

CARPATHIAN FOUNDATION

ECOVAST

INTEGRATED RURAL COMMUNITY DEVELOPMENT

TRAINING MANUAL

JUNE 2000

The purpose of the *Integrated Rural Community Development Training Manual* is to promote and assist the training of people active in rural development in Central and Eastern Europe. It has been designed to stimulate the thinking of people who are or might be involved in practical rural development. It outlines the key concepts and elements of integrated rural development and refers to concrete practical experience from West and East-Central Europe.

The training manual has been compiled on the basis of the presentations by *Joan Asby, Birgitta Wiberg, Staffan Bond, Howard Brindley, Michael Dower, and Janos Karasz*, delivered at the Integrated Rural Community Development Trainings organised by the Carpathian Foundation in co-operation with ECOVAST from February until September 1999. The following texts have been published with the consent of the presenters.

Those who read this manual are free to use the text in their own training programmes or for other purposes.

For more information, contact:

CARPATHIAN FOUNDATION

Hlavna 70, 04001 Kosice, Slovakia

Tel: (421 95) 6221160,61 Fax: (421 95) 6221150

E-mail: fdce@changenet.sk

<http://www.carpathianfoundation.org>

ECOVAST

c/o Cheltenham and Gloucester College

Swindon Road, Cheltenham, GL 50 4AZ, England

Tel: (44 1242) 544031 Fax: (44 1242) 543273

E-mail: mdower@chelt.ac.uk

<http://www.ecovast.org>

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1. Carpathian Foundation

The Carpathian Foundation is a unique, cross-border community foundation that promotes good neighborliness, social stability and economic progress in the bordering regions of Hungary, Poland, Romania, Slovakia and Ukraine. It serves over 14 million citizens living in the ethnically mixed and culturally diverse Carpathian Euroregion. The foundation was founded in 1994 by the EastWest Institute with substantive support from the Charles Stewart Mott Foundation.

The Carpathian Foundation provides grants and technical assistance to NGOs and local governments. Support is given to grass-roots initiatives which contribute to revitalisation of the disadvantaged rural areas in the Carpathian Mountains. In its first five years of operation, the Foundation has distributed over 2 million USD in support of more than 300 organisations and local governments.

The Foundation has had a measurable impact in promoting inter-ethnic and cross-border co-operation in economy, culture, education, media and environmental protection. This is viewed as an effective means of achieving inter-ethnic stability and tolerance, which are preconditions for a stable and democratic Europe.

2. Integrated Rural Community Development Program

The CF IRCD program provides support for larger multi-year projects or a cluster of related projects linked by a consistent and substantive focus in each of the five countries. Grants are awarded to local governments and non-governmental organisations supporting the projects which promote integrated rural community-based development in the small towns and villages of disadvantaged rural mountainous areas. Supported projects are socially and environmentally responsible, show sensitivity to cultural heritage and traditions, and aim to develop and increase the economic and social potential of the micro-region targeted. The IRCD Program provides support for projects, which address these objectives, ensure sustainability, and are focused on specific geographical or ecological areas.

The programme has been running for three years. In the frame of the programme, seven NGOs and local governments received grants. During the years each of them gained a considerable amount of experiences. By now they can be regarded as real models of sustainable rural development initiated and implemented by innovative communities.

3. Networking Integrated Rural Community Initiatives

In 1999, in co-operation with ECOVAST and financial support from Freedom House, the Carpathian Foundation has launched *Networking Integrated Rural Community Development Initiatives Project*.

The overall aim of the IRCD Networking was to multiply the effects of the IRCD Program and enlarge positive effects of the CF activities through:

- organization of training in order to support integrated sustainable rural

- development by developing participants' capacities and skills;
- exchange of information and experiences in the field of regional and rural development;
- creation of a network of rural initiatives in the Carpathian Euroregion;
- development and increase of capacities of participants with special regard to the upcoming process of European integration;
- comparing and sharing experiences gained in the Carpathian Euroregion to European experiences and models of rural development;
- Identification of common goals, interests and preparation of concrete projects based on co-operation between the participating organisations.

The IRCD Networking consisted of four training sessions attended by the representatives of organisations and local governments active in rural development.

The visiting trainers were *Professor Michael Dower*, ECOVAST, England, *Joan Asby*, South Pembrokeshire Partnership for Action for Rural Communities, Wales *Birgitta Wiberg*, Project LeaderII, Sommenbygd, Sweden, *Howard Brindley*, Euromontana, Scotland, *Staffan Bond*, Sweden, *Janos Karasz*, sociologist and architect, Austria.

The impact of the CF IRCD Grant Program was multiplied through sharing experiences and information about successful IRCD projects in the Carpathian Euroregion which serve as models for other regions of Central and Eastern Europe. Several networks of participating organisations were created, which will be of great benefit for the participants as well as for the whole Region. The networks present a continuing and progressively enriched basis for networking, information exchange and co-operation between all projects and others active in rural development.

Some examples of concrete and considered projects agreed on by the participants in the course of the trainings:

- *Tisza River Tourism* - plan for the creation of substantial tourism 'product' based on travel alone, and activity on or near the banks of the River Tisza in Ukraine, Romania, Hungary.
- *Transcarpathian Festival* - to hold each year a substantial festival with participants from throughout the Carpathian Euroregion and embracing folklore and cultural activity, crafts and other local products. The venue could rotate between the five countries.
- *Children and Youth Exchange* - to encourage participants and young people from all five regions to take part in summer camps in different regions. Hungary and Poland already have exchange of children. These summer camps may be publicised through the Carpathian Foundation.
- *Exchange and Co-operation on Tourism Development and Marketing* - support each other and undertake joint activities in the field of tourism development as well as joint international marketing.

ECOVAST was set up in 1984 to further the well-being of rural communities, and the safeguarding of the rural heritage throughout Europe. Its formal aims are:

- ◆ To foster economic, social and cultural vitality and the administrative identity of rural communities throughout Europe; and
- ◆ To safe guard, and to promote the sensitive and imaginative renewal of, the built and natural environments of such communities.

ECOVAST's membership has grown rapidly, to over 500 members in 28 countries in East and West Europe. The membership is widely drawn, to include individuals, government and non-government bodies, from local to international level. ECOVAST can thus act as bridge between decision-makers and those who are active at local level, between experts and practitioners. It operates mainly as a network. To assist mutual support among its membership in pursuit of their activity in rural areas, it has national sections in Austria, Croatia, Estonia, Germany, Hungary, Italy, Poland, Romania, Russia, Slovakia, Slovenia, Sweden and the United Kingdom and planned in other countries. These provide a focus for exchange and activity in each country, to benefit rural communities and rural heritage.

ECOVAST's policy approach is set in the "Strategy for Rural Europe" published in 1992 and updated in 1994: this has been translated into many European languages, and widely distributed. It has published policy documents on "Traditional Rural Buildings", and on "Agriculture and Forestry – sustaining their future in Europe", and a Manual on creation of Heritage Trails.

ECOVAST has consultative status with the Council of Europe, and the European Commission; and has good working relations with many other European organisations. It played an active part in the European Countryside Campaign 1987-88, and has taken a strong stand on certain crucial issues, notably the protest against the now discontinued systematisation programme in Romania and the review of Brown coal mining in Central Europe.

ECOVAST has active working groups on landscape, rural architecture; rural development; and rural tourism. It organises conferences, seminars and other events, and sends technical missions to advise on rural development and heritage protection. It takes part in major practical projects, such as the Heritage Trails project in Slovenia, Slovakia and Bulgaria, the Wine Traditions Network (WITRANET) project, and the Transnational Woodland Industries Group (TWIG) project, all funded by the European Commission.

Within the broad framework of ECOVAST, a group of research and consultancy units has set up a network, under the title ECOVAST Associates, to undertake research, consultancy and action projects to promote the well-being of rural Europe.

3.1.

INTEGRATED RURAL COMMUNITY DEVELOPMENT Key Concepts and Elements

RURAL DEVELOPMENT IS...

a deliberate process of sustained and sustainable economic, social, cultural, political and environmental change, designed to improve the quality of life of the local population.

SUSTAINABLE DEVELOPMENT MEANS...

"... development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs"

Brundtland report, 1987

The sustainable development of an area shall be ensured through:

- Involving local people in the decision making process.
- Forging partnerships between local communities, agencies and local authorities.

This way people can:

- Play a more significant role in developing their communities;
- Plan to meet their needs;
- Respond to opportunities in the light of these needs.

This approach helps to make projects and communities sustainable because it:

- Assists local people to become articulate and confident
- Encourages communities to think long term
- Promotes a more holistic approach
- Assists individuals to identify commercial opportunities
- Directs efforts of agencies and authorities towards opportunities which enjoy the enthusiastic commitment of local people and which are therefore of long term value.

VIEWS OF RURAL DEVELOPMENT

"If the indigenous potential of rural regions is to be developed, local initiative must be stimulated and mobilised.

External intervention has little prospect of success without the support of local communities.

Moreover the involvement of local and regional authorities and other...interest groups in the identification of problems and the quest for solutions limits the number of errors of diagnosis that are all too common when planning is carried out from the outside."

European Commission *"Future of Rural Society"*

- Active participation of the target population in the design of the development
 - Adaptation of improved technology to local conditions.
 - Compatibility of the interventions with the social and cultural character of the locality.
 - Compatibility of the interventions with the overall policy of the government of the area.
- The World Bank's view*

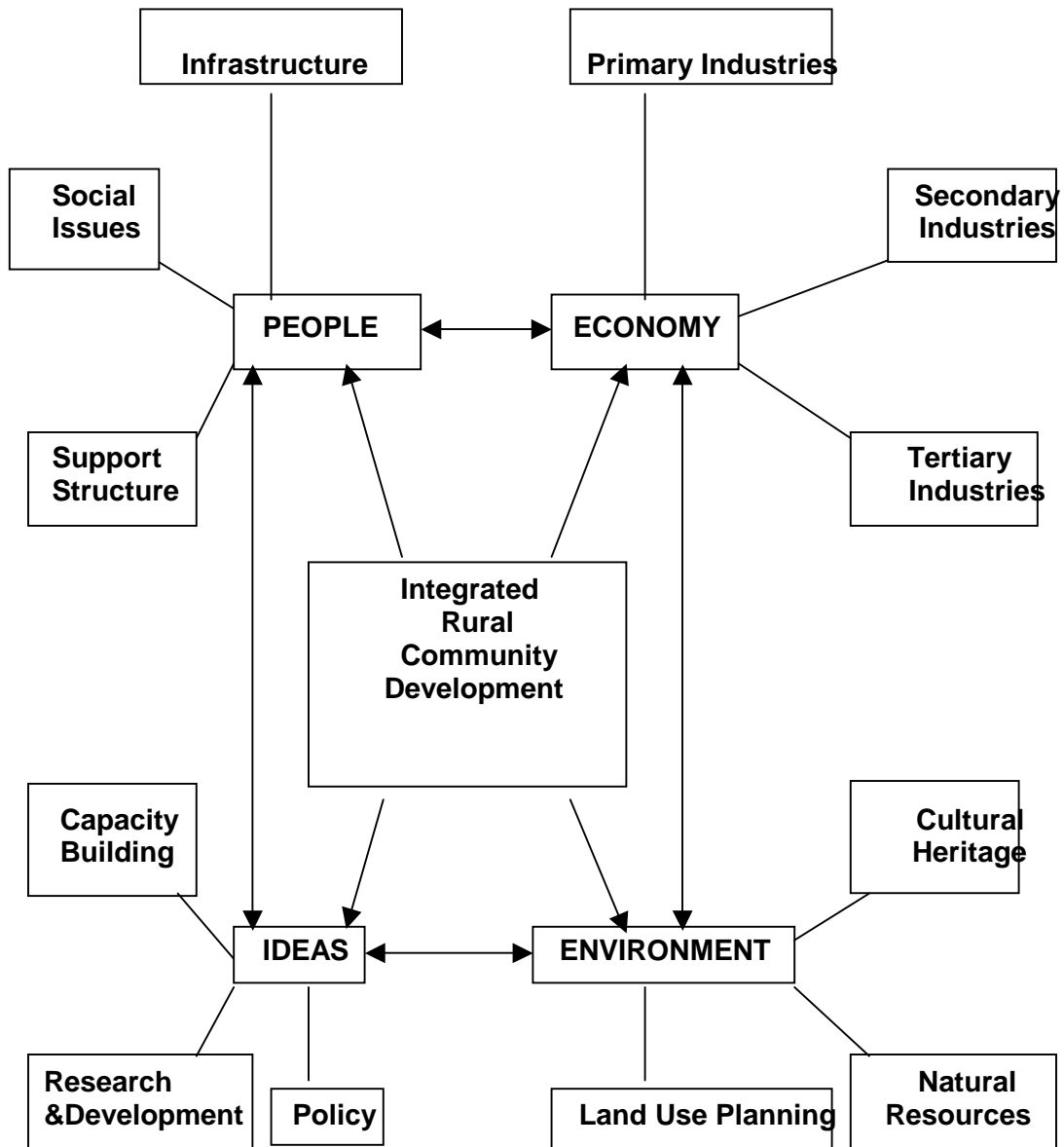
KEY ELEMENTS OF INTEGRATED RURAL STRATEGY

- Strengthen and diversify the economy of rural regions
 - Sustain farming throughout rural Europe
 - Develop forestry as a multi-purpose activity
 - Encourage manufacturing, craft and service industries, on a local base
 - Make good use of telecommunications
 - Promote sustainable rural tourism
 - Ensure good housing, while respecting local traditions
 - Maintain and strengthen local services
 - Look after the heritage of wildlife, culture and landscape.
 - Strengthen the partnership between government, local authorities and the rural people.
- Ideas from ECOVAST 's Strategy for Rural Europe*

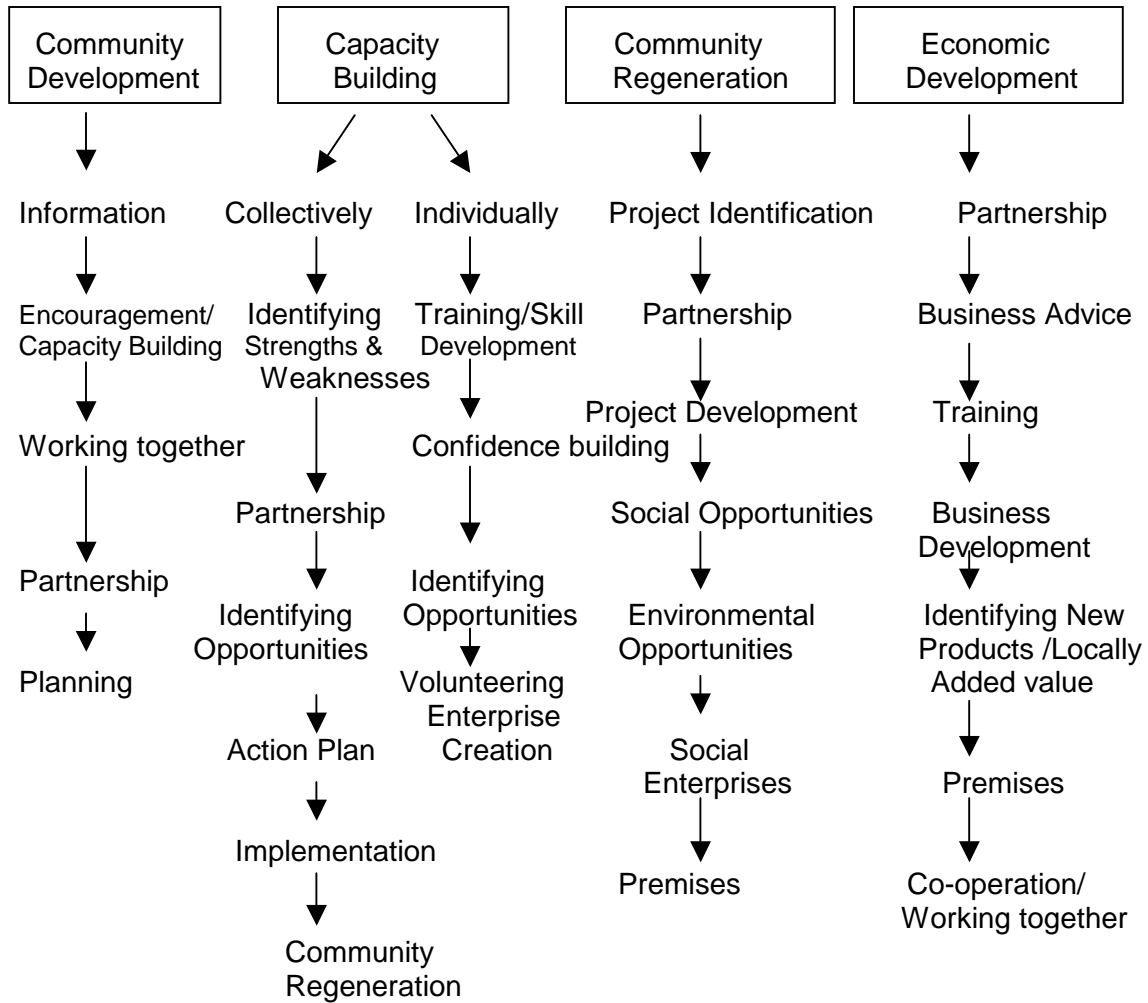
HOW TO ENSURE SUSTAINABLE INTEGRATED RURAL DEVELOPMENT:

1. Focus upon a local area.
2. Carefully analyse local resources and needs, SWOT analysis.
3. Fully involve the local community.
4. Pursue a deliberate process over time.
5. Think through logical sequence or critical path.
6. Plan for growth in area, funds, partners, beneficiaries, etc.
7. Multiply the groups, communities involved.
- BUT REMEMBER 8. Small is beautiful.
9. Encourage interest groups to work together and represent themselves.
e.g. Chamber of Industries, Chamber of Agriculture
10. The true sustainable basis of the rural development is self-help by people.
- THEREFORE 11. Develop the capacity of local self-government, NGOs, local people.
12. Do not hesitate to build organisations, to influence government, to fight for legal change.
13. Keep partners and people well informed.
14. Regularly review, evaluate what you are doing, and receive feedback.
15. Avoid unsustainable development, think about long-term consequences of what you do.
16. Promote sustainable use of natural resources, such as fishing, hunting.
17. Manage national/landscape parks, biosphere reserves.
View them as assets for, not constraints on local development.
18. Pursue tourism marketing on a co-operative basis, develop rural tourism.
19. Promote added value to farm and forestry products, e.g. firewood, timber, charcoal, milk products.
20. Make good use of inherited buildings.
21. Provide business advice, consulting, for free if possible, expand number and increase capacities of SMEs

Rural Development has four main "legs", which should be kept in balance - people, economy, environment and ideas.



The strengthening of rural communities may be pursued through:



Involvement of community is crucial for the success of any development program.

WHAT DOES COMMUNITY MEAN

"Community" means all the people living in a given rural area.

They are the basis for sustainable rural development because:

- they know best what are their problems and needs;
- they control many of the resources -land, buildings, local products - upon which development is based;
- their skills, traditions, knowledge and energy are the main resource for development; and
- their commitment is vital. If they do not support an initiative, it will die.

Involvement of Local People : Key Issues

1. People need to fully understand the process and how they fit in, therefore keep them well-informed.
2. People want involvement on a village basis.
3. Public meetings alone do not provide a satisfactory way of fully involving the community.
4. A wide range of people with energy and enthusiasm must be encouraged to become involved.
5. Information, professional advice, training and confidence building are essential prerequisites, if local people are to feel able to meet as equals with representatives of authorities and agencies.
6. Encourage the local community to identify their needs and to formulate projects: this will help to ensure that they feel that they own the process of development. This harnesses the ideas people have, their energy, and their commitment.
7. Local communities often feel unable to take action, because they do not have a point of contact with other bodies. Provide such a point of contact for them.
8. Assist in creating partnerships.

Find the answers to the following questions:

- 1) What distinct groups are found among the local population in your area?
- 2) What actions would improve the quality of life of the local population?

CASE STUDIES

Local Mobilisation in the Swedish Countryside

- Ten years of **popular mobilisation** in the Swedish countryside has led to the establishment of nearly **4 000 active local community groups**
- It is estimated that about **100 000 people** are directly engaged in **the village movement** and several millions are affected.
- It generates economic growth in all of Sweden. The work done by the village groups is worth about 1 billion Swedish kronor a year (about 75 million GBP).
- The tasks handled **by the local groups** range from cultural activities, tourism development, to improving roads, building village halls, building factory premises etc. Local co-operatives run shops, petrol stations, telecottages, organise child care and care of the elderly. In many cases there is a crisis that starts the activities; such as closing down the post office, shop or school. The simple activity often develops into bigger and more complex tasks.

The beginning of the village movement

At the beginning, there are local enthusiasts or dedicated persons, the so called "burning or fiery spirits", who work to involve others. Often the women are in the lead of the process - they are the new village leaders.

In the 80's, the situation was critical for large parts of the Swedish countryside,

- the economic activity was low
- young people moved out
- there was a feeling of lack of influence on decisions concerning the local communities.

This was the starting point for a national effort for the countryside, the campaign "All of Sweden shall live!".

The campaign

In 1989 a campaign for the development of rural Sweden was launched. The major goals were

- to stimulate and support local mobilisation
- to change the opinion among decision-makers and the public
- to start concrete pilot projects to exemplify possibilities
- to influence and change the sector policies and the regional policies.

Popular Movements Council

Following the campaign, the **Popular Movements Council for Rural Development** was established in order to stimulate and support local development, enhance communication between local action groups, co-ordinate the work of NGOs, and influence the public opinion and decision-makers. The Council is supported financially by the government to provide advice and consultancy.

Every second year, the so called **Swedish Rural Parliament** meets to discuss rural matters and also to give guidelines for the Council's coming work.

RuralNet

BygdeNet (RuralNet) a network accessible on Internet was established in order to allow all involved create and maintain contact with one another, to exchange experiences and share information.

Local planning

In Sweden the municipalities have a very strong position in planning. It is essential that the local groups take the lead in the planning process and therefore the villagers are encouraged to formulate local development programs or plans.

In this bottom up planning the professional planners must of course join. They should, however, start writing and drawing after discussions with local people. The planning initiative should come from the active local groups, not from the authorities above.

The "Method-Box"

What is being done now is collecting and testing new methods of local mobilisation in a special project run by the so called Rural University. The "method-box" is never going to be full. In Sweden they are extremely interested in learning from other countries about their experiences in this field.

Breaking Out Despair, Hernadvecse, Hungary

- The region in the borderlands of NorthEastern Hungary is known as Kegyetlen –Despair.
- Out of 13,000 people living there, 8,000 are Romany and this proportion is constantly growing
- In 9 Roma communities over **80% of people are unemployed**

The Romany Phralipe organization has set out to help them "break out of despair".

- In 1995 there were some 26 Roma organisations, and a two-year program of personal effectiveness training helped bring them together. Together they drew up a map of the region's problems and resources.
- During this period the idea of a regional development program was conceived to help the young unprivileged Romanies to create a better life for themselves.
- Their vision was founded on the aim of strengthening civil society and co-operation between local governments and village communities in every aspect of rural life.
- The primary resources was seen to be the local people themselves. The courage and survival skills, agricultural skills and co-operative work were the major assets.
- The hope was to involve some 150 people directly in the implementation of the project, and to help perhaps some 70 families to achieve a marked improvement in the quality of life.

- The outcome hoped for was the regaining of self-esteem by the Romany community through their own efforts and co-operative work.
- **Phralipe Romany Organization** played the leading role and co-operated with village local governments, local Romany associations, schools and other regional organisations.
- The program management team consists of the locals and outside experts. The locals play the leading role. The experts assist them in identifying opportunities and funds as well as in solving problems.
- All activities are community based, all project activities must be agreed on by the locals, only then they are implemented.
- The project team worked with the already existing knowledge and skills, interests and motivation.
- The organisation of regular meetings has increased the team spirit among the locals. Two of three people from each village settlement are members of a new regional network and decision-making body, which includes the Project team, expert advisors and local government representatives.

Their work has resulted in some notable **achievements** with respect to strengthening their capacities – job-training workshops and computer courses. Several activities were undertaken to promote Roma culture, festivals, Annual Roma days and research of the history of the Roma community. In order to generate local income for Romanies, weaving workshop and oil press were opened.

It is a fundamental task to establish and develop partnerships with local, regional and national bodies as well as NGO and business sector.

Partnership Links

Make an assessment of your potential partners. You may use the Partnership diagram as a guide (table 1).

Development Partnership Checklist

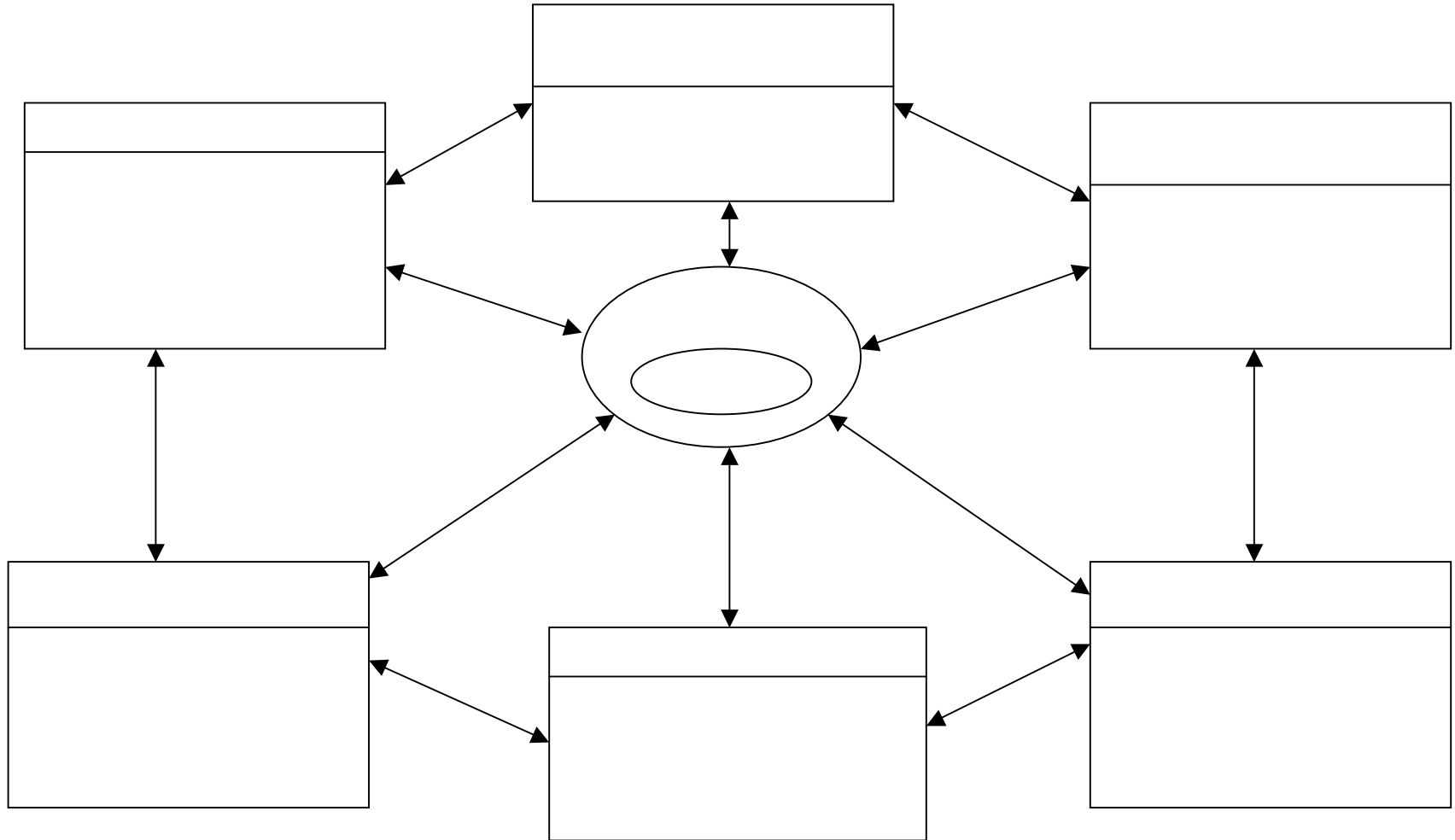
Answers to the following questions may help identify all of those who should be involved in the development of partnerships,.

- Who will do what, and at what level, with regard to:
 - getting the area ready
 - getting the people ready?
- Who will work with local people on confidence building, informing, involving?
- Who has influence with special interest groups e.g. farmers, foresters and businessmen?
- Who will carry out the audits of local resources, skills, agriculture, forestry, environment, heritage, recreation etc.?
- Who are the key organisations to be involved in the design of a development strategy?
- Who can give technical advice on agriculture, forestry etc.?
- Who will design training courses on technical matters and for existing and potential businesses?
- Who will recruit local people and new businesses etc. into training courses?
- Where can courses be held locally?
- Who gives business advice in the area and is it readily accessible?
- How will you develop local business networks?
- Who will oversee restoration and making safe of heritage sites?
- Who will negotiate access to nature and the countryside?
- Who is responsible for managing and improving the environment, the forests, the lakes and the countryside?
- Who will make decisions on the implementation of a development strategy?
- Who can make the finance available?
- Do you need to co-operate with a neighbouring area/region/state in relation to product development and marketing?

Table 1

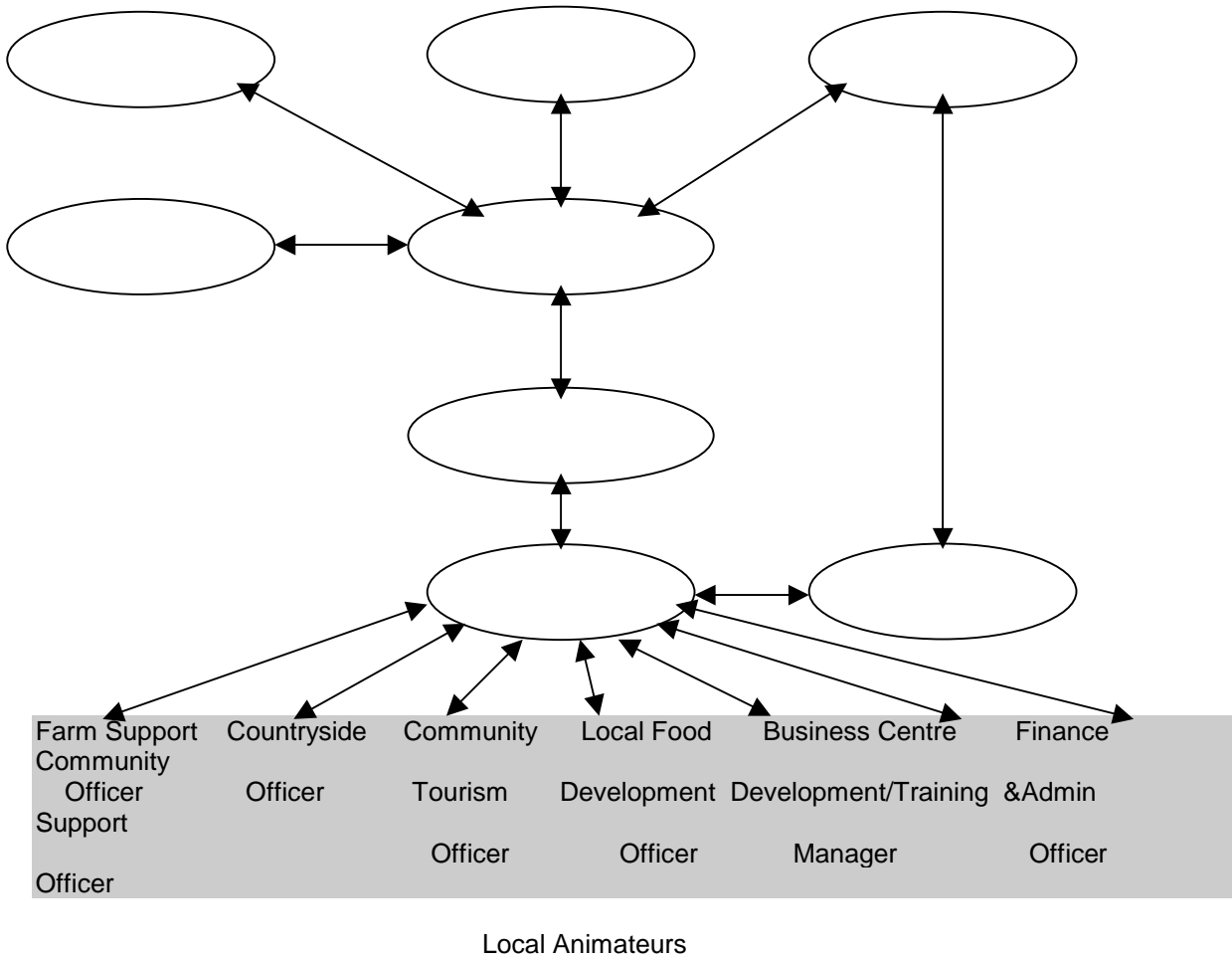
PARTNERSHIP LINKS

In each box, insert the names of relevant organisations



PARTNERSHIP STRUCTURE

Example of one subregional organisation which promotes integrate rural community development.



3.4.

PLANNING THE LOCAL DEVELOPMENT PROGRAM

Before you start you should consider the following issues:

- Who are you? Local area action group, regional organisation, government, municipality, agency.
- Identify the key organisations to be involved in the design of a development strategy
- Identify your partners, both local and regional.
- Are you co-ordinating with other bodies? - for maximum success your plans will have to link to the plans of others, so you may wish to establish a liaison committee, ensure participation of local people.
- Develop an integrated plan with all agencies from national level down, and fully involve local people from the outset.
- Have a clear strategic planning framework.
- Secure a commitment to partnership between central and local government, regional agencies and local people.
- Ensure effective ongoing linkages between the agencies themselves.
- How much do you know about the area? Gain detailed understanding of an area. How much information is already available? Compile a comprehensive audit from all available data. Carry out the S.W.O.T. analysis. (see next page)
- What more do you need to know? Undertake research/audits to ensure you have full background knowledge of the area.
- Can you ensure local access to training and business advice? Aim to create maximum opportunity for local people through easy access to training developing shared opportunities and promoting networking (investment in individual businesses should not be the first priority).
- Do you need to ensure that the relevant organisations are still committed to working with you?
- Clearly define responsibilities and tasks:
e.g. Who will work with local people on confidence building, informing, involving?

S.W.O.T. ANALYSIS

STRENGTHS.....build on them

WEAKNESSES.....correct them

OPPORTUNITIES.....exploit them

THREATS..... ..protect against them

Strengths...

are those inherent qualities, or assets within an area which offer starting-points for social or economic development. They may include :

- Natural features of area: mountains, lakes, rivers, forests, coast, marshes;
- Natural resources of area: water, wood, fine scenery, fish, game, etc;
- Regional assets: villages & towns, heritage, cuisine, strongly developed local culture, nature;
- Institutional resources: universities, colleges, training centres, active local authorities, etc;
- Human resources: people, knowledge, skills, well-educated or adaptable work force, traditional skills, strong sense of local pride.
- Economic resources: existing businesses, active industries, etc.

Weaknesses...

are the characteristics of an area which may impede or weaken the efforts of social or economic development. They may include:

- Physical weaknesses: polluting industry, a poor or despoiled environment, inadequate infrastructure, poor tourism infrastructure.
- Economic weaknesses: distance from markets, lack of information on markets, lack of investments, lack of confidence/education, poor access to training, insufficient management skills, poor access to business advice.

Opportunities...

are actions which could be taken to turn the strengths into real programmes of social and economic development. For example:

- a programme to add local value to food or timber produced in the area;
- a programme to develop tourism in a specific way;

THREATS...

are things that might happen and which would hold up or reverse the process of rural development. They might include:

- the closure of a major industry;
- the collapse of a long-established market for local products;
- the prospect of flooding or of catastrophic soil erosion.

NOTE:

- Make an assessment of strengths, weaknesses, opportunities and threats in your region before you start your project.
- Update SWOT analysis regularly in the course of your project. Compare it to the analysis you carried out before starting your project.

Benefits of the Community Appraisal

The community appraisal:

1. Allows everyone to take part
2. Is a device for training and capacity building
3. Presents a framework for everybody to come together
4. Offers a mechanism for working together to analyse responses
5. Assists identification of projects and proposals for programmes
6. Helps understanding of planning, evaluation and prioritising
7. Provides invaluable support information to back up project proposals
8. Allows plans to be developed on the basis of facts and understanding
9. Provides a comprehensive agenda for community action.

PLAN YOUR ACTIVITIES. Create the table of activities, programs, etc describing the process that each project has been pursuing, and intends to follow. This may take the form of a sort of business plan, or work programme, as seen below, with a clear idea of the sequence of work and the target dates by which certain things will have been completed.

Example:

	1999	2000	2001	2002
Community development	_____.			
Partnership		_____.		
Programs:/names				
A	_____.			
B		_____.		
C			_____.	
D				_____.

CASE STUDIES

The Recent Experiences in the Scottish Highlands

- The Scottish Highlands and Islands cover 39,000 square kilometres of land, about 25% of the area of the Carpathian Foundation.
- They have a population of 370,000 and are one of the least densely peopled parts of Europe.
- There are over 100 inhabited islands, large tracts of uninhabited mountains, and quite diverse rural economies.
- The Highlands have lagged behind the more prosperous parts of Scotland for many years. The area is still characterised by a GDP which is well below the European average, remote communities with limited services, poor roads and long sea crossings.

In 1994 the area was granted Objective One status with a program of 330 million euros over a 6 year period to 1999. This program contains the following priorities:

- Business development 25%
- Transport and communications 23%
- Agriculture 15%
- Training and community development 14%
- Enhancing the environment 10%
- Tourist development 7%
- Fishing 6%

GDP is now about 78% of the EU average.

LOCAL AREA STRATEGIES

- The program is administered by a broadly based partnership comprising national government, local government, training bodies, voluntary bodies, business development agencies and environmental bodies.
- However, it is still seen by local communities as too remote. Therefore it was necessary to work with local partnership groups over the past year in the hope that this way it will be possible to influence the new planning process and the way that the next plan is delivered.

The main elements of this work are:

- Establishing **local working groups** of local representatives of the program partners (local partnership groups, local training organisations environmental bodies, economic development agencies, local NGOs, etc.)who are prepared to draw up local strategies and then work to implement them. There are 10 local working groups and 1 umbrella group
The local people are involved through the locally elected representatives
- Agreeing on the current socio-economic profile of the local area, its key issues and deficiencies -**local SWOT analysis**
- Reviewing partners, local strategies and action plans and drawing these together into a set of **common strategic objectives**, which comprise a **common strategy**. Program is managed on national level, but decentralisation and greater responsiveness are achieved through this local partnership network.
- Prioritising the actions and projects which emerge from this review by testing them against the objectives of the new Structural Fund Regulations. This assures that each area has an agreed portfolio of actions which fit well with the aims of the next program and from which local projects can be developed, use local strategies to help to deliver the program.

The development of a sound base of viable businesses to underpin the local economy must be a priority. A wide ranging partnership, to develop and implement a strategy to facilitate this process, is essential.

The following elements may be involved:

Process

- Set up local Working Group of key individuals
- Identify the needs of the business sector
- Identify existing provision
- Identify main stakeholder organisations and establish effective partnerships
- Identify principal individuals to be approached
- Undertake consultations with national, regional and local government organisations
- Identify most appropriate organisational structure
- Identify sources of funding for organisation
- Identify management structure
- Identify most effective method for delivery of services
- Establish aims and objectives for organisation
- Identify use of ICT for local businesses
- Prepare Business Plan for organisation

Formula for Success

- Involve both public and private sectors
- Establish a joint venture of the main stakeholders to form Board of Management
- Underpin this strategic Group with a small executive/working group
- Divide the task into achievable outcomes
- Agree four or five main objectives
- Develop project specific solutions
- Gain private sector commitment to funding
- Ensure that projects reflect the needs of the communities

Key Elements of Exploitation of Business Opportunities

- Effective stimulation of personal effort to set up new business and expand existing business
- Access to current information on market trends at local, regional, national and international levels
- Development of core skills
- Easy access to support mechanisms for business advice
- Access to appropriate finance
- Access to market or sector specialisms
- Access to new product development support
- Access to modern Information Computer Technology

Business Support Services to be Developed

- Business skills training
- Business reviews
- Sole trader support
- Local inter-trading
- Information
- Business planning
- Marketing
- Finance

Farming plays a number of significant roles including the preservation of the rural heritage and the creation of new sources of income. The well-being of the farming community may be assisted by the following:

- Possible additional sources of farm income:
- Processing and adding value to local products;
- Crops - organic, food and vegetable, herbs;
- Food - farm shops, dairy products, home bakery products, meat processing units attached to abattoirs;
- Farm tourism - farm holidays, self-catering, bed and breakfast, fishing/hunting/shooting;
- Diversification into non-agricultural activities - e.g. livery stables, countryside furniture;
- Environmental rehabilitation;
- Forestry - planting, harvesting, management and added-value processing;
- Local contracting capability.

Support to rural areas can be done in three main ways:

- By creating a stronger agricultural and forestry sector - support the adaptation of the sector to market circumstances, support for investment in agricultural holdings, processing and marketing of quality of agricultural holdings;
- By improving the competitiveness of rural areas;
- By maintaining environment and preserving Europe' s unique heritage.

CASE STUDIES

New Community-based Structures in Sweden

- The following examples are from the lake district Sommen in Sweden.
- The arable land covers 14.41 % of the area and consists of small agricultural units with animal husbandry and pasture operation. The forests cover 64.14% of the area
- Employment is well below the national average

Basic principles for the new community based structures are:

- Local people and bottom up approach
- Networking
- Entrepreneurial spirit and innovative action

- Added value through co-operating
- Environment, culture and quality of life
- Go for win/win methods
- Small grants (LEADER II)

1. Farm - labelled Beef

In the Swedish municipality of Ydre, five livestock farmers decided to pursue joint marketing of farm-labelled beef produced from the cattle raised on their farms.

They:

- carried out a market study in order to identify possible products and market segments;
- contacted the food store chain "Hemkon" with the aim to establish co-operation.

The results they achieved:

- the study identified farm-labelled, meadow-grazed beef as a product with a good market potential;
- livestock farmers established partnership;
- Hemkon stores offered to assist the farmers in developing their ideas. Hemkon defined the requirements for the productions, including home-grown feed, grazing land, quality, breed, weight, etc. and agreed to take care of consumer marketing.

The labels have neither national nor international significance, but may rather be regarded as information for consumers about origin of beef and production methods.

An important aspect of the farmers' co-operation is the planning of abattoir deliveries to enable the consumer to buy the product all year round. The contract drawn up by Hemkon and the farmers stipulates a minimum of two animals to be delivered on a weekly schedule. The consumer pays a higher price compared with beef that does not carry the meadowlands beef label. Demand has hitherto exceeded supply, indicating that a higher price paid by the consumer is not a problem.

Key elements

- Capitalising on existing production methods to market and label a sustainable agricultural product
- Co-operation to achieve synergy, notably in the production capacity to ensure a steady supply to the consumer
- Mutual benefits brought about by the direct contact with the consumers: the farmers find out what consumers wish, and consumers learn about how cattle are raised.
- The project should contribute to the sustained development of the area in a community where there are few alternatives to agriculture.
- The meadowland that is being used for grazing would otherwise certainly have been left unused, which would have resulted in its being overgrown by forest

2. The Wool League

- It is a network of 11 women, who have worked with wool and hides.

They:

- work to promote the sheep industry in the entire region
- promote the industry by collecting wool.
- have established a wool-pool for the sale of wool.
- have arranged study tours to networks for entrepreneurs working in the same field.

- have established the Friends of Wool League, which has 100 members and publishes a newsletter.
- organised the Sheep's Day, sales of products, lectures and demonstration of sheep shearing and herding.

Key elements

- Developing new products in wool and fur
- Making better use of a product which is otherwise discarded
- Job creation and additional incomes
- Co-operation increases competence and skills
- Keeping animals to make use of the "open landscape"

3.6.

SUPPORT FOR PRIVATE ENTERPRISE

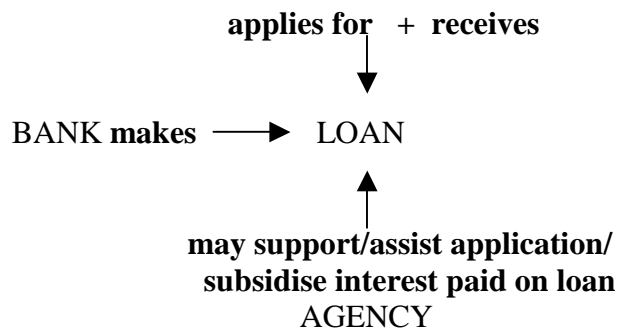
CASE STUDIES

The Mutual Guarantees Fund in Poland

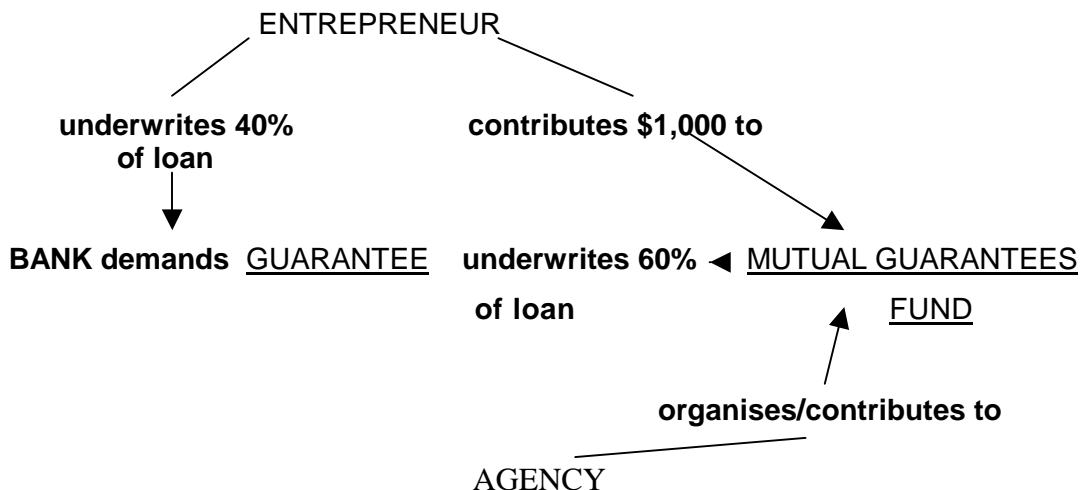
The Mutual Guarantees Fund is a progressive and ambitious initiative of the *Bieszczady Regional Development Agency* from Poland. Being a part of a wider strategy, the Fund has been set up in order to stimulate economic and social revitalisation of the rural areas in South Eastern Poland. This is done through providing its member entrepreneurs with loan guarantees.

The diagram below shows the relationship between the Agency, the bank and the entrepreneurs

ENTREPRENEUR



Mutual Guarantees Fund as a Facilitator and Mediator of SME Development



Bank loans for small businesses are very difficult to obtain. The high requirements of the collateral / guarantees needed are very high, sometimes 150-200 %, to cover loan repayment. There is also the problem of the high interest cost of loans. They can range from 12% from the Local Employment Office to some 25% from ordinary banks.

The Bieszczady Regional Development Agency has operated a business fund, quite successful in assisting local applicants with creating business plans. They were also used to negotiations with local banks, and customers of their Loan Guarantee and Financial Assistance Fund.

From their knowledge of local conditions the staff envisaged the need for an extension of their work. *The Mutual Guarantee Fund* was proposed and accepted for support by the Carpathian Foundation.

The objectives were:

- meeting the banks' requirements to secure loans granted to the Fund's participants;
- increasing the competitiveness of the region;
- creating new employment possibilities, and developing the rural infrastructure;
- opening up the region for economic co-operation with neighbouring countries.

The Plan in Action

- The Fund was set up with a grant of \$160,000 from the Carpathian Foundation. Only 10 % of this, some \$16,000, was used as operating costs in the first year. It is planned that interest on the balance would pay the costs in the second and third years. After three years the Fund will continue to hold the capital for the purpose of guarantees, and become fully self-financing.
- Right from the beginning, the Fund had very definite criteria as to the kind of loans that it would guarantee. These included:
 - the number of new employment places likely to be generated;
 - economic efficiency of the investment proposed;
 - influence of the enterprise on the environment, and on other firms.
- Participants would first become members of the Fund, by depositing a guarantee/bill of exchange for the Fund's benefit of 1000 euros, and signing an agreement to participate. Mutuality was thus established as a principle. Each of the present 13 members takes risks for each other, and they share representation on the Appraisal Committee that approves the guarantees.
- A full range of legal documents was drawn up, and a new brochure was prepared to promote the Fund.
- Staff underwent training at national seminars on small and medium enterprises.
- The Fund used a variety of means to disseminate information and popularise its services. There were direct consultations, and information was sent by letter, distributed in local banks and employment offices, and published in the mass media. Besides the Local Employment Office, the Fund established good relations with local banks and the Provincial Fund for Environmental Protection and Water Management.

- Actual applications for loan guarantees are assessed by a computerised evaluation system. The loan guarantee is signed and the money is blocked off in the deposit account.
- The Appraisal Committee, whose members are representatives of the entrepreneurial participants to the project, surveys these. It also includes the country director of the Carpathian Foundation, the president of the Bieszczady Development Agency, and a regional business adviser.
- The Fund co-operates with the institutions which can influence the development of the SME sector: local authorities, financial institutions, consultancy institutions

The Fund's Achievements

- Promotion campaign
- 21 small entrepreneurs had their loans guaranteed.
- 27 permanent and 5 seasonal jobs were created
- The initial capital of the Fund granted by the Carpathian Foundation has been increased through bills of surety issued by entrepreneurs entering the Fund
- The Fund has established itself as very credible institution supporting SME development.

What we inherit from the past can serve the future well-being of our rural communities.

- Natural and man-made heritage includes:
 - wildlife habitats and species
 - natural and man-made landscapes
 - towns and villages, rich in detail
 - millions of historic or traditional buildings
 - many other artefacts, such as graveyards, bridges and windmills.
- Alongside this 'fixed' heritage is a great wealth of inherited culture :
 - the history of people
 - their folklore, language and religion
 - their traditions : in music and dance
in food and drink
in arts and crafts and industries.
- This heritage varies very greatly from area to area. It gives each place a **local distinctiveness**. This local distinctiveness can be :
 - a source of pride to the people who live there; and
 - an attraction to people from elsewhere.

Heritage and Local Development – the Need For Partnership

The heritage can be perceived and used as an asset in local development. **The past can help the future.** But this should not be a one-way process. If local development is to be truly sustainable, then **the future should also help the past!**

- Heritage and local development should be seen as partners, each helping the other.
- There should be close collaboration between those agencies and individuals who are champions of the heritage, and those who promote local development.
- Programmes of local development should take full account of the heritage, ensuring no adverse impact upon it, and striving to use it positively, protect and enhance it.
- Policies and programmes for the heritage should take account of local development, and should find mutual benefit between the two.
- The local population should be encouraged to be fully involved in local development, and the care of their own heritage.

The Heritage of Buildings – a Source of Pride and Continuity

- The buildings and other features that we inherit were created to serve the needs of earlier generations
- They incorporate past efforts of local development.

- They represent a major capital asset and a source of ideas, which can be used in today's programmes of local development.

New Uses For Old Buildings

Today, old and disused buildings are a capital asset, which can often be used to stimulate new growth in the local economy.

Old buildings can be capable of highly varied new uses:

- In England, the old watermill at Bovey Tracey in Devon now houses the permanent shop and display gallery of the Devon Guild of Craftsmen.
- Also in England, historic farm-buildings at Hope in Derbyshire have been converted into a Telebusiness centre and a series of small workshops.

Heritage and Rural Tourism

- In the countryside, the visitor seeks what is local, or special, about a particular place. The heritage is the main ingredient of such local distinctiveness.

Tourist Accommodation based on Heritage

Lodgings of every standard and type within historic or traditional buildings can be provided:

- In England, the Landmark Trust provides high-quality holiday accommodation in buildings: the money from the visitors is used to conserve further buildings, through work by local craftsmen.
- Accommodation of a more modest kind is provided by the many hundreds of youth hostels, located in castles, manor houses, mills and other buildings

In regions of low income, it may be difficult for the owner of redundant buildings to raise the money to convert them into tourist accommodation. A local development agency may need to take the initiative.

Example

In the Salento peninsular of southern Italy, the Local Action Group :

- made a deal with the owners of disused old houses;
- took a 10 year lease of the properties;
- restored these properties and converted them into modern dwellings;
- marketed them as tourist flats, with the net income going to the owners; and
- will hand them back after the 10 years to the owners, who can then choose whether to keep them in tourist use or to devote them to other purposes.

Tourist Attractions and Activities Based on the Heritage

Heritage features are widely used to provide attractions or activities for tourists.

In many places, public agencies or non-profit bodies are :

- protecting historic buildings or other heritage features;
- interpreting them with vividness and truth to the visitors; and
- generating jobs and income for local people.

Heritage Routes and Trails

As an economic sector, tourism has the advantage of mobility :

- Visitors like to move through an area, and are ready to spend money as they go.
- Many heritage features are linear in nature, or can be linked to form routes or circuits to assist local development.

Examples: pilgrimage routes, wine routes, steam railways

The Heritage Trails project shows how such sites can be used for tourism in a way which :

- truly benefits the people and the economy of the area; and
- is sustainable, so that the tourism does not damage the heritage sites.

CASE STUDIES

Heritage Trails - ECOVAST Project

Two pilot regions were chosen for the project :

- Dolenjska/Bela krajina in Slovenia; and
- the Dobroudja region of Bulgaria.

The project team defined a Heritage Trail as
"a regional network of heritage sites, with a well-defined product identity, which can keep a tourist interested for up to one week".

In each of the two regions, the project team :

- studied a range of heritage sites;
- identified those sites which might attract visitors;
- asked landowners and local people to decide whether the sites had the capacity to receive visitors (if not, the site was omitted from the Trail);
- did a detailed marketing study, to establish which kinds of visitors might be attracted to the region;
- prepared an outline of a Trail which might be marketed;
- consulted with local authorities and others to complete an agreed Trail;
- helped to create a Heritage Trail Association, to set up and market the Trail;
- gave detailed advice on standards and product quality to hotels and other enterprises who will service the Trail.

The Slovenian Trail was launched in 1996, the Bulgarian Trail in 1997. They have attracted many visitors. New Trails are now being created in other regions.

A Manual on Heritage Trails is available (price £10 or 100 French Francs) from ECOVAST. (see address inside front cover)

Local Products and Local Identity as a Key Asset For local Development

In Normandie, France, many farmers produce apples and pears and make famous drinks from this fruit - cider, poirée, and Calvados (a brandy based on apples).

The Regional Park of Normandie-Maine was set up in order to promote economic development in the area through use of the heritage. The apples and pears and drinks are a major part of both the traditional culture and the local economy.

So, the park authority :

- converted a group of traditional farm buildings into the "House of the Apple and the Pear";
- around this centre, planted orchards with 80 different local varieties of apple tree and 80 varieties of pear tree;
- manage the centre as a point of support and advice for the growers of apples and pears and the producers of drinks; and as a place where visitors can learn about the local traditions of fruit growing and the production of cider, calvados, poirée and other drinks; and
- created a series of route-marked "itineraries", which the car-borne tourist can follow and which offer visits to farms where fruit and drinks can be sampled and purchased.

The result of this initiative is that :

- Spending by visitors flows out into the local economy;
- The farmers gain added value from their produce;
- The traditions and the landscape of the region are maintained; and
- High quality in local products is reinforced by high quality in the local environment

Creating Image of a Region

Identify the assets of your micro-region, such as:

- heritage
- cultural diversity
- architecture, e.g. wooden houses
- crafts - which children may learn
 - which are used in modern ways
- nature, landscape
- people - hospitality, generosity
- build local pride, regional identity
- multi-culturalism, diversity, it is a strength

Carefully **consider to whom you want to promote your region** when preparing your strategy: residents, school children, visitors/tourists, investors (local, outside), expatriates, your nation, consumers, tourists.

Then base your strategy on that.

Co-operate in creating image - within the country, within the Region

Promote your region through publications in **unusual form** to distinguish it from other similar publications, e.g. in the form of a fan little pictures from your region on trains, especially international trains

a) Candidate Countries of Central Eastern Europe**PHARE - NEW FOCUS**

Up to 1999 PHARE has been the main channel of EU funding for the CEECs. It will continue beyond 2000 but will be refocused into two main priorities.

The first priority is to help administrations in the countries which are candidates for accession to the EU to develop capacities to adopt the "acquis communautaire". Thus national and regional bodies and regulatory and supervisory bodies will be assisted to understand and set up procedures to take part in the full range of EU regulatory activity.

The second priority, and of equal importance is to provide assistance to help industry and infrastructure to modernise. For industry this will include raising standards of safety, environmental discharges and production quality. For infrastructure it will continue to provide help with modernising transportation telecommunication and water systems.
1500 million euros per annum

PHARE will be complemented by two new programmes, ISPA AND SAPARD.

ISPA**Instrument for Structural Policies for Pre-Accession**

ISPA will be similar to the cohesion fund which operates within the EU. It will be targeted on the environment and the investment requirements needed to conform with EU regulations covering items such as clean air, clean water, and the protection of habitats. It will also target transportation connections between CEECs and the EU extending the Trans European Transport Networks eastward. There is clearly a close link between the refocused PHARE programme and this targeted ISPA programme. The overall objective is economic and social cohesion in line with objectives of Accession Partnerships.

1000 million euros per annum

Perhaps the most significant post 2000 programme for the CEECs is the new

SAPARD

Special Accession Programme for Agriculture and Rural Development

This will be targeted at helping CEECs develop the *acquis communautaire* to administer the Common Agricultural Policy. But more importantly it will help the structural adjustment of agriculture and rural development.

The delivery mechanisms proposed for SAPARD:

The new Rural Development Regulations which apply to SAPARD include the following **measures** which will be eligible for financial assistance:

- modernising farms
- improvements to agricultural processing and marketing
- improvements to veterinary and plant health care
- economic diversification

- enhancing and conserving villages and the rural heritage training
- modernising rural infrastructure
- managing water resources
- investing in sustainable forestry
- technical assistance and studies

Candidate CEECs ARE drawing up development **programmes** for rural areas which:

- Identify the needs, deficiencies and opportunities of each rural area (SWOT analysis)
- Establish strategies with clear objectives for rural areas
- Create partnerships
- Set up a programme of priority actions based on these objectives with a clear statement of the social, economic and environmental benefits expected from the actions
- Provide an annual financial programme to undertake this action
- Establish the mechanisms for delivering the programmes monitoring output and ensuring that all the governmental social and economic partners are involved

SAPARD Exists until countries accede the EU. After joining the EU other programmes are available. **500 million euros per annum**

b) Newly Independent States

TACIS – A NEW SHAPE

For the New Independent States TACIS will continue much as before. However it too will have a new shape. New Regulations will require concentration of aid sectorally and geographically to achieve maximum impact and support for the Partnership and Co-operation Agreements. There will be an emphasis on cross-border co-operation between EU States CEECs and the NIS.

Decentralisation for programme management

CASE STUDIES

Carpathian Foundation Phare Project

The Carpathian Foundation (CF) initiated a project, which received funds with the framework of PHARE. The project *titled Community Based Economic Development and Heritage Tourism* is implemented in co-operation with the Welsh partner South Pembrokeshire Action for Rural Communities (SPARC).

The target area of the project are four pilot areas in Hungary, Poland, Romania and Slovakia.

The key objectives of the project:

- to support community development with special stress on development and increase of local possibilities;

- to encourage grass roots initiatives and citizen participation in local development;
- to promote local development based on local natural, cultural and human resources;
- to promote patterns for sustainable integrated rural development;
- local capacity building;
- to increase technical and managerial skills of the local community leaders;
- to establish partnerships and local networks as well as cross-border exchange of information and experiences.

Outputs and results:

- 4 pilot areas were identified which fit into the new regional planning systems;
- possible components of community based economic development and heritage tourism projects were identified in these pilot areas;
- formation of local management teams (core groups) which represent a wide range of interests linked to the project aims; the teams are the key actors in project implementation;
- the field visit and training program in Wales strengthened the capacities and competence of local leaders and local leadership potential was developed;
- in order to increase the impact of the project a secondary project was introduced by the CF. A series of workshops was organised by the CF to help train the key members of the local management groups;
- cross-border and inter-ethnic component of all projects was strengthened;
- exchange of information and experiences in community and rural development;
- new partnerships were formed on both national and international levels;
- support for good neighbourly relations.

Impact:

- In co-operation with the Welsh partners, detailed rural community based development strategies were elaborated, which meet the specific needs of the project areas.
- Rural tourism was generally perceived as the main objective of the pilot projects. This activity, however, can flourish only as a component of a broadly based rural development strategy. Local communities were led to see and seize the opportunities of full integration of tourism with other aspects of the traditional local economies. Rural tourism has been incorporated into broader rural development plans of the pilot areas.
- Mobilising local people to become involved in project activities and to take an active part in their community's development.
- Fundraising capacities of the local communities were strengthened. The pilot areas have the possibility to ask for support within the frame of the Carpathian Foundation Integrated Rural Community Development Grant Program (CF IRCD Grant Program). It provides a multi-year support to ambitious local initiatives that are aimed at sustainable local/regional development. This would enlarge positive effects of the CF activities.
- Capacities of the local communities with respect to the SAPARD program for the pre-accession countries increased.
- The countries involved in the project are on different stages with respect to the EU integration. Partnerships and networks were established which would facilitate exchange of experiences with the EU integration among the involved countries.
- Pilot projects present models of sustainable local development based on heritage tourism and can be an inspiration for other micro regions in the four countries. Successful projects can also serve for attracting other funders.

When designing training programme, the following should be considered:

WHO is being trained

WHAT is the content of the training

HOW LONG AND HOW FREQUENT the training shall be

What TRAINING MATERIALS AND EQUIPMENT should be provided

How the training will be EVALUATED

The trainings need to be so designed as to encourage **active participation**. The aim is to challenge the participants to grow in capacity, so that they become agents of change in the organisations they represent and in the local communities with whom they work.

Lay stress upon work in the working groups and **presentation by the participants** themselves.

The trainings should be very **illustrative**, using concrete examples of rural development, which are relevant to local situations so that the lessons learned are applicable in the participants' communities.

Homework after the training is a very useful activity: it should lead the participants to think about the lessons and work to apply them in their projects/micro-regions.

Formal sessions, i.e. lectures can be combined with informal **self-help sessions**. During these the participants are lead to discuss common challenges and their responses, suggestions and learn from one another's experience.

Field visits should be incorporated into training. They should be relevant to the topic of a particular training. Participants observations can be discussed and possible lessons drawn from the visit.

Suggested Training Techniques

- illustrated talks
- problem mapping
- group discussions
- field visits
- educational games

The Carpathian Foundation and ECOVAST hope that other organisations will promote training in this field. We will be happy for them to use material from this manual and we stand ready when that is desired.

EXAMPLE

Networking Integrated Rural Community Development Initiatives in the Carpathian euroregion

Organised by the Carpathian Foundation in co-operation with ECOVAST

Each training session began with the presentation of the region where the training took place. It continued with presentations by the invited trainers, presentation and discussion of homework by the participants, work in the working groups and site visit to the rural development projects supported by the Carpathian Foundation. The training was evaluated by the means of questionnaires sent out to the participants.

The four training sessions focused on the key concepts of integrated sustainable development of rural communities, European Union funds in order to enable participating organisations to take part in the European development programs and establishing co-operation and preparation of joint projects by the participants.

Training session I

Focus of the training

- concept of Integrated Rural Community Development and other relevant concepts, such as community involvement, sustainability, SWOT analysis, etc.
- the concepts of partnership and co-operation.
- brief presentation of the projects supported by the Carpathian Foundation

Results

- the participants were introduced to the key elements of integrated sustainable rural development
- through problem mapping, they identified major problems and threats in their regions and in the assigned homework, they were stimulated to find solutions

Training session II

Focus of the training

- micro - financing and credit systems in the form of work in working groups and self help sessions
- workshop on SWOT analysis.

Results

Participants discussed the credit systems in their countries and shared the experiences in micro-financing.

Training session III

Focus of the training

- European Union funds, PHARE, SAPARD, ISPA
- networking and co-operation.
- the Swedish experience with new agricultural and community based structures, such as bee association, wool league, farm-labelled beef.
- informal co-operation fair enabled the participants to exchange ideas about concrete proposals for joint projects.

Results

The third training was designed to increase participants' capacities and preparedness with respect to the EU funds and to lead them to consider concrete proposals for co-operation with other participating organisations.

For the 4th training, the participants were asked to prepare more considered proposals for co-operation based on the results of informal discussions during the co-operation fair.

Training Session IV

Focus of the training

- identification of common goals and preparation of concrete joint projects.
- cultural heritage and its role in the rural development
- rural movement and rural parliament in Sweden
- promotion of the region

Result: Several areas of potential co-operation were identified and the procedures of implementing these proposals were agreed on.