which many social initiatives are unable to develop into viable and scalable social enterprises.

**3. There is a significant mismatch between the identified needs of social target groups and the existing SE offering.** Problems in areas such as mobility in rural areas, specialized employment solutions, and care services point to untapped potential where social enterprises could make a significant contribution.

**4. Local governments have similar strategic objectives and planned measures, which creates opportunities for more effective regional coordination and resource sharing.** All action plans prioritize raising public awareness and strengthening cooperation networks, which demonstrates a shared understanding of the importance of ecosystem development. A unified approach to information campaigns, mentoring programmes, and standardization of support criteria could significantly accelerate the development of the SU ecosystem throughout the region.

Based on the analysis of policy documents and the conclusions drawn, five practical and action-oriented recommendations are proposed for integration **into the ZPR development programme 2028-2035:**

**1. Establish a single regional contact point for social entrepreneurship support.** Establish a single contact point within the ZPR structure (e.g., a coordinator position) within the ZPR structure that would be responsible for coordinating the exchange of information between local governments, promoting cooperation, organizing regional events, and attracting national and international resources to the Zemgale region in a targeted manner.

**2. Develop a regional mentoring programme.** Create and maintain a unified database of qualified mentors under the auspices of the ZPR, representing experts from various fields (business planning, marketing, finance, social impact measurement). This programme would provide targeted, high-quality, and standardized support to prospective and existing social enterprises throughout the region.

**3. Standardize support criteria in municipal grant competitions.** Develop and offer municipalities uniform guidelines and methodology to systematically include special conditions



or additional evaluation points for social enterprises in grant competitions and public procurement regulations. This would ensure an equal and predictable support environment across the region.

**4. Introduce a unified regional data collection and impact measurement methodology.** In cooperation with local governments and ZPR, develop common basic indicators for assessing the development and social impact of the SE ecosystem. A unified methodology would ensure data comparability and allow for a more effective assessment of the impact of regional policy.

**5. Pilot innovative social services at the regional level.** Identify common and unresolved social problems (e.g., lack of adapted vehicles for people with mobility difficulties or work integration programmes for the long-term unemployed) and support regional pilot projects involving several municipalities at the same time. This would allow new solutions to be tested, resources to be pooled and scalable models to be created.

The roadmap for the final stage of the current planning period (2026-2027) includes the following proposals:

- Establish a more active dialogue with the Ministry of Welfare (including in the context of the social economy plan) and the Ministry of Smart Administration and Regional Development in order to obtain delegation and attract funding for the next planning period, which could be directed to all municipalities in the region to support, coordinate, and develop social entrepreneurship.
- Promote the representation of social enterprises' interests at the regional level, for example, in business support working groups and business advisory councils in local governments.

By strengthening the representation of interests at the regional level and combining the views of local governments, the ZPR could become a strong representative of interests at the national level in the medium term (5-7 years). Active participation in dialogue with the Ministry of Welfare, regular and targeted cooperation with the SEAL and other institutions would allow for more effective resolution of issues related to the improvement of regulatory framework and the availability of state support for regions, thus promoting overall regional development and competitiveness at the national level.



## REVIEW OF POLICY DOCUMENTS AND RECOMMENDATIONS FOR THE DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP IN THE NORTHERN LITHUANIA (PANEVĖŽYS REGION)

### Acronyms and abbreviations

Acronym / abbreviation	Definition / meaning
CLLD	Community-led local development
LAG	Local Action Group
LiSVA	Lithuanian Social Business Association [ <i>Lietuvos socialinio verslo asociacija</i> ]
LAP	Local action plan
PanKo	Panevėžio kolegija [Panevėžys college]
PPP	Public to Private Partnership
PRPT	Panevėžio regiono plėtros taryba [Panevėžys Regional Development Council]
PVKC	VšĮ "Panevėžio verslo konsultacinis centras" [Panevėžys Business Advisory Centre]
SE	Social Enterprise
SEIE	Social Entrepreneurship and Innovation Ecosystem
SEO	Social Economy Organization
SESO	Social Enterprise/Entrepreneurship Support Organization
SRPP	Socially Responsible Public Procurement
IT / ICT	Internet [Communication] Technologies
WISEs	Work Integration Social Enterprises



## Introduction

This “Policy Overview and Recommendations for Social Entrepreneurship Development in the Panevėžys Region, Lithuania” document sets out a concise, evidence-informed framework for enabling mission-driven organisations to address persistent social needs through sustainable, market-compatible solutions. Building on the RE:Impact Local Action Plans, related regional strategies and measures, as well as local actions groups’ plans, the document clarifies institutional roles of SEIE stakeholders. The aim is to provide the Panevėžys Region Development Council and its constituent municipalities with a practical, standards-aligned policy pathway that normalises social entrepreneurship and innovation within routine public management, thereby improving access, quality, and equity of services across urban and rural territories. More information on the RE:IMPACT (LL-00020) Improving the social entrepreneurship ecosystem in Zemgale and Northern Lithuania project at: [https://latlit.eu/theprojects/re\\_impact/](https://latlit.eu/theprojects/re_impact/)

Panevėžys Region (*apskritis/county*) and its six municipalities (Panevėžys City, Panevėžys, Biržai, Kupiškis, Pasvalys, and Rokiškis Districts) stand at a pivotal juncture. On the one hand, long-term demographic pressures, uneven service accessibility, and a low per-capita income base coalesce into persistent social exclusion risks for elderly people, persons with disabilities, socially at-risk adults, and residents of rural territories. On the other hand, the region is building a promising foundation for social entrepreneurship through bottom-up governance, delegated social services, and EU-backed measures targeting deinstitutionalisation, long-term care, social housing, health literacy, education accessibility, and functional-zone mobility.

This Policy Overview and Recommendations document articulates an actionable roadmap to strengthen Panevėžys Region’s social entrepreneurship ecosystem<sup>1</sup>, while adopting the applied and practice-oriented voice of the Lithuanian Social Business Association (LiSVA) and the RE:Impact project partners. It synthesises findings from the regional situation analyses and local action planning, complements them with comparative cross-border insights, and grounds its proposals in the practical realities faced by “rajono” municipalities that govern predominantly rural territories while recognising the strengths and potential of Panevėžys City Municipality.

This Policy Overview and Recommendations document is structured as follows: Regional Social Entrepreneurship Ecosystem Overview, Policy, Programmes, Measures and Legislation, Current

<sup>1</sup> Whereas entrepreneurship and innovation activities are intertwined and given that the RE:Impact project has produced an array of analyses and materials on both topics we will use the term of Social Entrepreneurship and Innovation Ecosystem (SEIE) to refer to the ecosystems inhabited by dynamics and processes, artifacts (materials and resources), agents (natural and legal persons) and relationships between all of the above (for empirical and theoretical justification see Žebrytė, 2024), which comprise the social economy of the territory of Panevėžys Region municipalities.



Action Plans and Strategies, Cooperation Models, Partnerships and Public Engagement, Regional-level Needs and Resources, Policy Recommendations, and Impact Assessment and Risk Mitigation.

## Regional social entrepreneurship ecosystem overview

Despite its rich civic life and strong tradition of community-based initiatives, Panevėžys Region faces accelerating depopulation and pronounced ageing, which together erode the tax base, increase dependency ratios, and strain foundational services. The regional profile shows that several municipalities fall below national minimum benchmarks for services to the elderly, adults and children with disabilities, and socially at-risk adults; moreover, transport isolation in rural areas continues to hinder access to jobs, healthcare, and education. In short, exclusion is as much a function of geography and infrastructure as it is of income and labour market participation. At the same time, the strength of the ecosystem lies in multi-level planning instruments and the EU co-financing architecture: progress measures in the Panevėžys Region Development Plan 2022–2030 are already financing community care infrastructure, social housing expansion, health literacy programmes, educational accessibility upgrades, and functional-zone mobility pilots. The Local Action Groups (LAGs) channel LEADER and other community-led local development (CLLD) funding to bottom-up projects, while municipalities increasingly contract or delegate social services to social economy organisations (SEOs) and NGOs.

Furthermore, Panevėžys Region hosts notable SEOs that already deliver public value at scale. For instance, VšĮ “Jautri širdis” provides day social care, home help, and social workshops for persons with intellectual or psychosocial disabilities, operating on mixed revenue streams (municipal service contracts and project funding). Similarly, VšĮ “Gėris rankose” combines social work, health care, and mobility services to reduce exclusion for vulnerable groups, while heritage-based initiatives such as “Salų dvaras” leverage culture, education, and tourism to create employment and community engagement. These cases show that social enterprises can de-silo services and knit together social care, work integration, and place-based activation. This combination is crucial for the mostly rural municipalities of Panevėžio rajonas, Rokiškio rajonas, Kupiškio rajonas, Pasvalio rajonas, and Biržų rajonas, where population density is low and service deserts are common.

In parallel, LiSVA’s research and advocacy confirm that Lithuania’s social enterprise ecosystem is emerging, with organisations assigning high importance to social and environmental impact but struggling to get their impact and value creation efforts funded and recognised. The region’s SEOs frequently cite the need for SRPP schemes, capacity-building, and investment readiness, especially in rural contexts. Therefore, Panevėžys Region’s social entrepreneurship ecosystem development policy and strategy must not only coordinate funding and procurement but also equip



the SEOs with business planning skills, impact management competencies, and access to mentors, ecosystem professionals' services and markets.

## Regional-level Needs and Resources

Review of needs reveals four priority cohorts: (i) elderly residents (65+) with complex care requirements and limited access to dementia-specific services; (ii) adults and children with disabilities, for whom community-based services and school accessibility remain uneven; (iii) socially at-risk adults and long-term unemployed citizens, whose labour market exclusion is persistent; and (iv) rural residents in transport deserts who cannot reach foundational services (PRPT, 2025). Finally, long waiting times and unstable living conditions aggravate socioeconomically vulnerable households and persons. The need for social housing is very prominent in the region. The region's progress measures, LAG strategies, and municipal pilots collectively provide a suite of resources (funding, institutions, facilities, and human capital) to act on these gaps (PRPT, 2025). In short, the regional policy priority domains: long-term care, mobility-on-demand, social housing (including tenant support), and youth inclusion.

The measures and strategies described in the subsequent subsections create a structural foundation for social entrepreneurship and innovation in the region because they open new service markets, embed social value in procurement, and reduce entry barriers for mission-driven or purpose-driven providers implementing social business models.

For example, the deinstitutionalisation measure generates demand for small-scale, person-centred services that social enterprises are well positioned to deliver. The development of social services infrastructure and innovative long-term care systems introduces flexible, non-residential models—such as mobile teams, day centres, and dementia-specific facilities—that require adaptive, locally embedded operators rather than monolithic providers. This creates space for SEOs to innovate in service design and delivery.

Second, the social housing measure similarly enables social enterprises to combine construction or renovation with wraparound tenancy support, energy-efficiency upgrades, and community engagement, all of which align with social business models. Mobility-on-demand and e-ticketing expansion under the functional zone strategy fosters opportunities for SEOs to operate inclusive transport solutions, integrate digital tools, and co-create access pathways with municipalities.

Finally, measures addressing health literacy and educational accessibility stimulate preventive and inclusive services where social enterprises can introduce new pedagogical approaches, outreach formats, and cross-sector partnerships.



These interventions do more than fund infrastructure: they institutionalise procurement routes, asset-use policies, and collaborative frameworks that convert public investment into predictable markets for social economy actors, thereby embedding the potential for social innovation and entrepreneurship into the region’s long-term development trajectory.

## Policy, Programmes, Measures and Legislation

The national legal environment has taken an important step forward. Since 2024, the Law on the Development of Small and Medium-Sized Business includes the formal notion of social business, while the Innovation Agency administers a national register and status for social business entities. In public procurement, reserved participation mechanisms allow contracting authorities to set conditions that favour suppliers employing supported workers and, in simplified procurements, reserve a minimum share for such suppliers. Taken together, these instruments create procurement pathways for SEOs, and they offer municipalities practical levers to embed social outcomes in purchasing decisions. Nevertheless, awareness and implementation are uneven, and SEOs still report gaps in business capacity, impact measurement, and access to finance. The way forward is to standardise templates, build capacity, and scale demonstration projects that show cost-effective, high-impact results.

At the regional level, the Panevėžys Region Development Plan 2022-2030 provides robust progress measures that municipalities can harness: deinstitutionalisation and community-based services, long-term care (including dementia and palliative care), expansion of social housing, health literacy, education accessibility, and functional-zone mobility. Because the measures typically rely on 85% EU co-financing, they are particularly suited to municipalities, which face structural budget constraints. Moreover, across the region’s LAGs, LEADER funding allocations totalling €9.61 million for rural strategies (2021–2027) provide a bottom-up financing stream for community-led social innovation. The combined top-down and bottom-up instruments can be sequenced to move pilots from local proof-of-concept to county-wide scale. Taken together, the following measures form a coherent portfolio that enables Panevėžys Region to support SEOs entrepreneuring in the areas of community-based care, accessible housing, inclusive mobility, health and education. They are designed to operate in concert, with complementary infrastructure and service models that reduce territorial disparities and embed inclusion into the region’s development pathway.

Deinstitutionalisation of Social Services (LT025-07-01-03) measure transforms large, state-run institutions into community-based support, replacing legacy facilities with small, integrated settings (group homes with 24/7 support, protected housing for semi-independent living, and social workshops for day services and skills training).



Development of Social Services Infrastructure (LT025-07-02-07) measure fills critical gaps in non-residential, community-based services for vulnerable groups, especially older people and adults at social risk (e.g., open youth centres; day centres for seniors; independent-living homes). Development of Innovative Long-Term Care (LTC) Services Infrastructure (LT025-04-02-09) measure builds an integrated continuum of care, specifically equips mobile teams; develops specialised stationary capacity for people living with Alzheimer’s disease and other dementia-like conditions across all six municipalities; and expands palliative care beds.

Development of the Social Housing Fund (LT025-07-02-06) measure expands accessible housing via new construction and acquisition/renovation in urban and district locations, prioritising large families and persons with disabilities.

Increasing Accessibility of Education Services (LT025-03-01-01) measure improves equitable access by creating new preschool places in rural districts, adapting schools for inclusive education, and establishing full-day schools with wrap-around support.

Economic Growth Promotion in the Functional Zone (LT025-02-01-11) measure expands functional-zone public services (especially public transport, mobility solutions, and waste management with lower climate impact); modernises areas for industrial and commercial activity; strengthens SME services; and coordinates tourism services across natural and cultural assets.

Finally, the Economic Growth Promotion in the Functional Zone measure (LT025-02-01-11) addresses the needs of Panevėžys Regi’s municipalities on to expand functional zone public services in particularly public transport, mobility solutions, and waste management (in ways that reduce negative climate impacts). There is also a joint requirement to modernize and enlarge areas suitable for industrial and commercial activity, to increase the availability of services for small and medium-sized enterprises, as well as to strengthen the overall coordination of tourism services by harnessing the functional zone’s natural and cultural sites’ potential.

## Current Action Plans and Strategies

There is no strategic level plan for the regional Social Entrepreneurship and Innovation Ecosystem. Rokiškis District Municipality is the only municipality with social business focus on the strategic level. Other municipalities of the region in question rely on their LAGs to provide support for the social entrepreneurship efforts. The Local Development Strategies were developed and approved by re responsible ministries: ŽŪM approved the strategies for the rural LAGs and VRM approved the strategies for urban LAGs. Such approvals are coupled with funding, including funding for the creation of community businesses, social businesses and social entrepreneurship capacity-building.



Following is the full list of rural and urban LAGs' strategies approved by currently in force legal acts (minister's orders):

- Biržų miesto vietos veiklos grupės strategija 2023–2027 m. [Biržai Urban Local Action Group Strategy 2023-2027].
- Biržų rajono kaimo vietos veiklos grupės vietos plėtros strategija 2023 – 2027 m. [Local development strategy 2023-2027 of the Biržai District rural Local Action Group].
- Kupiškio miesto 2024-2027 m. vietos plėtros strategija [Kupiškis Urban Local Development Strategy 2024-2027].
- Kupiškio rajono vietos plėtros strategija 2024-2029 m. [Kupiškio District Local Development Strategy 2024-2029].
- Panevėžio miesto vietos plėtros strategija 2023–2027 m. [Panevėžys City Local Development Strategy 2023-2027].
- Panevėžio rajono vietos plėtros strategija 2024–2029 [Panevėžys District Local Development Strategy 2024–2029].
- Pasvalio miesto 2023-2027 m. vietos plėtros strategija, aktuali redakcija nuo 2025-07-17 [Pasvalys Urban Local Development Strategy 2023-2027, current version from 2025-07-17].
- Pasvalio rajono vietos plėtros strategija 2023 – 2028 m. [Pasvalys District Local Development Strategy 2023-2028].
- Rokiškio miesto 2023-2027 m. vietos plėtros strategija [Rokiškis City Local Development Strategy 2023-2027].
- Rokiškio rajono kaimo vietovių vietos plėtros strategija 2023-2027 metams [Rokiškis District Rural Local Development Strategy 2023-2027].

## Cooperation Models, Partnerships and Public Engagement

The ecosystem relies on bottom-up cooperation where municipalities, LAGs, NGOs, CSOs, and SEOs (social businesses etc.) co-create solutions. The LEADER approach and emerging Smart Villages model exemplify this, enabling rural communities to design and implement projects with EU co-financing. Inter-municipal cooperation is increasingly formalised through framework agreements for specialised services such as dementia care and mobility-on-demand (DICES project, *forthcoming*). Socially Responsible Public Procurement (SRPP) introduces a structured cooperation model between municipalities and social economy organisations, embedding social value in purchasing decisions.

Partnerships span public, private, and civil society sectors, often involving universities for research and capacity-building, NGOs for community mobilisation, and businesses for resource sharing or niche product development. Social innovators frequently partner with municipalities for asset use (through *panauda*), project funding, and service contracting. International partnerships occur



through Erasmus+ exchanges, cross-border projects under the Latvia-Lithuania Interreg Programme, and network organizations like the Lithuanian Social Business Association (Zeiļa et al., 2024). These partnerships enable knowledge transfer, joint initiatives, and scaling of good practices.

Public engagement is rooted in community activation and volunteering, with social innovators organising cultural events, educational workshops, and tourism activities to foster local identity and participation (DICES project, *forthcoming*). NGOs and social enterprises use informal channels (social media, storytelling, and local events) to raise awareness and attract volunteers. Engagement also occurs through open youth centres, mobile youth work, and inclusive education initiatives, ensuring that vulnerable groups and young people are involved in shaping and benefiting from social innovation (Zeiļa et al., 2024). Feedback loops, such as community consultations and participatory planning, strengthen trust and ownership.

## Policy recommendations

Following are the policy recommendations for social entrepreneurship and innovation ecosystem development on the subnational regional level (Panevėžys Region, Lithuania):

**1. Adopt a countywide “one architecture, many implementers” model.** The PRPT should formally confirm Panevėžys City’s role as a coordinating hub for shared platforms, such as the extension of e-ticketing, the maintenance of an SEO contact window, and the curation of common procurement templates, while explicitly recognising that district municipalities remain the primary implementers of community-based services in long-term care, mobility, housing, and youth inclusion. This division of labour preserves subsidiarity and respects territorial diversity, yet it avoids duplication in functions that clearly benefit from scale. It is recommended to translate the prevalent narrative into an enduring governance settlement that survives political cycles. However, to prevent any confusion that could stall adoption of this recommendation, the PRPT should adopt a policy statement clarifying that city level digital platforms, ticketing, and data tools exist to support districts’ service delivery, not to supplant it. When this is codified, districts can commit to platform adoption without fearing a loss of autonomy, and the region can standardise user experience across territories.

**2. Institutionalise Socially Responsible Public Procurement as a standing policy.** Based on RE:Impact LAP, the PRPT should ask each municipality to adopt SRPP implementation notes as an annex to its procurement manual, and it should approve a county template that standardises reserved participation, lot sizing proportional to SME/ or SEO capacity, award criteria that value inclusion and service continuity, and model clauses for multi--year framework agreements. Once this framework is in place, the PRPT should require publication of an annual (12 months) procurement pipeline for social services, with at least semi--annual refreshes. The LAP



demonstrates that predictable pipelines are the single strongest policy instrument for maturing a thin market: they give social economy organisations time to prepare bids, to partner across districts, and to build the workforce that the region needs.

**3. Use inter-municipal framework agreements to unlock specialised services.** Where demand is thin or capabilities are specialised, e.g. dementia day services, palliative care, mobility-on-demand platforms, tenancy support for social housing, the PRPT should sponsor inter-municipal framework agreements with shared specifications, unified quality standards, and call-offs that can be timed to each municipality’s budget. The LAP makes clear that such agreements are the most efficient way to aggregate purchasing power without erasing local discretion. As a policy measure, the PRPT should designate a “service convenor” municipality for each specialised area, responsible for keeping the specification current and coordinating market engagement.

**4. Treat *panauda* (loan-for-use) as a policy lever, not an exception.** Municipalities should move from *ad-hoc* asset lending to a transparent social-asset policy that is renewed annually. The policy should name premises eligible for social use, set access and impact criteria aligned to the LAP’s thematic priorities, define basic maintenance obligations and permissible adaptations, and describe how performance on social use will be reviewed each year. In strategic terms, this moves assets from passive holdings to enablers of service ecosystems, lowering entry barriers for SEOs and speeding up service activation wherever capital outlays would otherwise delay progress.

**5. Sequence financing across instruments rather than searching for new ones.** Following RE:IMPACT LAP, the PRPT should codify a simple, repeatable financing sequence in its decisions: LEADER and CLLD supports bottom-up pilots where community actors demonstrate feasibility; regional progress measures provide the capital for fit-outs, vehicles, and ICT once feasibility is proven; SRPP then anchors predictable operational income through reserved or social value-weighted contracts; and PPP or concessions are used for durable, long-term services or asset stewardship. This sequencing logic is laid out in the LAP as a way to align instruments that already exist, rather than to invent new funding streams, and it should be expressed in the Council’s annual guidance so budget cycles across municipalities can be synchronised with programme calls.

**6. Mandate an ecosystem contact point and a standing working group on social entrepreneurship and/or social economy development with defined responsibilities.** The RE:Impact LAP envisages a Regional SEO Contact Point and a working group; policy decisions should now define their responsibilities. The Contact Point should be mandated to keep the procurement pipeline current, to maintain an ecosystem map of operating and emerging providers, to coordinate inter-municipal market engagement, and to run an annual mentor programme for prospective bidders. Such working group should be asked to set the agenda for learning, to review evidence from municipal pilots, and to recommend the next cohort of services that graduate from



pilots into scale. By legislating on the ecosystem contact point and the standing working group rather than projects, the PRPT would ensure continuity even as individual initiatives change.

**7. Align municipal strategies with the county development priorities and enforce complementarity.** The PRPT should require that municipal strategies explicitly reference the county’s four priority domains and demonstrate how each municipality is complementing rather than duplicating neighbouring efforts. Turn to RE:IMPACT LAPs for the examples of how bundling service scopes (for instance, combining home--care with supported mobility, or housing refurbishment with tenancy support) reduces fragmentation and avoids repeated assessments. The policy step is to insist that such bundles appear in municipal planning documents and are reflected in procurement scopes within two annual cycles.

**8. Make Local Action Groups the prototyping arm of municipal service innovation.** The PRPT should adopt a short policy note on the role of LAGs in the regional service ecosystem. It should state that municipalities will actively use LAGs for rapid, low--risk prototyping of micro services in remote settlements and that successful prototypes are expected to graduate to municipal SRPP contracts or to regional progress measures within a defined period. This converts LEADER from a generic rural development fund into a targeted instrument for service innovation, exactly as the RE:IMPACT LAP stakeholders suggested.

**9. Consolidate capacity-building into an annual county programme tied to the pipeline.** The PRPT should anchor an annual training programme that directly matches the 12-month pipeline. In each quarter, the Contact Point would deliver procurement literacy sessions for the next set of tenders, investment readiness for upcoming capital calls, and impact management modules that match the unified outcomes described in the LAP. The PRPT should make this programme recurring and can invite universities and PVKC to contribute, ensuring that training is not project-bound but part of routine public administration best practices.

**10. Use common policy language for equity and inclusion commitments.** Because equity is a thread that runs through all four priority domains, the PRPT should approve a one-page lexicon that defines what it means, at policy level, to focus on rural residents, older people, persons with disabilities, and socially at-risk adults. at the policy level (a sort of inclusion policy and strategy script). Municipalities can then reuse that language in their strategies and procurement documents. The LAP proposes specific ways to reach thin markets and remote hamlets through mobility-on-demand and outreach; the PRPT’s job is to make the values and the targeting explicit so that every municipal strategy reads from the same inclusion script.

**11. Introduce a light-touch policy for learning and adaptive management.** Without creating new reporting burdens, the PRPT should require that municipalities convene brief learning reviews



after each pilot cycle and that the standing working group (see Point 6 here above) synthesise cross-municipal lessons annually. The LAP emphasises that evidence from pilots must be folded back into specifications, lot sizing, and the next procurement cycle. The PRPT should turn the learning routines ensures that this feedback loop into a policy expectation rather than a discretionary extra.

**12. Embed public communication as a standing component of policy, not a campaign.** The PRPT should instruct municipalities to budget modest, recurrent communication for each of the four priority domains, focusing on service awareness and clear referral routes. The LAP makes the case that demand for SEO-delivered services increases when residents understand eligibility and access channels; policy language should therefore make communication a constant, not a one-off campaign tied to grant cycles.

## Impact assessment and risk mitigation

Risks associated with implementation of the Policy Recommendations contained in this document should be anticipated and mitigation plans developed by the regional and local authorities and other SEIE stakeholders. Risk mitigation hinges on diversifying finance (EU, state, municipal, philanthropic), standardising toolkits, and formalising cooperation platforms (e.g., the abovementioned standing working group). Just as importantly, it requires closing data gaps through a unified collection methodology across municipalities.

To build trust and secure long-term financing, municipalities must demonstrate outcomes. Panevėžys Region municipalities should therefore agree a **unified impact indicator set**, tracking the number of SEOs, WISE placements and other indicators, such as SRPP contract value, new community care places (group homes, workshops, day centres), mobility-on-demand usage, and social housing units renovated or acquired, alongside qualitative markers such as user satisfaction, self-perceived health, waiting time reductions, inclusive education participation, and rural connectivity improvements. This framework should be accompanied by annual dashboards and public reporting, enabling iterative learning and transparent stewardship of public funds.

Following is a suggested set of indicators for impact measurement of the policy recommendations:

- Governance: # of inter municipal frameworks; % of SRPP pipeline published on time.
- Finance: payment time (days); capex variance (%); co financing secured (%).
- Capacity: mentor hours; training hours; vacancy rate.
- Procurement: competition rate; SME/SEO participation share; win rate.
- Service outputs: care hours; day places; mobility trips; housing units; youth sessions.



- Outcomes: waiting time reduction (days); satisfaction scores; referral conversion; rural coverage %.

Community Equity: beneficiary mix; access in remote villages; corrective action completion.

Annex of this document contains a detailed list of identified risks, their mitigation measures and suggestions for monitoring or progress tracking, if relevant.

These impact, performance, risk mitigation and progress monitoring indicators mirror the RE:IMPACT LAP's architecture and the needs identified in nation-wide ESEM Lithuania 2023-2024 report for SRPP, capacity building, and impact measurement (SmartContinent, 2025). Coupled with the data gathered by the external experts for the RE:IMPACT Panevėžys Region LAPs, this section of the Policy Overview and Recommendations document delivers comprehensive overview of risks and their mitigation options.

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## Annex I. Risk mitigation and its implementation timeline

### *Implementation Timeline for Risk Mitigation Measures*

Immediate (0–3 months): Publish SRPP playbook and 12-month pipeline; stand up the Regional SEO Contact Point; launch bid clinics and mentor pool; adopt unified indicator set and light data protocol.

Short term (3–12 months): Sign at least 3 inter municipal framework agreements (LTC, mobility, housing); allocate first 10+ social assets via *panauda* with transparent criteria; pilot bundled service scopes and navigators; begin quarterly alignment calendar with LAGs.

Medium term (12–36 months): Graduate  $\geq 50\%$  of LEADER pilots into SRPP or progress measure scale ups; standardise QA and equity audits; stabilise multi-year funding with bridge finance options; integrate city hub platforms with rural delivery and publish annual impact dashboards.

### *Risks, Mitigation Measures and Monitoring Tools:*

#### **1. Socially Responsible Public Procurement.**

1.1. Municipal administrations may interpret SE status and reserved participation inconsistently, causing delays or legal caution that stalls SRPP roll outs. **Mitigation measures:** SRPP reserved lots; framework agreements. Draft Municipal SRPP Implementation Notes (one pager per municipality) and a region-wide SRPP playbook; make sure to include examples of reserved lots (size, criteria), standard clauses, and compliance checks; run joint trainings for procurement teams and SEO bidders. **Monitoring:** % of SRPP pipeline published on time; # of reserved lots issued; competition rate per lot.

1.2. New entrants misinterpret documentation or fail compliance, leading to no bid or low-quality bids. **Mitigation measures:** Provide bid clinics and mentor hours with vetted practitioners; share



winning bid exemplars with redacted pricing logic; add clarification Q&A robots or live chats. **Monitoring:** mentor hours delivered; bid error rate; SEO win to participation ratio.

1.3. Contracts requiring too large bundles deter smaller providers or single service operators. **Mitigation measures:** Break lots into regional providers' capacity matching units; include consortia bids; score local presence and inclusive employment. **Monitoring:** average lot size; bidder diversity; social business/SME/SEO participation share.

## 2. Coordinate with LAG programmes.

2.1. Top-down progress measures, bottom-up LAG projects, and municipal purchasing may proceed on disconnected calendars and criteria, making pilot to scale transitions cumbersome. **Mitigation measures:** Establish a quarterly alignment calendar by convening LAG managers, municipal strategists, and procurement leads to sequence calls and tenders; publish an integrated pipeline that flags when LEADER pilots are expected to graduate into SRPP or regional measures. **Monitoring:** # of pilots graduating from LEADER to SRPP provider; share (%) of co financing secured pretender.

2.2. Repeated consultations without tangible services erode willingness to engage. **Mitigation measures:** Implement time bound delivery promises and quick wins (pop up services), public progress dashboards, and feedback back sessions demonstrating changes made. **Monitoring:** engagement attendance; trust surveys; service uptake post events.

3. **SEOs as prioritised social service providers.** Specialised social services (e.g., dementia day centres, mobility platforms) require multi municipal demand aggregation; cooperation may falter due to budgeting, ownership, or political cycles. **Mitigation measures:** Use framework agreements with shared specifications and call offs per municipality; appoint service convenors (one municipality leads) for each specialised area; ring fence joint budgets in annual plans. **Monitoring:** # of inter municipal framework agreements signed; % of call offs executed on time.

4. **Panevėžys City Municipality as a hub.** Panevėžys City's hub role may be misread as substituting district services instead of coordinating and enabling them. **Mitigation measures:** Issue a coordination compact whereby the city commits to platform functions (e-ticketing, referral, data tools), while districts retain service delivery and community assets; reflect this split in tender scopes and KPIs. **Monitoring:** share of services delivered in rural municipalities; user access metrics by locality.

## 5. Contracts, cash flows and funding.

5.1. Delays in contracting or support funding disbursements or changing eligibility rules can jeopardise social entrepreneurs' ability to operate their businesses, they may face cash flow



shortages. **Mitigation measures:** Pair funding calls with bridge finance instruments (municipal advances; small revolving fund); publish payment schedules in tenders; include milestone-based disbursements. **Monitoring:** budget burn rate vs. plan; average payment times; # of “work stopped” incidents.

5.2. SEOs report scarce working capital and investment for service ramp up; short contracts prevent stability. **Mitigation measures:** Use multiyear framework agreements, standing call offs, and advance payments for onboarding costs; establish a county micro grant line for first time SRPP bidders (bid writing, compliance, equipment). **Monitoring:** # of new SEO entrants; % of contracts renewed; on time service activation.

**7. Regional talent development and retention.** Rural services lack qualified personnel; burnout and turnover undermine continuity. **Mitigation measures:** Co-design micro credential tracks (care assistance, dementia care, mobile youth outreach, community mobility ops) with PVKC and partners; fund on the job training via SRPP scoring bonuses. **Monitoring:** training hours; certification counts; vacancy rate; continuity of care indicators.

**8. Blurred accountability.** social businesses and other SEOs often lack tools and time to collect outcome data; municipalities use heterogeneous indicators. **Mitigation measures:** Adopt a unified indicator set (ecosystem, procurement, outputs, outcomes) and a lightweight data protocol with semi-annual dashboards; fund measurement mini grants tied to reporting completeness and quality. **Monitoring:** % of complete data submissions; dashboard publication timeliness; indicator variance across municipalities.

**9. Personal data vulnerability.** Expanding provision of social services through SEOs involves sensitive personal data vulnerability; weak policies or practices increase the risk of breaches. **Mitigation measures:** Require data protection impact assessments in platform tenders; standardise anonymisation and role-based access; audit providers annually. **Monitoring:** DPIA completion; audit pass rate; incident logs.

## 10. SEOs’ challenges.

10.1. Communities and frontline staff may not recognise SEOs as legitimate service partners; referrals lag. **Mitigation measures:** Fund community information cycles (health literacy, service maps); require referral pathways in tenders; measure outreach events and beneficiary uptake. **Monitoring:** outreach counts; referral conversion; utilisation rates (places, trips, sessions).

10.2. New entrants and actors in the SEIE may underdeliver without robust quality assurance. **Mitigation measures:** Define minimum service standards, peer review visits, and corrective



action plans; link renewals to quality KPIs. **Monitoring:** QA findings; corrective action completion; renewal decisions.

## 11. Fragmentation and gaps.

11.1. Care, mobility, housing, and youth services procured separately lead to duplicated assessments and fragmented user journeys. **Mitigation measures:** Use bundled scopes (e.g., home care + mobility; housing + tenant support) and require shared referral protocols; fund navigator roles. **Monitoring:** multi service uptake per beneficiary; waiting time reduction; satisfaction scores.

11.2. Programmes may miss Roma communities, remote hamlets, or people with complex disabilities. **Mitigation measures:** Require equity action plans in tenders (target groups, outreach routes, language/assistance); audit equity KPIs quarterly; adjust lot scopes to reach thin markets. **Monitoring:** beneficiary mix; equity KPI attainment; corrective actions.

## 12. Infrastructure.

12.1. Premises gifted without transparent criteria or maintenance duties lead to under use and hidden costs. **Mitigation measure:** Publish a social asset list with eligibility, impact criteria, maintenance obligations, and occupancy reporting; run rolling application windows; conduct annual utilisation audits. **Monitoring:** # of assets allocated; utilisation rate; cost per beneficiary served in social premises.

12.2. Renovations and equipment purchases exceed estimates, delaying service activations. **Mitigation measure:** Apply value engineering, staged fit outs, independent cost review pre award; include contingency bands and penalty vs. bonus clauses for on time delivery. **Monitoring:** variance vs. budget; activation lag days.



## SUMMARY

This document outlines a strategic framework for promoting social entrepreneurship in the Zemgale region of Latvia and the Panevėžys region of Lithuania. It assesses the existing legal and policy landscape, identifying how local governments can more effectively support enterprises and organisations that prioritise societal well-being alongside financial sustainability. The overview highlights critical needs and resources for socially vulnerable groups (such as seniors, persons with disabilities, NEET youth, etc.), and proposes various cooperation models that bring together public- and private-sector actors.

In both territories, social entrepreneurship and the innovation ecosystem are viewed as instruments for addressing regional socio-economic challenges. The Zemgale and Panevėžys regions alike face population ageing, demographic decline, and unequal access to services between urban and rural areas.

The most significant difference lies in the legal framework: Latvia has a dedicated Social Enterprise Law defining status, operating principles and support mechanisms, while in Lithuania the concept of a social enterprise is embedded in the Law on the Development of Small and Medium-Sized Enterprises, using the broader notion of social economy organisations. Zemgale offers a model for the formal recognition of social enterprises and direct financial support (e.g. municipal grants), whereas the Panevėžys region stands out for its integration of functional areas and its application of Community-Led Local Development (CLLD) principles.

Both regions show strong potential for the development of social entrepreneurship; however, progress is hindered by low awareness, irregular cooperation, and a lack of business competencies. To move from fragmented projects towards a sustainable ecosystem, several key action areas are required:

- Transition to strategic partnerships and coordination. A unified regional support structure for social entrepreneurship needs to be established.
- Standardisation of financial and support instruments. Municipalities should move from ad-hoc support approaches to predictable, system-based mechanisms.
- Data collection and impact measurement. One of the major gaps is the absence of harmonised data, which prevents demonstrating the effectiveness of social enterprises and social economy organisations.
- Service innovation and scaling. Innovative services should be prototyped and piloted, with successful solutions scaled up at regional level.



The overview clearly points to the need to shift from a project-based approach to a systemic model that is predictable in the long term for all stakeholders. The core task is to integrate social entrepreneurship into the core functions of municipalities (procurement, strategies, service delegation), while ensuring the necessary infrastructure and capacity-building.