Policy Overview and Recommendations for Social Entrepreneurship Development in the Panevėžys Region, Lithuania

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Acronyms and abbreviations

Acronym / abbreviation	Definition / meaning
CLLD	Community-led local development
LAG	Local Action Group
LiSVA	Lithuanian Social Business Association [*Lietuvos socialinio verslo asociacija*]
LAP	Local action plan
PanKo	Panevėžio kolegija [Panevėžys college]
PPP	Public to Private Partnership
PRPT	Panevėžio regiono plėtros taryba [Panevėžys Regional Development Council]
PVKC	Všļ "Panevėžio verslo konsultacinis centras" [Panevėžys Business Advisory Centre]
SE	Social Enterprise
SEIE	Social Entrepreneuring 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/

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

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[1] 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 my 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.

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.
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  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.

LIST OF REFERENCES

ANNEX. 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 ≥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.