REGIONAL IMPLEMENTATION PLAN

RECOMMENDATIONS FOR IMPROVING REGIONAL POLICY IN LITHUANIA
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Demand for CBIs’ might be too small
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Incubators overlapping each other

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1. INCOMPASS PROJECT AND LITHUANIAN REGIONAL IMPLEMENTATION GROUP

1.1. InCompass project

Description

The InCompass project aims to support the self – sustainability of creative incubator units and enable them to develop and share innovative methods to move away from a general dependence on public funding.

Co-financed by the EU’s European Regional Development fund through the INTERREG IVC Programme, the project objective is to inform on and stimulate collaborative development of local, regional, national and EU policy and thereby increase the capacity to create more spaces for experiment, innovation and entrepreneurship in the creative industries, and to enable them to provide a driver for sustainable growth and job creation as stated in the Lisbon Agenda.

InCompass focus exclusively on how creative incubator units can become independently financially sustainable. Using a number of existing incubator units across the EU as the main study vehicle, the project identify a number of existing good practices that are already providing levels of financial security and transfer them for collective adoption into, and improvement of, regional policy. The adoption into policy of the combinations of these good practices will potentially offer "total financial sustainability solutions".

Objectives

Overall - objectives

1. To identify existing, innovative good practice.
2. To assess and test the transferable nature of these good practices.
3. To develop practical and realistic implementations plans to be implemented in regional policy across all regions.
Sub-objectives

1. To undertake a programme of transnational research and analysis.
2. To exchange information about the good practice within the consortium.
3. To inform and influence the regional policy makers associated with the consortium, and across the EU.
4. To disseminate the findings of good practice and recommendations for policy improvement.

Methodology

InCompass Project involves a programme of Study Visits and Reports on good practice; Thematic Seminars to share the findings within the consortium; and Regional Implementation Groups (RIGs) of stakeholders to assess the transferability of good practice and make regional policy recommendations.

1.2. Workgroups

3 workgroups have been set up to analyse 3 different aspects of the financial sustainability of creative incubator units:

WG1 Commercial contextualization

the role that commercial activities can play in seeding, developing and supporting examples of successful cluster operation.

Within creative incubators, the commercial contextualization of their financing is mainly about finding the optimal balance between keeping fees and rents as low as possible to new incubatees in a very infant stage and gradually increasing fees and rents with their increasing financial capacity with survival and growth. In addition, it is also about renting out services, facilities and spaces to external companies and institutions at commercial fees.
WG2 Social contextualization

The contribution of social activities to financial sustainability of creative incubators is mostly founded on forms of informal learning by interchange of information, ideas and knowledge. It is mainly mediation activities that connect incubatees to each other and to stakeholders in the outside world that facilitate informal learning.

WG3 Tiers of support, networks and partnerships

The topics of interest for WG3 include all sorts of more or less organized and planned forms of networks and partnerships both within the incubators and with external partners that have favourable effects on the profitability of either individual incubatees or the incubator itself.

These Workgroups each undertake at least 4 Study Visits to incubator spaces, and prepare reports on their findings and instances of good practice, where identified. These reports will then be disseminated at 12 Thematic Seminars held as part of regular Partner Meetings over the lifetime of the project. This will result in the transfer of good practices between partners and implementing actions to improve the financial sustainability of incubator units via the Regional Implementation Groups.

1.3. Lithuanian Regional Implementation Group.

Members

There were 33 members selected to participate in Lithuanian regional implementation group (RIG). The list of the group members is provided in the table below. The members were selected from different fields: existing creative and common business incubators, creative entrepreneurs, SME’s, education and government unit representatives, in order to collect a comprehensive information and study of good practices as well as obtain feasible conclusions for Lithuanian regional policy improvement.
<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Surname</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ligita</td>
<td>Valalytė</td>
<td>Science and technology park <em>Technopolis</em></td>
</tr>
<tr>
<td>2</td>
<td>Gediminas</td>
<td>Banaitis</td>
<td>Kaunas City Municipality</td>
</tr>
<tr>
<td>3</td>
<td>Vitalija</td>
<td>Romanovienė</td>
<td>Kaunas City Municipality</td>
</tr>
<tr>
<td>4</td>
<td>Mindaugas</td>
<td>Danys</td>
<td>Ministry of Economics of the republic of Lithuania</td>
</tr>
<tr>
<td>5</td>
<td>Evelina</td>
<td>Karkutytė</td>
<td>Ministry of Economics of the republic of Lithuania</td>
</tr>
<tr>
<td>6</td>
<td>Erika</td>
<td>Furman</td>
<td>Ministry of Culture of the republic of Lithuania</td>
</tr>
<tr>
<td>7</td>
<td>Ieva</td>
<td>Didžmonaitė</td>
<td>Specialist of EU funding in Lithuania</td>
</tr>
<tr>
<td>8</td>
<td>Daiva</td>
<td>Nazarovienė</td>
<td>Ministry of Culture of the republic of Lithuania</td>
</tr>
<tr>
<td>9</td>
<td>Rasa</td>
<td>Levickaitė</td>
<td>Kazimieras Simonavičius University</td>
</tr>
<tr>
<td>10</td>
<td>Vytautas</td>
<td>Ratkevičius</td>
<td>Uzupis Creative Cluster</td>
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<td>11</td>
<td>Edgars</td>
<td>Leichteris</td>
<td>The Forum of Knowledge &amp; Economy, Lithuania</td>
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<tr>
<td>12</td>
<td>Monika</td>
<td>Petraitė</td>
<td>Kaunas University of Technology, Executive school</td>
</tr>
<tr>
<td>13</td>
<td>Marius</td>
<td>Urbonavičius</td>
<td>Vilnius Academy of Arts Design Innovation Center</td>
</tr>
<tr>
<td>16</td>
<td>Alius</td>
<td>Levinskas</td>
<td>CECHAS creative agency</td>
</tr>
<tr>
<td>17</td>
<td>Daina</td>
<td>Urbonavičienė</td>
<td>Lithuanian Council for Culture</td>
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<tr>
<td>18</td>
<td>Aurimas</td>
<td>Pautienius</td>
<td>International School of Management</td>
</tr>
<tr>
<td>19</td>
<td>Vaidotas</td>
<td>Norkus</td>
<td>Kaunas University of Technology, Design centre</td>
</tr>
<tr>
<td>20</td>
<td>Jūratė</td>
<td>Tutlytė</td>
<td>Vytautas Magnus University</td>
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<tr>
<td>21</td>
<td>Andrius</td>
<td>Vilkauskas</td>
<td>Kaunas University of Technology</td>
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<td>22</td>
<td>Roma</td>
<td>Survilienė</td>
<td>National Association for Creative and Cultural Industries</td>
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<td>23</td>
<td>Žilvinas</td>
<td>Jančoras</td>
<td>National Association for Creative and Cultural Industries</td>
</tr>
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<td>24</td>
<td>Giedrius</td>
<td>Bagdonas</td>
<td>Užupis Arts Incubator</td>
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<td>25</td>
<td>Inesa</td>
<td>Kurklietytė</td>
<td>AMI Incubator of Audiovisual Arts</td>
</tr>
<tr>
<td>26</td>
<td>Darius</td>
<td>Žakaitis</td>
<td>Rupert</td>
</tr>
<tr>
<td>27</td>
<td>Raimonda</td>
<td>Laužikienė</td>
<td>Culture Factory</td>
</tr>
<tr>
<td>28</td>
<td>Palma</td>
<td>Urbanavičienė</td>
<td>Telsiai Arts Incubator</td>
</tr>
<tr>
<td>29</td>
<td>Daiva</td>
<td>Perevičienė</td>
<td>Anyksciai Arts Incubator</td>
</tr>
</tbody>
</table>
RIG objectives

To analyse the present situation in Lithuanian creative incubation.

To analyse good practices obtained from Study Visit Reports and choose most feasible ones to the adoption in Lithuania.

To provide the conclusions and recommendations for regional policy improvement for the development of sustainable creative incubation units in Lithuania.
Methodology

There were six Lithuanian RIG’s meetings held, each of them dedicated to different topic discussing, interviewing RIG members. After each meeting the additional opinions and needed information was collected from all RIG’s members separately via e-mail. All the topics revealed during the RIG meetings are presented in the following pages of this report.

<table>
<thead>
<tr>
<th>MEETING No.1</th>
<th>Kick-off meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Venue:</strong> Hotel “Amberton”, KAUNAS</td>
<td></td>
</tr>
<tr>
<td><strong>Information collected after the meeting:</strong></td>
<td></td>
</tr>
<tr>
<td>Initial information about present art incubators in Lithuania</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>MEETING No.2</th>
<th>Present situation in Lithuanian creative incubation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Venue:</strong> Rupert art incubator, VILNIUS</td>
<td></td>
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<tr>
<td><strong>Information collected after the meeting:</strong></td>
<td></td>
</tr>
<tr>
<td>Indicators collected about the present Lithuanian creative incubators.</td>
<td></td>
</tr>
<tr>
<td>Identification of main problems that present incubators meet as barriers for self – sustainability.</td>
<td></td>
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<tr>
<td>Identification of new initiatives in creative incubation.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>MEETING No.3</th>
<th>SWOT Lithuania</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Venue:</strong> Visoriai information technology park, VILNIUS</td>
<td></td>
</tr>
<tr>
<td><strong>Information collected after the meeting:</strong></td>
<td></td>
</tr>
<tr>
<td>Additional observations about SWOT from RIG members</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEETING No.4</th>
<th>Analysis of Study visit reports and best practices</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Venue:</strong> KTU regional science and technology park, KAUNAS</td>
<td></td>
</tr>
<tr>
<td><strong>Information collected after the meeting:</strong></td>
<td></td>
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<tr>
<td>The identification of 15 most actual good practices to Lithuania by RIG members.</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>MEETING No.5</th>
<th>Discussion on 15 best practices</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Venue:</strong> KTU regional science and technology park, KAUNAS</td>
<td></td>
</tr>
<tr>
<td><strong>Information collected after the meeting:</strong></td>
<td></td>
</tr>
<tr>
<td>RIG member conclusions about the practices discussed and identification of 5 most actual best practices for Lithuania.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEETING No.6</th>
<th>Discussion on 5 best practices. Resuming</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Venue:</strong> KTU regional science and technology park, KAUNAS</td>
<td></td>
</tr>
<tr>
<td><strong>Information collected after the meeting:</strong></td>
<td></td>
</tr>
<tr>
<td>Conclusions about the 5 best practices discussed, proposals for recommendations.</td>
<td></td>
</tr>
</tbody>
</table>
2. PRESENT AND FUTURE INITIATIVES IN LITHUANIAN CREATIVE INCUBATION SYSTEM

There are several art incubators established in Lithuanian as well as some additional new initiatives starting at the moment. The biggest part of incubators are situated in the Lithuanian capital Vilnius or its outskirts. Others are located in different Lithuanian cities. There is an evident growth of artistic & creative sector in the second largest city of Lithuania – Kaunas, that host the new initiatives of art incubation mentioned.

2.1. Growth of cultural creative industries in Lithuania

<table>
<thead>
<tr>
<th>Indicators of CCI</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common % in GDP</td>
<td>4,8%</td>
<td>5,2%</td>
<td>5,6%</td>
<td>No data</td>
<td>6,36 %</td>
</tr>
<tr>
<td>No. of Employees in CCI sector</td>
<td>58000</td>
<td>59605</td>
<td>62300</td>
<td>66000</td>
<td>70000</td>
</tr>
<tr>
<td>Percentage of CCI employees in common statistics.</td>
<td>3,8%</td>
<td>3,97%</td>
<td>4%</td>
<td>4,35%</td>
<td>5%</td>
</tr>
<tr>
<td>Number of CCI organisations</td>
<td>5412</td>
<td>5693</td>
<td>6252</td>
<td>6787</td>
<td>6714</td>
</tr>
<tr>
<td>Percentage in common business organisations</td>
<td>7,48%</td>
<td>7,8%</td>
<td>8%</td>
<td>8,34%</td>
<td>7,9%</td>
</tr>
</tbody>
</table>

The data provided in the table show the tendency for cultural creative industries to grow in Lithuania. The growth of employees in the sector year indicates quite a big number, according to the fact that the industry itself was not very popular in the beginning. The table below was drawn to show visual image of numbers presented in the table. Numbers are converted in order to avoid graphic inconveniences.
The main growth of creative industries is mainly captured in bigger cities of Lithuania, the leading city is Vilnius, where 46.2% cultural creative industries businesses of all country is focused, while Kaunas cover 15%, Klaipeda 6% and 3% Siauliai and Panevezys together.
2.2. Present creative incubators in Lithuania

Arts Printing House. Vilnius

*menų spaudžiūtė*

A creative industries unit based in the Old Town of Vilnius, is collecting different types of independent performing arts projects into one and allows them to share their artistic visions with the audiences. Now the place is open up also as a performing arts residency. It works as an interdisciplinary centre, as well as a place for foreign shows and performances to happen. International festivals and conferences are held from time to time.
Uzupis Art Incubator (UMI) is the first art incubator in the Baltic States running for more than 10 years. It is the only alternative artistic organization with arts center not only in Vilnius but also in Lithuania. Having experience in the international cooperation with like-minded organizations and centers abroad and using new creative resources to introduce new artistic initiatives, Art Incubator creates and maintains the original and attractive atmosphere which is fully supported and encouraged in many advanced European cities appreciating the importance of the creative industries in the country’s cultural, tourism and economic development. Here in Uzupis you can find the same atmosphere which the residents and guests of the Old Town can be proud of.
**Incubator of Architecture. Vilnius**

The aim of the activities of the incubator is to gather different artists and their groups as well as the creative businesses together in one creative space, providing better possibilities for creation and presentation of art work, support creative business startups, stimulate society participation in cultural life, take part in the preservation of the cultural heritage.

Incubates are provided by a competitive rent price, consultations by Professional architects, internships and communication.
AMI Incubator (incubator of audiovisual arts). Vilnius

Audio-visual Arts Industry Incubator was established in 2009 in Vilnius, Lithuania. It was established by three main leaders of Lithuanian cinema education and audio-visual industry – Lithuanian Film Studio, Lithuanian Academy of Music and Theatre and Vilnius Academy of Arts. This union has required experience needed to help young representatives from the industry gain deeper theoretical and practical knowledge in the field of professional cinematography.

Main aim of Audio-visual Arts Industry Incubator is to create modern Educational Film and TV infrastructure for the use of young professionals, students and juniors. Audio-visual Arts Industry Incubator will become a link between these three different sectors, encourage their collaboration and help them to find their place in the market.

Audio-visual Arts Industry Incubator has modern specialized spaces at Lithuanian Film Studio (almost 2000 sq. meters), newest filming equipment, video and sound postproduction stations, sound recording studios, conference and screening halls. With this modern structure Audio-visual Arts Industry Incubator aims to become the biggest educational audio-visual art industry centre in Baltic countries.
Rupert. Vilnius

RUPERT is a Centre for Art and Education devoted to establishing close cooperation between artists, thinkers, researchers, and other cultural actors through interdisciplinary programs and residencies. A knowledge-based platform for innovative creative production, Rupert integrates with the social and cultural framework of the city of Vilnius while simultaneously supporting a strong international focus.

Rupert’s mission manifests in three distinct but closely-linked channels: first, the EDUCATIONAL PROGRAM offers 8–10 participants the chance to develop project ideas and make connections with professionals in the field through regular lectures and workshops. It provides the invaluable opportunity
for collaborative education, forging new international networks. This degreeless, non-academic program is proudly career-oriented and supplemented by its interdisciplinary approach. Rupert’s second educational series began in October 2013 and will last until June 2014.

Second, Rupert offers a RESIDENCY PROGRAM in which the participants develop their individual projects, giving them the opportunity to immerse themselves in Vilnius. Through collaboration, participants will establish fruitful connections with Rupert’s educational program and the artistic sphere of the region. Rupert’s residencies will provide both Lithuanian and foreign participants with the opportunity to live and work in Vilnius for a minimum of 10 weeks.

Finally, an unconventional EXHIBITION PROGRAM will serve as the basis for a wide range of public programs and activities exploring art and its role in contemporary society. The gallery is conceived as a space of support for the educational program – a laboratory that will complement topics covered by workshops and lectures.

Through its research and development-oriented programs, Rupert supports international thinkers in realizing their projects and establishing their creative careers on an international scale. It focuses on contemporary artistic and curatorial practices but remains close to an extensive range of disciplines, while encouraging interdisciplinary projects and activities.
Telsiai Arts Incubator. Telsiai

Telsiai arts incubator was founded according the project funded by the European Union (EU) 2011 – 2013 period funding under the Facility Assistant 2, Improving novice artists and arts-related business within the region Telsiai Award.

GOALS: mobilize various artists, artist groups and arts-related businesses (creative industry), developing projects in one space; allow artists to create and deliver their work to the audience; help artists to start their own businesses; facilitate the development of arts-related businesses; intensive cooperation in the cultural life; contribute to the maintenance of cultural heritage.

RENT: Offices in the new building equipped penthouse with computers and software. Performing arts for the second-floor rooms: hall and rehearsal space (theatre, dance school, organize a variety of events, etc.). Clothing design for space with equipment (basic sewing machines, ironing generator, patterning development program dummies). Jewellery centre with equipment (polishing, blasting, rolling and so on. Equipment, fume hood, computerized engraving machine. Wood workshop (with the major woodworking machines, chip removal system). Metal workshop with equipment. Non-ferrous and precious metals casting equipment. Two galleries, furniture, exhibition systems, cabinets, storage facilities. All rented with furniture, internet access, electricity and heating accounts for the lower rates respect the existing market.
Art Incubator of Anyksciai. Anyksciai

Main functions of the incubator are consultation and mentoring, event planning and organization, gather, analyse and publicize information regarding cultural creative industries in the region of Anyksciai, providing residency services, office space rent, other different services related to cultural entrepreneurship.
Art Incubator of Raudondvaris. Kaunas region

This incubator is in the construction phase at the moment. The project include a transformable theater hall with 500 seats, a gallery and exposition area for photography and art, creative and living spaces for residents.
Culture Factory. Klaipeda

This incubator is in the construction phase at the moment. It is going to be the only one incubator in Klaipeda city.
2.3. New initiatives in creative incubation in Lithuania

There are two new additional initiatives in Kaunas city – a new creative incubator called Talent Garden Kaunas working by a franchise as well as creative design co-work and a prestigious Italian cultural design organization Design Library Milano branch Design Library Kaunas is planned to be opened at Kaunas University of Technology, Design Center. These activities are planned to be integrated to an existing KTU business incubator’s structure as well as connecting with Design Library Milano network and a subproject of this organization - design incubator QUO. These initiatives are in early stage of creation, but as far have a real potential of aggregating creative community in the second bigger city of Lithuania Kaunas. The mentioned initiatives are coming from the evident need of contemporary and innovative design co-work and hub places that is defined in the market among present creative community target group - young artists, designers, ICT freelancers, graduates form Kaunas University of Technology, Vilnius academy of fine arts, Kaunas Faculty. The KTU Design Center’s activities have already started with some projects such as design contest „Dideja – design idea“ www.dideja.lt that is aimed to help young designers realize their ideas, by mentoring and connecting them with local producers as well as showing themselves abroad by collaborating with foreign partners. In 2014 May, for the first time KTU design week events has been held, gathering young designers and professionals as well as foreign partners to different design events and design workshops. Design workshops have already started commercial activities that are getting really popular and some are already in line for developing new products that come as a request from local businesses and technological inventions and products developed internally in KTU.
3. PROBLEMATIC ASPECTS IDENTIFIED BY PRESENT LITHUANIAN CREATIVE INCUBATORS

3.1. Meeting requirements of EU funding projects - barriers for flexibility in occupancy and pricing of space in the incubator.

The Lithuanian incubators, founded by EU funding projects that apply requirements and legal limitations put barriers for effective use of the infrastructure – there is a price per square meter defined and cannot be diversified for different type of incubatees or rent for outside events/companies that could form an additional part of a budget.

3.2. Role of incubator in regeneration of deprived neighbourhoods

All the existing incubators have stated that after their establishment the neighbourhood has been deprived only because the physical surroundings were arranged. By the time this scope should be more actively involved in main incubators activities. Regeneration of neighbourhood also means a better commercial success.

3.3. Supporting creative incubators to strengthen the competitiveness of the city or region

One of the most important issues to Lithuania, because Lithuania is a small economy country lacking natural resources either a huge need of generating competitiveness from the intellectual property and cultural identity because of its history. Supporting is needed for interest and education of public sector/society.

3.4. Nurture bottom-up initiatives from the creative community

This topic is one of the most important in Lithuanian situation. Top down decision-making by local authorities, the existing art incubators “bumps to the wall” with initiatives that could provide them a sustainable incubation system inside Lithuania.
3.5. Transfer of incubator initiated by local government to skilled private entrepreneur

This topic is very actual, because not all art incubators manage to cope with commercial and strategic part and proceed with their activities without clear vision and competences. Usually at the start point of art incubator, there are a group of initiatives formed, and an additional person coming from the side could be hardly adopted.

3.6. Lack of entrepreneurial competences of operators, lack in cash flows & budget

The indicated 9 Lithuanian incubators have been financed by European grants to establish and build their infrastructure. Unfortunately some of them by their statement have not been fully finished because of the leak of the competences of the operators or insufficient budget needed to complete the sufficient quality and equipment for the full use of the incubators infrastructure.

3.7. Lack of sequence in regional policy

All the RIG members that are representatives of existing incubators underlined the leak of sequence in the Lithuanian policy regarding integral culture and art incubation funding system. The statement was the insufficient primary funding and a leak of funding priorities continuity that are not focused on existing incubators maintenance and support for completion. Regarding the members there is needed to develop a vision on the incubation process on a regional scale.

3.8. Strategic planning flaws in incubators funding

There is a lack of strategic planning and the perception about incubators activities from the commercial point of view. Most of existing incubators work like a cultural entities that usually are funded by the state and have a provision that art incubator must be anyway partly funded because the self-sustainability for art incubator is hardly possible just because of the nature of the cultural field. It is one of the most important issues to be underlined and discussed, because usually business models do not go in line with art and creativity.
4. SWOT ANALYSIS OF LITHUANIA

In order to collect comprehensive information, SWOT analysis for Lithuanian creative incubation was made.

**STRENGTHS**
- High number of people with higher education;
- Big number of social campaigns to raise entrepreneurship;
- Growing number of CBIs around the country

**WEAKNESSES**
- Lack of institutions willing to work with CBI's;
- Regional policy is not orientated into CCI;
- Dependability on EU funding;

**OPPORTUNITIES**
- Relationships between private sector and CBI;
- Stable CBIs' network and partnership;
- Regional CCI policy development;
- Stable partnerships with international CBIs'

**THREATS**
- Not enough interest from government;
- Demand for CBI is too small;
- Not enough funding will lead incubators to bankrupt;
- Incubators overlapping each other.
4.1. Strengths

High number of people with higher education

According to Eurostat, there is a very high number of people who have higher education in Lithuania. As European Union has declared all the countries should have 40% of people between age 30-34 in year 2020. Lithuania has already reached and oversized the required level. Country has a potential to raise big number of young professionals able to work in different fields.

Big number of social campaigns to raise entrepreneurship

As the number of young professionals in the market grows not as fast as companies are willing to change a lot of campaigns are being held to inform young people about opportunities to work on their ones as well as policies imply to provide easier ways to start your business. That kind of programs help young people realize that they are able to work on their own and also grows the demand for independent workplaces, which could be provided by CBI.

Growing number of CBIs around the country

During the past few years the amount of creative incubators has been raising around the country. As there is bigger number of incubators, there are more interest from partners from abroad and more opportunities to run residential programs.

4.2. Weaknesses

Lack of institutions willing to work with CBIs

CBIs work in certain fields which may not be very well developed in Lithuania, as well as philanthropy is not very popular in Lithuania. Some of the educational institutions are working together with CBIs in Lithuania, but the amount of co working is not enough and incubators lack both - financial and human resource support.
Regional policy is not oriented into CCI

There were a lot of changes in regional cultural policy made, during the last few years, the funding system was re-organized and the council for culture was established. The strategy tells, that CCI is the main important aspect for the next 5 years in Lithuania, however no actual actions are being held to improve the policy not only on paper basis.

Dependability on EU funding

The biggest part of incubators was built with funding from European Union. The ones not built were orientating their activities and organizing events that would assure EU funding for the incubator. As a result incubators and their stakeholders are not really capable to figure out more efficient way than EU to earn money and now are having troubles to reinvent their business models.

4.3. Opportunities

Relationships between private sector and CBI

Incubates who will be able to find private partners and develop a partnership with them may gain not only in financial matter but also can expect management advices and partnerships, which could bring stable investments and useful networks.

Stable CBIs’ network and partnership

Incubators working aside from each other cannot have a great influence or effect on society or government but incubators united into one network would not only represent Lithuania but also could gain from one another partnerships and connections as well as knowledge but also would have a much stronger effect on government as a community not a single organization.

Regional CBI policy development

As there is no policy developed until now, the opportunity is to use the time and develop proper policy, which would allow incubators to reach financial stability and would lead into a successful business satisfying both - incubators and government.
Stable partnerships with international CBIs

As analysis showed having only internal network is not enough. International partners can bring added value to every organization, incubator is no different. A local network formed would make a great transition into going global and developing useful partnerships, exchange programs, resident visits or any other activity, which may seem needed.

4.4. Threats

Not enough interest from government

There is a chance that even after implementation of certain activities and actions to ensure more stable development of incubators that government would still be more interested into other fields. For example science field could present technologies that would seem as more attractive or attention requiring as a priority field of the country.

Demand for CBIs' might be too small

No certain surveys has been made on actual interest to CBIs' from society, so the growing amount might be a joyful fact, however in some point it might happen that the demand is not high enough and the number of incubators throughout Lithuania is too high.

Not enough funding will lead incubators to failure

If incubators will not come up with an actual plan or government will not offer policy changes lack of funding will lead incubators into bankrupt.

Incubators overlapping each other

As the number of incubators is growing and some of the have quite similar profiles the competition between them is getting bigger and bigger. However the amount of individuals or start-ups wanting and being able to afford to work in an incubator may not be rising so quickly. So as a result of competition and lack of consumers incubators may overlap each other.
SWOT analysis shows that Lithuanian incubators may have potential and opportunity to raise and successfully develop their activities, however there is a strong emphasis on regional culture and interest of private investors, which are both needed in order to reach stable activity. Not only financial stability is needed, without political regulations and stable policy no activity can be developed properly.
5. ANALYSIS OF GOOD PRACTICES

During case analysis the difference, mainly in commercialization context of the foreign and Lithuanian situation was underlined by major part of the RIG members. The Lithuanian RIG has discussed and analysed good practices provided from foreign partners in their Study Visit reports (see the map below). Good practices, which were found only in several incubators and are only common for specific area, was not discussed, as cannot be certified as transferable. 5 best practices was defined as most important for the Lithuanian context. All of the good practices was discussed according to WG1, WG2 and WG3. The comments on Lithuanian incubators situation according WG1, WG2 and WG3 is provided below together with leading diagrams.
5.1. Commercial contextualization (WG1)

The most common and easily adapted practice would be the rent of work space for incubates or non-incubates or rent of infrastructure for third parts, as this refer to safe and assuring flow of financial support for incubators. Usually, these activities come as the main income of an incubator through more than several practices. Workshops and consultancy services might be identified as one of the popular ones for commercial activities as well as using EU grants to assure financial sustainability.
5.2. Social contextualization (WG2)

Interaction between incubates and related persons is achieved mainly through organizing inner events or training programs, as well as use of common spaces (for example kitchen, reading room) or other shared spaces provided by the incubator. It is very popular to form common information rooms, where incubatees can exchange information and know each other. The least popular practice is forming the connection with outer community around the incubator, though it is very important. For example, Hub Milano is taking care of green spaces around the area of incubator in order to gain recognition and attract community, develop strong relations inside and outside the incubator making the social impact on the local territory.

5.3. Tiers of support (WG3)

The most popular partnership found in almost every incubator is partnership with educational institutions. This sort of partnership provides the ability of collaboration in different projects with an additional support from local authorities. Some of the educational institutions integrate their activities to incubators activities giving the opportunity to students have consultancy by
professionals and use the infrastructure for their projects. Another popular practice - partnership with local private businesses as well as local municipalities, banks or any other institutions. Some incubators have partnerships with international networks getting member permission to join all the networks value points.

Lithuanian RIG has distinguished 5 best practices listed below that was discussed as most important and transferable to Lithuanian context.

1. **Joint actions.** Involving participation in joint projects, conferences, seminars or any other activity, which may bring knowledge and skills exchange, build trust between incubators, make commercialization easier and joint ventures may help both - regional policy and incubators themselves.

2. **Holism.** During the survey members of Lithuanian RIG emphasized the importance of participation in cluster actions. Most of Lithuanian incubators has declared the present initiatives of clustering actions, becoming a member of a certain ecosystem to assure integrated support and cooperation not only between incubators, but also between incubators and local business.
3. **Stakeholders' involvement and integration.** Pursuing common goals together with government, bringing memberships to incubators through personal integration and devotion, implementing communications with banks in order to get support and require less funding from government, finding solutions together with partners in order to assure successful business model management of incubator.

4. **Internal and external networking.** Transfer of knowledge, databases affordable and easy to reach for any member of incubator/incubator network, participation in social networking and creating virtual offices, seminars or conference calls to reach the highest communication level possible.

5. **Professional management.** As there are many incubators' stakeholders who lack knowledge in management that lead to failure, RIG mentioned the importance for all incubators to get professional management consultancy or training in order to work more efficiently. Management may be provided from private consulting professionals, local government institutions, educational institutions or banking.

Even though RIG was looking through different sources - study reports and final analysis the aspects that RIG has distinguished as the most important ones for Lithuanian context are similar to each other. Recommendations for Lithuanian regional policy improvement were listed according these findings of Lithuanian RIG.
6. RECOMMENDATIONS FOR LITHUANIAN POLICY IMPROVEMENT

6.1. Proper development of current incubators

Local government should work on the policy aimed to support the completion of current incubators infrastructure that attract infrastructure co-financing provided by businesses that would be interested in the incubators activities. Support the activities oriented to the demand of clearly defined market.

6.2. Stimulate additional ways to generate income

Regional policy should foster the creative incubation processes aimed to self-organize their finance, with an emphasis on non-public sources. There is a need of additional side activities identified that would form the biggest part of the incubators budged to be developed in all Lithuanian creative incubators. Side activities evidently can be more related to traditional industries than arts or cultural creative industries. On the other hand, support strongly the projects that would clarify core creative activities of each specific incubator, looking for viable target market for the specific field, as well as collaboration with local businesses and integrating the incubators activities into regional, national or international commercial value chains.

6.3. Raise operator’s entrepreneurial abilities

All of the Lithuanian RIG members agreed that the business economist, with an extended network of relations in the three helices government, businesses and knowledge institutions providing consultancy would be a good solution to all of Lithuania’s incubators. Due to this fact the local policy should support the development of the entrepreneurial competences of incubators operators. Orient the policy for including private entrepreneurs or financiers from local banking with a high level of financial and entrepreneurial competences to incubators governing boards for specialized consultancy that would provide financially sustainable activity models.
6.4. Stimulate cooperation and networking between incubators on a regional scale. Merging incubators for good

Taking into consideration the small scale of Lithuanian market, the collaboration between regional incubators could bring an apparent value. Activities of each incubator should be diversified as clear as possible, the means of repetition eliminated and common collaboration fostered. Due to this fact, local government should support the system for creative incubators consolidation and clustering processes that would provide Lithuanian artists an effective platform for activities, network, learning, and showing their works, as well as selling them locally and abroad. As there are some incubators who are developing similar activities and targeting similar market, policy actions for merging activities between different incubators in order to reduce costs, achieve higher level of development and provide better services to the incubates is highly recommended.

6.5. Stimulate cooperation and networking between incubators on international scale

There is a need to integrate the Lithuanian incubators into bigger economies and networks in order to be able to act in a global market, providing the possibilities of international experiences for incubatees as well as reach international markets thus raising the indicators of Lithuanian incubators activities and quality of incubation process.

6.6. Stimulate openness and social impact on local territories

The lack of openness and social impact to the outer community was identified as the in almost all Lithuanian incubators activities. RIG agreed that an evident social impact on local territory would improve significantly the acknowledgement and success of all Lithuanian incubators. Due to this fact local governments should support the activities aiming to involve the outer community together in common activities of inner incubates.
REGIONAL IMPLEMENTATION PLAN
RECOMMENDATIONS FOR IMPROVING REGIONAL POLICY in LITHUANIA