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# **Towards Stronger Sustainable Urban Development in Lithuania**

**Strengthening cooperation, strategic alignment  
and local capacities**

**EUI Capacity Building event  
Panevėžys  
30 September - 1 October 2025**

Event report prepared by Raluca Toma,  
Ramunė Vaičiulytė, Džiugas Lukoševičius  
and Martynas Marozas





Across two days in **Panevėžys**, the **European Urban Initiative** brought together approx. 60 representatives from Lithuanian **municipalities, national ministries, and EU urban experts** to reflect on how to **strengthen Sustainable Urban Development (SUD) strategies**. Through presentations, role-play workshops and peer dialogue, participants explored how to govern horizontally, align strategic frameworks and build local capacity for implementation.



The event was organised by EUI throughout its Lithuanian Urban Contact Point and hosted by Panevėžys City Municipality. This report summarises **key insights and practical recommendations** to help cities across Lithuania advance their SUD strategies under Cohesion Policy 2021-2027.



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# 01 Introduction

### *THE EVENTS' NUMBERS AT A GLANCE*



**1,5 DAY**  
DURATION



**57**  
PARTICIPANTS



**6**  
COUNTRIES  
REPRESENTED



**8**  
SESSIONS



**14**  
SPEAKERS



**4**  
FACILITATORS

## SETTING THE SCENE

Lithuania is implementing **ten Sustainable Urban Development** strategies across thirteen municipalities under Cohesion Policy 2021-2027. Early experience revealed that while cities are motivated, challenges persist: uneven capacity, fragmented governance, and limited links between SUD strategies and other policy frameworks. The Panevėžys event was designed to tackle these issues through dialogue and peer exchange.

Sli.do polling showed that **80% of participants were engaging with SUD for the first time**, and that most saw municipalities as bearing primary responsibility for project outcomes. Respondents highlighted **challenges such as bureaucracy, unstable legal frameworks, and coordination gaps**. At the same time, optimism and readiness to cooperate were evident - participants expressed enthusiasm, team spirit and energy for collaboration.

The event's objectives were threefold: strengthen **horizontal governance** by promoting cooperation and open dialogue between local actors; enhance **strategic alignment of SUD strategies with EU, national and regional** planning frameworks; improve **implementation capacity**.

## Opening session

The event began with words of welcome from **Žibutė Gaivenienė**, the Vice-Mayor of Panevėžys, joined by representatives of the European Commission (DG REGIO) who underlined Lithuania's role as an active laboratory for Sustainable Urban Development under Cohesion Policy.

Moderator Raluca Toma framed the session as a collective warm-up: an opportunity to listen across governance levels and co-create a shared picture of Lithuania's current SUD landscape. The panel, featuring **Andrius Valickas** (Ministry of the Interior), **Gediminas Česonis** (Central Project Management Agency) and **Saulius Glinskis** (Panevėžys Municipality), explored both progress and persistent obstacles, from limited administrative capacity and slow procurement procedures to the need for stronger coordination between national and municipal actors.

An interactive **"SUD Bingo"** exercise invited the audience to identify their own most pressing challenges and opportunities. Real-time polling results highlighted familiar bottlenecks: complex legal frameworks, low citizen participation, and difficulties to meet deadlines. But also optimism about cooperation and access to EU instruments.



**"A city is not an empty wall. You have the challenging and rewarding mission of finding the best ways to continue to develop your cities while staying faithful to their history."**

**Gediminas Česonis, Central Project Management Agency**

# 02 Strengthening horizontal governance

## From concepts to relationships

The first morning in Panevėžys invited participants to step into the **real dynamics of local cooperation**. Drawing on experiences from **Groningen** (NL), **Örebro** (SE) and Lithuanian expert Andrius Kasparavičius, the session explored how horizontal governance moves beyond procedures toward shared responsibility.

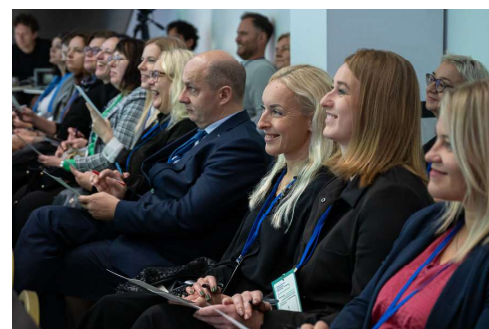
Speakers illustrated that sustainable urban development succeeds when people work with each other, not merely beside each other.

Assistant Professor **Cyril Tjahja** introduced Groningen's Unified Citizen Engagement model, explaining how municipalities can use tailored communication and transmedia storytelling to rebuild trust with communities. "Although engaging citizens in any kind of project is extremely difficult, it's not impossible," he reminded participants, adding that negative experiences with local authorities can damage trust, but patience and consistency can restore it.

Urban Planner and Innovation Strategist **Sascha Benes** (Örebro Municipality) shared an example of inter-city cooperation: Örebro and Linköping, two non-neighbouring Swedish cities, have developed a joint SUD strategy. Their collaboration, built on **shared goals rather than geography**, demonstrates that **SUD can also mean strategic partnerships across distance**. "Collaborating with stakeholders is crucial for creating and implementing an SUD strategy," he noted. "Giving all stakeholders a sense of ownership makes active participation and long-term engagement more likely."

Together, their contributions framed the session's core insight: trust and ownership are the foundation of horizontal governance.

Participants recognised evoked tensions in their own cities: **SUD strategies are in place, but coordination between departments, communities and contractors often falters**. The session set the stage for the day's learning: governance is not a diagram, it's a dialogue.



## Learning through simulation: the Tvaruva scenario

In the workshop that followed, participants entered the fictional City of Tvaruva to test these principles in action. The task: debate a EUR 3 million project to revitalise the Verdene neighbourhood, transforming Soviet-era public spaces into green, accessible areas. Eight stakeholder groups were formed, each embodying a real-world viewpoint:

- Tvaruva Municipality – under political pressure to deliver visible results before the 2027 elections.
- Construction company – focused on timelines, costs and contractual limits.
- School representatives – demanding safety and usable outdoor learning spaces.
- Opposition politicians – intent on exposing flaws to undermine the governing coalition.
- Entrepreneurs – worried about access and customer loss during construction.
- Environmentalists – defending trees and pushing for stronger climate-resilient design.
- Neighbouring Verzhuva Municipality – asking for traffic coordination and consultation.
- Local residents – sceptical, opposing disruption and fearing that “beautification” would destroy their quiet routines.



## Tensions rising: politics and distrust

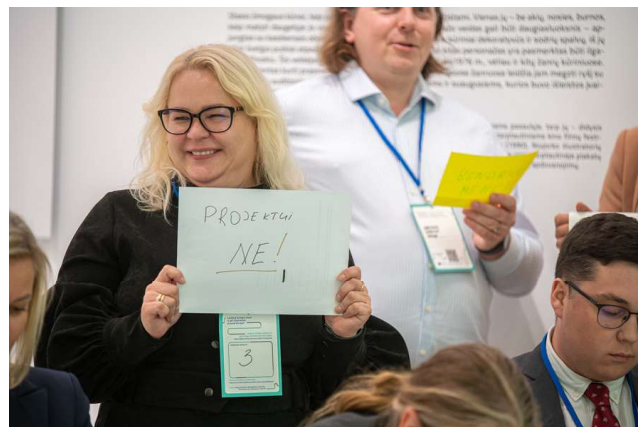
The role-play unfolded like a live council meeting. Opposition politicians immediately attacked the project as “electoral theatre,” accusing the administration of rushing tenders to score points before the vote.

Residents echoed the resistance. “We have peace now, why destroy it?” they argued, expressing mistrust built over years of stalled or poorly executed municipal projects. They feared dust, noise, and outsiders using their green spaces.

The municipality’s representatives defended the initiative as a long-needed investment, while environmentalists demanded fewer impermeable surfaces and more native trees.

The contractor insisted that additional demands would exceed budget and delay deadlines.

At one point, discussions stalled entirely: no group trusted another’s motives.



## A shift from blame to balance

Moderator Ramunė Vaičiulytė guided participants to **identify shared values instead of positions**. On a large board, groups wrote the words *safety, transparency, well-being, green city*.

A school representative shifted the tone: “We all want the same thing: for children to be safe and for the city to look good.” This reframing encouraged empathy. Opposition members, realising that political gain depended on public satisfaction, conceded that cooperation might serve them better than obstruction. Residents, initially opposed to change, began to envision a compromise: minimal disruption, clear information, and long-term maintenance.

Gradually, alliances formed. The contractor agreed to adjust phasing to reduce noise if deadlines were extended; environmentalists volunteered to advise on planting schemes. By the end, the fictional city reached consensus on a revised plan balancing quality, timing and transparency.



## Lessons emerging from the floor

The simulation revealed how **political agendas, fear of change and lack of dialogue can paralyse development** and how rapidly cooperation can emerge when trust is rebuilt.

- ✓ **Politics is part of governance.** Ignoring political motives fuels resistance; **engaging them channels energy toward results.**
- ✓ **Resistance hides valid fears.** Behind “no” are concerns about disruption, cost, and identity that deserve space in planning.
- ✓ **Consensus requires choreography.** Municipalities must stage structured dialogues early, not just consultations at the end.

## Connecting back to Lithuanian realities

Participants recognised their own contexts in the Tvaruva story: **cross-department silos, politically charged projects, and residents fatigued by consultation.**

Sli.do polling confirmed this relevance:

- 63 % believe municipalities bear primary responsibility when projects fail.
- 41 % perceive neighbouring municipalities as competitors rather than partners.
- Bureaucracy and policy instability rank as top obstacles to implementing SUD strategies.

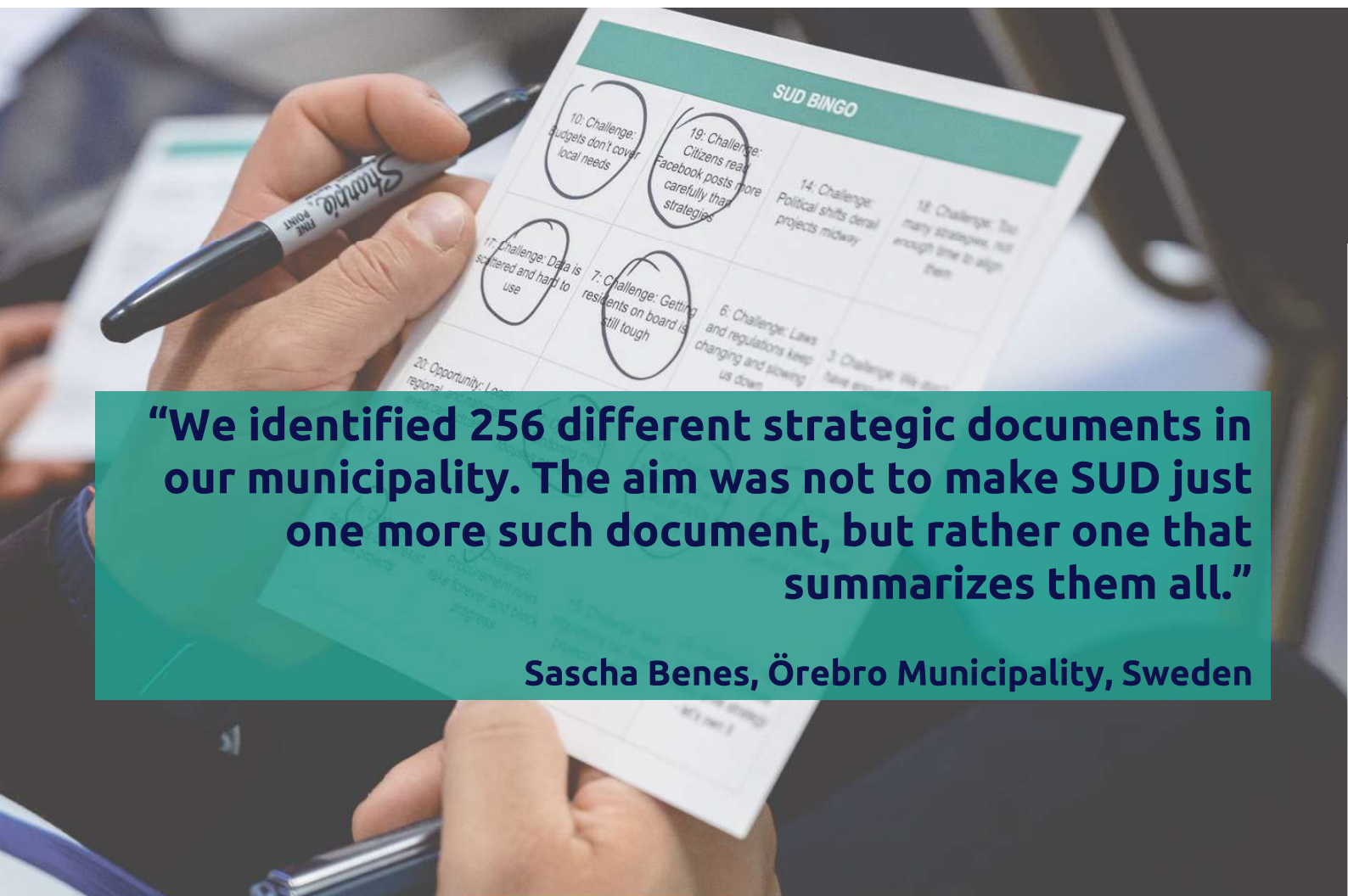
Several cities showed interest in adapting this **role-play format** for staff training and community facilitation, seeing it as a **safe space to practice dialogue before real conflicts arise.**

## Recommendations for strengthening horizontal governance

- 01** **Establishing a model of agreement**, not compromise, with all stakeholders is the first task in horizontal management when implementing SUD strategies.
- 02** **Introduce value-based citizen engagement.** Identify the core values of various stakeholders and offer them a specific, empowering role in the SUD strategy process, thereby increasing the ranks of partners and supporters and bringing critics on board with the common goal and activities.
- 03** **When implementing strategies, use an iterative (repeated), non-linear approach** that allows for flexible and continuous response to identified barriers to citizen engagement and ensures the improvement of strategies through co-creation.
- 04** **Create long-term horizontal networks between municipalities** or institutions based on similar problems, not just geography, to ensure common political support and resource sharing.
- 05** **Move away from the dominance of information communication** (Public Relations) and **towards a model of open dialogue** (People Relations) that is tailored to different target groups and designed for long-term sustainability and horizontal governance, rather than short-term advertising.



# 03 Harmonizing SUD strategies



**“We identified 256 different strategic documents in our municipality. The aim was not to make SUD just one more such document, but rather one that summarizes them all.”**

**Sascha Benes, Örebro Municipality, Sweden**

## From frameworks to alignment

The afternoon plenary shifted **from values to structure, from how we cooperate to how we align**. Speakers from Poland, Latvia and Lithuania illustrated how **Sustainable Urban Development succeeds only when strategic documents, funding mechanisms and political visions point in the same direction**.

**Agnieszka Jurecka-Fryzowska**, Head of Revitalisation, **City of Gdynia**, opened with the story of a rather young port city that managed to turn tabu elements of the industrial decay to advantages for its future development. The 'Gdynia OdNowa' revitalisation project in Poland took the REGIOSTARS prize in 2024. The project covers three degraded districts, and actively involves residents in decision-making processes and overall encompasses civic participation. "Collaboration across departments isn't optional – it's built into how we manage every street and every park," she explained.

Her message resonated with Lithuanian cities facing similar fragmentation between departments and funding lines.

**Linda Medne**, Planner at **Saldus Municipality** (Latvia), added a small-city perspective. Saldus developed its SUD by involving technical and social planners from the start, ensuring that local priorities - mobility, public space, energy - were balanced within one investment logic. "Integration doesn't mean doing everything together," she noted, "it means knowing who leads, who supports, and who learns."

Finally, **Donatas Baltrušaitis** talked about the **Panevėžys case** and anchored the discussion in the Lithuanian reality. He described how Panevėžys shaped its SUD to complement national planning instruments coordinated by the Ministry of Finance and implemented with the support of the Central Project Management Agency (CPVA). Panevėžys' approach focused on realistic, evidence-based objectives and clear links between the city's Integrated Development Programme and EU-funded investments. "Alignment is about discipline. We learned that one good, coherent plan is stronger than ten disconnected projects."



## Learning through comparison: the Sailboat of alignment

Under the lead of moderator Džiugas Lukoševičius the workshop that followed transformed the plenary's insights into a hands-on reflection using the "Sailboat" method: a participatory exercise where each group visualised their municipality as a boat navigating towards the goal of integrated and coherent SUD strategies.

On large sheets, participants drew four elements:

- The destination – what a well-aligned SUD looks like.
- The sails – forces that push them forward.
- The anchors – obstacles that slow them down.
- The wind – external support that can accelerate progress.

As the room filled with sketches and sticky notes, the boats revealed similar patterns across cities.

- **Strategic alignment** (the destination): objectives, investments and responsibilities fit together. Lithuanian participants admitted that their current SUD strategies often "mirror national goals" instead of tailoring them to local realities. Many resolved to rewrite targets in plain language that communities could relate to.

- **Institutional alignment** (the crew): teams recognised that their biggest anchor was internal silos. Departments still work sequentially, not collaboratively. The Panevėžys case offered a hopeful model: inter-departmental working groups meeting monthly under one coordinator, a practice promoted by CPVA's national SUD guidelines.

- **Financial alignment** (the ballast): municipalities agreed that ERDF-funded projects often drift separately from municipal budgets. Examples from Gdynia and Saldus illustrated that joint budget reviews - rather than separate calls for proposals - are key to staying on course.

- **Spatial alignment** (the map): Overlapping plans for mobility, climate adaptation and public space were seen as both opportunity and risk. Several groups noted that without shared data and monitoring tools, coordination is luck, not design. Participants welcomed CPVA's effort to standardise SUD indicators as "a compass everyone can read."

## Recommendations for harmonising SUD strategies with other policy frameworks

- 01 Adopt a shared planning vocabulary.** Use consistent terminology and indicators between local strategies, SUDs and national guidelines.
- 02 Link strategy cycles. Align municipal planning calendars with national and EU programming** to avoid reactive adjustments.
- 03 Institutionalise cross-sector teams.** Establish permanent coordination groups joining planning, finance and environment departments.
- 04 Use CPVA's guidance** (national coordination body in Lithuania) **as a facilitation tool, not a checklist.** Encourage municipalities to adapt templates to local needs.
- 05 Promote peer-to-peer review among Lithuanian cities (and beyond).** Exchange on how alignment works in practice, supported by EUJ's capacity-building network.



# 04 Improving implementation capacity

## *From strategy to practice*

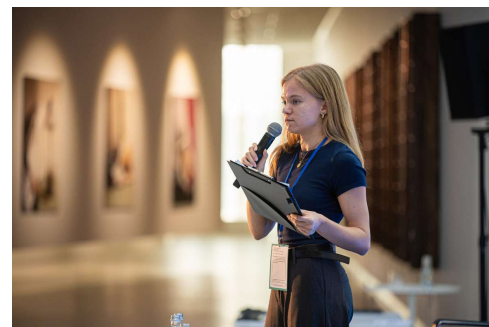
The final day in Panevėžys focused on **what happens after a strategy is written: how to actually deliver it.**

The plenary brought together two cities - **Jelgava** (Latvia) and **Tampere** (Finland) - showcasing contrasting yet complementary **ways to manage projects and public procurement within Sustainable Urban Development strategies.**

**Maria Stocka** from Jelgava Municipality demonstrated how Latvian and Lithuanian procurement systems share similar structures and similar pitfalls. Yet, Jelgava's solution stood out: **instead of fully outsourcing project management to consultants, the city contracted external experts strategically to build internal competence.** Each procurement became a learning opportunity for municipal staff, gradually strengthening the administration's in-house capacity.

**Mona Salmi** from Tampere, representing Finland's youngest municipality in what is often called the world's happiest country, offered **a different paradigm.** Tampere's comprehensive **ecosystem-based approach integrates the city, universities, and businesses into one implementation network.** Remarkably, Finnish law allows municipalities to procure project management services themselves, enabling flexibility and specialised delivery capacity. Her presentation broke down complex project management concepts into simple, relatable language, showing that even advanced systems rest on the same foundations: clarity, communication and shared purpose. "Capacity isn't about how many people you have," she told participants. "It's about how clearly they know what they're responsible for."

Together, the two cases demonstrated that implementation capacity is not just technical, it's structural and cultural.



## Learning through action: (re)discovering identity - the Glass Factory city

The workshop that followed opened with **Lukasz Pancewicz** (A2P2, Poland) presenting **a city revitalisation story built around rediscovering local identity**, exemplified through a Glass Works Factory case. The point wasn't procurement mechanics; it was how memory, narrative and place can unlock credible revitalisation paths in smaller cities. The case showed a municipality that had overlooked its own industrial heritage; **by naming and valuing the past, the city reframed its future strategy, rallying stakeholders around a shared story that residents recognised as theirs.**

Lukasz used this to **pivot from "projects as checklists" to "projects as identity work"**: define what the city stands for, then align procurement, phasing and partnerships to that story. Participants immediately connected this to their own contexts: strategies often list actions, but skip the narrative glue that makes actions meaningful and investible.

Building on that, the room moved into a **hands-on bottleneck mapping exercise using a public procurement roadmap** (all procedural steps visible at once).

Each person marked where their projects typically stall (market consultation, risk allocation, cross-department sign-off, audit fears). When the maps were overlaid, **the pattern was strikingly similar across municipalities: different cities, same pinch points.** The discussion then circled back to identity: without a shared, place-based narrative, processes feel fragile; with one, it's easier to justify choices, pace the works, and keep partners engaged through disruption.

"If you can change it, act. If you can't, don't burn energy worrying," Martynas Marozas, the session moderator reflected, capturing the workshop's focus on **action within your sphere of control.**

30-day commitments closed the session: short weekly coordination, informal interdepartmental lunches, calls to peers in other municipalities to swap templates, and one concrete internal procedure to simplify, all framed by a renewed emphasis on telling the city's story consistently in every procurement and site meeting.

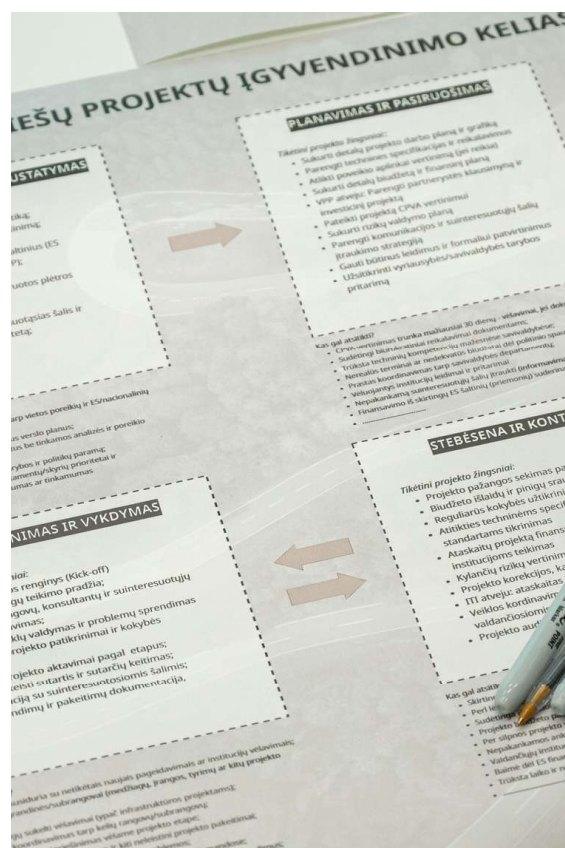
A man with long brown hair, wearing a blue and white striped shirt and tan trousers, stands in the center of a room. He holds a microphone in his right hand and a small black object in his left hand, which is raised. Behind him is a white wall with a grid of square frames, each containing a book. The audience is visible in the foreground, with some people raising their hands. A teal semi-transparent box is overlaid on the image, containing the quote and the speaker's name.

**“Lithuania is small – everything starts with individual energy, and each of us can become the person who starts positive change.”**

**Martynas Marozas, event moderator**

## Recommendations for smooth SUD implementation

- 01 **Empower local autonomy.** Decentralise decisions so municipal teams can adapt procedures and solutions to local realities.
- 02 **Invest in people, not only processes.** Build individual competence and confidence through targeted training and mentoring; retention matters as much as recruitment.
- 03 **Turn behavioural habits into systemic change.** Encourage regular short meetings, open communication, and informal collaboration to embed cooperation into daily routines.
- 04 **Focus on influence, not obstacles.** Help teams distinguish what they can change from what they cannot, directing energy toward practical, controllable improvements.
- 05 **Build confidence under existing rules.** Foster a culture of responsible experimentation and trust so staff apply regulations with clarity rather than fear.



# 05 Thematic synthesis and conclusions

## A shift from theory to practice. And from compliance to confidence

Across the two days in Panevėžys, three intertwined lessons emerged: **trust builds collaboration, alignment sustains coherence, and capacity turns plans into progress.**

The event brought together representatives from municipalities, national institutions, and urban practitioners who, through plenaries, workshops and simulations, moved **from theory to practice; and from compliance to confidence.**

The event confirmed that SUD is not a set of documents but a living process of governance, alignment and delivery.

For participants, the event offered a **rare space for reflection**: to see that their challenges are shared, and their solutions already within reach. For Lithuanian municipalities, the main call to action is to **sustain this learning momentum**:

- Continue inter-municipal exchanges through national platforms. Engage in international exchanges via EUI, for example.
- Translate insights from the Sailboat and role-play exercises into internal training.
- Reinforce coordination between political and technical levels to ensure continuity.



For national actors (Ministry of Finance, CPVA), the event highlighted the value of maintaining a balanced role: part regulator, part enabler; ensuring that compliance frameworks also build confidence and trust.

Final reflection: Sustainable urban development is not achieved by adding more rules, but by strengthening the people and relationships that make rules work.

## Cross-cutting themes for Lithuania's SUD ecosystem

- 01 Governance culture.** The event revealed a generational shift: younger municipal staff view cooperation and communication as professional norms, not soft skills. Supporting this culture through mentoring and visibility will consolidate change.
- 02 Multi-level coordination.** National institutions like the Ministry of Finance and CPVA are seen as enablers rather than controllers. Their challenge is to translate regulatory alignment into learning opportunities.
- 03 Knowledge sharing.** Lithuanian cities expressed readiness to learn from each other through structured peer exchanges. **The event positioned EUI's City-to-City and Peer Reviews mechanisms as natural extensions** of this momentum.
- 04 Behavioral innovation.** Participants agreed that **most breakthroughs in SUD delivery will come from social innovation**, new ways of collaborating, meeting and maintaining trust rather than from new legislation.
- 05 Continuity and retention.** **Human capital remains the backbone of SUD delivery.** Retaining skilled professionals and institutional memory is essential for coherence across programming periods.

