TOGETHER FOR SUSTAINABLE RURAL DEVELOPMENT

A manual for the implementation of the LEADER approach in Croatia
EDITION NOTICE

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THIS MANUAL IS A RESULT OF COOPERATION BETWEEN TWO PROJECTS:

1. SUSTAINABLE DEVELOPMENT OF REGIONS THROUGH PARTICIPATORY PROCESSES
A PROJECT CO-FINANCED BY
THE EU

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The European Union includes 27 Member States which have decided to gradually link together their knowledge, resources and destinies. Together, during a 50-year period of enlargement, they have built a zone of stability, democracy and sustainable development, whilst at the same time preserving cultural diversity, tolerance and individual freedom. The European Union is dedicated to sharing its achievements and values with countries and people beyond its borders.

2. SUSTAINABLE FUTURE FOR RURAL AREAS OF CROATIA
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INTRODUCTION

The Together for Sustainable Rural Development manual was prepared with the intention of sharing the experience gained in the two international projects with those concerned with sustainable rural development in Croatia. Rural development and implementation of the LEADER approach are in an early stage. Hence, the purpose of this Manual is to spur and encourage similar efforts in other parts of Croatia.

Croatia's rural regions differ in their natural and geographical, historical and cultural properties, landscapes, flora and fauna, tradition, habits and levels of economic development. Their development should primarily be based on local resources and capabilities. Therefore, no universal approach or pattern are applicable in rural development. There are mandatory requirements and criteria that need to be met, as well as generally accepted guiding principles, such as those of sustainable development that should apply in line with local conditions.

Practical examples for approaches, methods and exercises presented in this Manual are dominantly based on two international projects, implemented in recent years, which provided a framework for the development of two local development partnerships – LAGs Gorski kotar and PRIZAG. The projects had similar objectives and they yielded similar results in their pilot-areas, but they differed in duration, scope of activities and results outside the respective pilot-area.

In Croatia, there is poor understanding of modern rural development as applied in the European Union. The basic legal framework is shaped in line with the acquis communautaire. However, the efforts of the Ministry of Agriculture, Fisheries and Rural Development, including its agencies and services, regional development agencies and organisations of the business sector, aimed at promoting rural development activities and encouraging the use of earmarked financial support, reach down only to the level of county seats and larger urban jurisdictions, which seem to form a barrier that prevents the extension of impact to populations in rural areas. The share of funds used for various rural development support schemes is low, and it increases slowly.

There have been only a number of successful cases over the last several years which demonstrate that voluntary establishment of rural community partnerships aimed at promoting joint development is a long-term process that generally requires a well-defined approach, systematic and qualified leadership and direct financial support. This manual discusses the process, in which consultants and/or CSOs specialising in local rural development play an important steering role. Support from local-self government administration is crucial, particularly in the initial phase. In order to ensure the sustainability of a LAG and achievement of its strategy, it is important to encourage and strengthen the interest, support and participation of the local public.

By developing from an initiative to a policy over a period of 20 years, and achieving practical implementation and success in EU countries, the LEADER approach has proved to be an
outstandingly useful and important instrument for rural development. It has established itself in response to the challenges of development in rural areas, which are characterised by an unfavourable demographic structure, low qualification levels, migration to urban areas, low income, high unemployment and quality of life lower than in urban areas. In addition, successful implementation of LEADER requires answers to wider issues, such as the need for stronger local administrations and democracy in rural areas, stronger civil society, development of trust and cooperation between counties and local communities, and for greater interest of local populations to participate in the formulation of public policies.

Time availability, capacity and funds required for mobilising and strengthening local action groups (LAG) do not meet needs in rural areas. This places additional importance on the exchange of experience in the establishment of LAGs, most suitable training content, form and methods for stakeholders, and on the encouragement of communication and networking between LAGs in the country and abroad. Civil society organisations and their networks play an important role in the process, the more so because the legal status of association (CSO) is deemed to be the most suitable for Croatian LAGs. The emergence of LAGs founded as a new type of CSO is a significant step forward in the development of civil sector at the local level, in rural areas where CSOs are poorly developed and have little influence on development. This Manual synthesises experience gained through the implementation of two international projects that focused on the promotion of LEADER in other rural areas, transfer of national and EU experience, training of trainers and local stakeholders and establishment of communication between LAGs and related initiatives. The Croatian Rural Development Network – HMRR, acting as a partner in both projects, regularly published information on project progress and results on its web site and in the *HMRR Info* quarterly e-bulletin.

The main aim of the Manual is to present the processes of establishing and strengthening rural partnerships as evolving in project pilot areas – specifically, in Gorski kotar and Primorje-Gorski kotar Counties, and in the region of Prigorje-Zagorje, which includes the border areas of Varaždin, Krapina-Zagorje and Križevci-Koprivnica Counties.

The first section of the Manual clarifies the basic concepts important for understanding what rural development is – the framework for rural development in Croatia and the EU, LEADER, sustainable development and importance of public participation in the process of LAG establishment and development of a strategic plan for sustainable development of an area. The process of initiating and building a local development partnership, LAG, is described in section two. The third section describes the preparation of a sustainable development strategic plan for a LAG area, whilst section four provides project-writing instructions, which is important for understanding the strategic plan implementation process. The LAG establishment and local strategic plan preparation processes progressed simultaneously under both projects, through interactive training for selected local stakeholder groups. Processes are presented through tasks, exercises and/or plan sections jointly developed by training participants. We hope that the Manual will inspire new ideas, the development of new methods and best practice cases in the process of creating successful development partnerships in rural areas.

Višnja Jelić Muck, HMRR /ODRAZ
1. BASIC CONCEPTS

1.1 Rural Development in the European Union

After the last EU enlargement, rural areas account for 91% of total territory of the 27 Member States, and for 56% of total population. The development of rural areas has traditionally relied on agriculture as the key economic sector, for which the Common Agricultural Policy (CAP) provides the relevant framework. In the period 2003-2004, a comprehensive evaluation of CAP results was conducted, resulting in a shift from an agricultural production supporting policy to one which promotes higher product quality, takes account of market challenges, seeks to grasp wider development opportunities and preserve the environment. The shift was then also reflected in substantial changes to the rural development policy, focusing on the following three key axes in the period 2007-2013:

- improving the competitiveness of the agricultural and forestry sector
- improving the environment and landscape, and
- improving the quality of life in rural areas and encouraging diversification of the rural economy.

Member countries and regions are obligated to ensure balanced implementation of the rural development policy by distributing funds between the three thematic axes. In addition, funding needs to be ensured for implementing the LEADER approach, which supports rural community projects aimed at solving specific local needs. LEADER is the fourth, horizontal axis of the rural development policy, and it involves the implementation of the other three axes, in particular the third, by activating the genuine potential of rural areas. This European rural development model is based on the bottom-up approach, recognition of local distinctive characteristics and establishment of local development partnerships (local action groups – LAGs) where representatives of three sectors (public, business and civil sectors) participate in the development and implementation of common local strategies for sustainable development through projects aimed at resolving specific local issues. Member States have the obligation to finance: the implementation of LAGs' local development strategies, their cooperation projects at international and national levels, operating costs and capacity building associated with the formulation of local development strategies and mobilisation in the respective area.

LEADER is an acronym that stands for „links between actions for the development of the rural economy“. Rather than being a set of binding rules, this method is used for mobilising the potential of rural communities. Experience shows that LEADER may lead to changes in the lives of people inhabiting rural areas. It can be an important instrument for encouraging innovative solutions to old and new problems in rural areas, thus becoming a „laboratory“ for building local capacity and testing new ways to meeting rural community needs. Information obtained through the evaluation of LEADER, and that obtained from stakeholders based in

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1 Acronym derived from French: „Liaison Entre Actions de Développement de l'Économie Rurale“
rural areas shows the advantages of LEADER as an instrument that achieves results in various situations and fields, which contributes to the adjustment of rural policies to the specific needs of respective rural areas. By encouraging local-level participation in the formulation and implementation of sustainable development strategies, this approach has a growing impact on future rural policies.

In the course of its evolution since 1991, LEADER had the status of an *initiative* in the three previous generations. In the current planning period, 2007-2013, it has transformed into an integral part of the European Rural Development Policy – *LEADER axe*, and became an obligatory component of Member States’ rural development programmes. In the past period, LEADER+, there were 893 active LAGs in 15 “old” Member States, comprising a total population of 52 million. Prior to the accession of Bulgaria and Romania, six countries out of the ten new Member States decided to implement LEADER+, which resulted in about one hundred new LAGs. Cooperation between LAGs resulted in almost one thousand local and more than three hundred cross-border projects.

**LEADER approach**

LEADER tells us about how something should be done, and not what. It is made up of several components – *principles* which should be followed collectively, i.e. not separately:

- **Sustainable rural development** – development based on the preservation and balanced development of environmental, social and economic capital.
- **Area-based approach** – each rural area has its own characteristics, potential, special and distinctive features – future planning should be based on them.
- **Bottom-up approach** – broad inclusion of all available resources in local communities, resulting in a multitude of ideas and possible solutions, will contribute to appropriate development.
- **Establishment of local partnerships** – fragmented initiatives are often ill-fated, particularly in small environments, because they lack force, cogency and community trust; thus, establishment of ties and partnerships, and development of a cooperation spirit are crucial. LEADER’s original idea is the creation of local public-private partnerships in the form of local action groups – LAGs.
- **Innovation** – tradition clearly forms the basis of sustainable rural development, but innovation is necessary in order to present traditional values in a new and competitive way.
- **Integrated and multi-sectoral approach** – sectoral divisions often create development problems. Horizontally, cross-sectoral linking, as well as vertically, linking between local regional and national institutions, is of particular importance in achieving sustainable rural development.
- **Networking** – linking, lessons from best practice cases, transfer and exchange of knowledge and experience feature prominently in the implementation of LEADER, because different individual cases are integrated into a development pattern consisting of European rural regions, whilst also ensuring mutual assistance and support.
- **Cooperation** – it is a step further from networking, towards setting things in motion and implementing joint projects between two or more LAGs within the country, region and/or European Union.
1.2 Rural Development Framework for Croatia

1.2.1 Basic information, figures and documents

For the purposes of implementing rural development policies, both Croatia and the EU apply an internationally recognised and used criterion for differentiating between rural and urban areas as defined by OECD\(^2\), based on population density. At the local level (municipalities and urban jurisdictions in the Republic of Croatia), areas are classified as rural or urban on the basis of a 150 persons per sq km threshold. At the regional level (Counties in Croatia), OECD defines three area groups, depending on the share of rural population in the respective region.

According to the said criterion, Croatia is a highly rural country. Average population density is 78 persons per sq km. Two thirds of land (63\%) are classified as arable land and forests, whilst 37\% are human settlements with forests, accounting for almost one half of total area (44\%).

Two thirds of counties (14 out of 21) are classified as dominantly rural regions where more than 50\% of population live in rural areas; six counties belong to the group of fairly rural regions with 15-50\% of rural population; the City of Zagreb is the only environment that may be described as a dominantly urban region, with rural population accounting for less than 10\%.

89\% of settlements are situated in rural areas. There are 55 towns with less than 10,000 inhabitants. 35\% of inhabitants of Croatia live in 14 towns with populations of more than 30,000 inhabitants.

*Rural Development Strategy for the Republic of Croatia 2008-2013* – it was adopted by the Government in May 2008. The Strategy defines the strategic objectives of rural development by the year 2013, specifically:

- increasing competitiveness in agriculture and forestry
- preservation, protection and sustainable use of the environment, landscape, natural and cultural heritage
- improvement of quality of life in rural areas and extension of the economic programme for rural economies
- increased efficiency of the institutional environment.

*IPARD programme, Plan for Agriculture and Rural Development 2007 – 2013* aimed at removing specific weaknesses and deficiencies typical of the development of rural areas in Croatia, using European Commission’s support approved on 25 February 2008. IPARD succeeds the pre-accession programme SAPARD. It is an integral part of IPA\(^3\), constituting its 5\(^{th}\) Component – Rural Development. The programme is administered by the Rural Development Directorate – SAPARD/IPARD Managing Authority, and implemented by the Directorate for Market and Structural Support of the Agriculture of the Ministry of Agriculture, Fisheries and Rural Development. By the year 2011, IPARD Croatia will have granted support funds to the total amount of EUR 179,000,000 (HRK 1.3 billion).

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\(^2\)*Organisation for Economic Cooperation and Development*

\(^3\)*Instrument for Preaccession Assistance*
IPARD is focused on the following priority fields:

- **PRIORITY 1**: Improving market efficiency and the implementation of Community standards
  1.1. Investment in farms
  1.2. Investment in processing and marketing

- **PRIORITY 2**: Preparatory actions for implementing agri-environmental measures and local rural development strategies
  2.1. Actions designed to improve the environment and landscape
  2.2. Preparation and implementation of local rural development strategies

- **PRIORITY 3**: Development of the rural economy
  3.1. Improving and developing rural infrastructure
  3.2. Diversification of economic activities

### 1.2.2 Implementing provisions for the LEADER approach

The IPARD programme involves the implementation of the **LEADER** approach. Programme passages relevant to the implementation of LEADER are quoted below.

**Objectives**

The overall objective of the LEADER approach is the *promotion of rural development through local initiatives and partnerships*. The fundamental idea is to contribute to the achievement of IPARD objectives through rural development activities conducted by local initiatives, specifically by:

- improving rural living and working conditions,
- creating new, sustainable opportunities for generating income,
- preserving and creating new jobs,
- diversifying economic activities.

Specific objectives include:

- encouragement and development of activities involving rural population in joint work, using cooperation projects,
- development of integrated local development strategies and preparation for their implementation,
- promotion of local initiatives and partnerships by including local communities, business sector representatives and local government,
- transfer of achievements, experience and expertise, and availability of information and decisions/conclusions through the Rural Development Network of the Republic of Croatia.

Operating objectives include:

- capacity building for rural population and LAG members through training and education,
- LAG development, organisation and management,
• preparation and – where possible – launching the implementation of local development strategies,
• implementation of cooperation projects.

**Definition**

The LEADER approach is determined by the following elements:

• local development strategies based on the distinctive characteristics of a proposed area identified as a rural subregion,
• public-private partnership, including a managing body that adopts decisions and represents the interests of different groups of rural population,
• bottom-up approach, implying that decisions relevant to the preparation and implementation of local development strategies are adopted by local action groups,
• multi-sectoral preparation and implementation of a strategy based on the interaction between participants and projects by various local economy sectors,
• application of an innovative approach,
• implementation of cooperation projects,
• networking between local partnerships.

LAG area – a rural area with more than 5,000 and less than 150,000 inhabitants, including small towns and those with less than 25,000 inhabitants.

**Responsibility of local partnerships / LAGs:**

• establishment of a LAG and writing of its Statutes,
• preparation of a local development strategy and operating local development plan,
• provision of information to local population on existing opportunities and project applications under the IPARD programme, in line with the local development strategy,
• agreement on training and workshops for local population, e.g. on the preparation of individual business plans, project proposals, bookkeeping etc.,
• submittal of recommendation letters to the IPARD agency, pertaining to projects eligible for financing under the local development strategy,
• management of LAG activities (project management, activity programming, accounting, monthly and quarterly reports etc.).

**LAG acceptability criteria:**

• a selected LAG needs to comprise a territory compliant with the LEADER criteria in terms of human, financial and economic resources for support to the sustainable development strategy,
• a LAG is an association officially registered under the Associations Act, or in some other legal form as provided by Croatian law,
• at the decision-making level, the managing body of a LAG represents the interests of various public and private groups and rural population in the area; it should be ensured that at least 50% of members represent business partners and civil society. Local authorities should account for at least a 20% share in the membership.
• the managing body of a LAG is representative, ensuring age diversity (at least one member should be younger than 25) and gender equality (women accounting for at least 30%),
• the LAG needs to propose an integrated local development strategy based on the managing body's guidelines; the LAG will implement local development strategies and administer public funds.

**Content of the local development strategy:**

• the local development strategy will be implemented as part of the overall objectives under the Croatian IPARD programme 2007 – 2013
• the strategy will deal with economic, social and environmental challenges in the area; it should be based on the advantages and opportunities in areas where the strategy is implemented, and specific objectives for the implementation of LEADER, in the context of the IPARD programme, whilst also bearing the local weaknesses in mind
• it contains quantitative objectives,
• it also contains a description of prospective activities/measures,
• it should be in harmony with other relevant strategies and/or national/regional policies,
• the strategy includes a financial table and activity implementation timetable,
• it contains special technical sheets for cooperation projects (project description, detailed action plan, list of partners, implementation timetable and annual financial tables, allocation of funds by partners and activities) to be implemented in line with the local development strategy and its priorities.
1.3 Sustainable development

One may say that neither the continuous increase in the number of regulations and documents referring to sustainable development nor the frequent use of the word sustainable in the media have substantially contributed to the understanding of this complex development pattern. Poor public interest, lack of professional discussions and, generally, low motivation for sustainable development are typical of all segments of Croatian society. Since LEADER seeks to achieve sustainable development in rural areas, we wish to remind the reader of the importance and meaning of this concept.

The meaning of sustainable development develops continuously. The definitions and principles from the 1980’s and 1990’s, since when the growing problems associated with the interrelatedness between development and environment have attracted international public attention, have been complemented with practical approaches and results from applied development solutions based on transparent, participatory and responsible decision-making, including the transfer of authority to citizens. One of the eight development goals of the 2000 UN Millenium Declaration supports sustainable development as the key instrument for the preservation of the environment. The Global Implementation Plan adopted in Johannesburg in 2002 facilitates faster development, adoption and implementation of supranational, national and local sustainable development strategies that place growing importance on local characteristics and distinctive features. The first Sustainable Development Strategy of the EU was adopted in 2001. In 2006, it was revised and adapted to enlarged membership. In cooperation with Members States, the EU developed a comprehensive procedure for the evaluation, harmonisation and revision of sustainable development strategies, emphasising the need for harmonisation and partnership.

Since it gained independence, the Republic of Croatia has actively participated in international conventions on sustainable development, supported the adoption of joint documents, submitted national reports and assumed other commitments. Since 1992, Croatia opted for sustainable development. The first national Environmental Protection Strategy was adopted in February 2009.

As the key development orientation, sustainable development implies continuous harmonisation of decisions and solutions in the field of business, environment and social environment. Sustainability is achieved through a dynamic economy that enables employment, social and territorial cohesion, education, protection of health and well-preserved environment. Sustainable development requires continuous examination and harmonisation of developmental factors, consensus at all levels and commitment of all social groups. An aware and interested population is a prerequisite for sustainable development, motivated to participate in decision-making, promote democracy and improve the quality of life.

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5 Review of the EU Sustainable Development Strategy (EU SDS) – Renewed Strategy, 2006
1.4 Public Participation

1.4.1 What is public participation

In the context of process quality improvement and activities aimed at increasing transparency and efficiency in public administration, we often come upon concepts such as public participation, community planning, assertion of partnership principles etc. This particularly refers to the principle of openness of administration in issues of public importance.

Public participation, which may also be identified as participatory development planning, is not restricted to the dissemination of information; essentially, it is about obtaining opinions from the public by using appropriate methods, as well as about taking those opinions into account when making decisions.

Three factors should be taken into account in order to adopt appropriate decisions on public issues: public interest, decision-making at the political level and expert opinions. In other words, public participation is a communication process between the public, decision makers and experts in the relevant field. Public participation is possible at several levels, and it includes various methods.

Public participation is a systematic, interactive process that allows citizens and other parties in public administration, business and civil society to participate in the decision-making process in fields that concern them most directly.

No partnership action is required for public participation, nor does it imply the need to achieve a consensus. Fundamentally, public participation means:

- exchange of information about the proposed project, programme, law or other initiative, as well as relevant background facts or context,
- exchange of ideas, understanding of problems and challenges, and discussion of alternative solutions,
- identification of areas of agreement and disagreement among those involved and those affected by the proposed decision,
- arriving at optimum or „good enough“ solution, i.e. one which all those who are involved, or affected, are willing accept.

During the preparation of a concept or a decision important for the development of an area, some difficult issues are faced – how to implement the respective solution or concept, and how to meet complex criteria arising from the fact that there are different interest groups in the area. Experience shows that failure to give the public full information about the prepared decision, or informing citizens after the decision has been adopted, is not a proper attitude. This also applies to activities prepared by experts. Having feedback from the public is always valuable prior to the adoption of important decisions, because this ensures that decisions reflect citizens’ needs and prevents their negative reaction. Allowing citizens to
influence decisions will be reflected in the way decisions are perceived and accepted by the public. There is a number of participatory methods that allow citizens to influence decisions. However, decisions on important issues are ultimately adopted by the competent body, not by the public. Participatory planning is a system with strictly defined rules. Non-familiarity with the rules often leads to distrust among decision makers, because they fear that communication with the public will result in their loss of control over the process. They also do not seem to understand that information gained through public participation allows better decisions to be made.

Many arguments – legal, social and political, as well as pragmatic and economic motivation, - speak in favour of public participation in decision making. Consideration of a wide spectrum of views may help prevent future conflicts. A timely and well-prepared participatory process will naturally help win citizens' support. The systematic use of participatory methods results in many benefits for authorities:

- appreciating openness and transparency, citizens will react in a positive manner,
- enhanced credibility of decision makers,
- mutual trust between authorities and citizens, improved atmosphere,
- every public negotiation allows people to make their opinions and views visible and clearly understood.

Well-prepared and timely involvement of the public accelerates the planning process and may save those resources which the decision-maker would need to use in order to make changes to the project (due do citizens' demands). Public participation allows uninterrupted work, where citizens' demands and proposed changes are taken account of during the process. Here are some benefits arising from this approach:

- the project/decision planning period provides time for detailed familiarisation with the draft, detailed discussion and acceptance of optimum solutions,
- the process may show that the public does not fully accept the proposal and that implementation would lead to economically unjustified costs,
- inviting strong opponents to negotiate reduces the possibility that they will block the decision in the later phase,
- some groups of citizens (civil society organisations, entrepreneurs) may make valuable allies that join the implementation of integrated projects or decisions,
- a lot of material, ideas and comments can be obtained which can be used directly in the planning process, which increases the quality of documentation or a decision,
- local population has detailed knowledge of their environment, which allows them to predict potential negative impacts and suggest options for their reduction; there are also local experts among them (every expert lives somewhere) who provide free-of-charge advice in the process.

There are many typical misunderstandings associated with the discussion of the public participation process:

**Misunderstanding no. 1: It is expensive** – It is evident that organising, for example, a public hearing is associated with costs. On the other hand, higher initial costs are offset by savings in subsequent implementation phases. Thanks to public participation, projects are
designed which are tailored to the local context. The presentation of an idea and project enhances the social and political understanding of the proposed action. Early inclusion of the public in the preparation of an important decision prevents potential protests against the project before implementation, and it also prevents the mobilisation of additional resources later on, e.g. for the purpose of litigation.

**Misunderstanding no. 2: It is time-consuming** – Naturally, the public participation process requires a specific time frame for conducting an information campaign, and collecting and evaluating comments, which results in an extended initial phase of decision-making. According to international studies, the earlier the public participation process begins, the more effectively the whole process runs. Timely involvement of the public enables the decision maker to collect additional information that can be used directly in activity planning, and which would be otherwise difficult to collect. Informing the public in advance about activities in preparation allows smooth implementation of procedures, whilst avoiding strong emotions; communication eliminates doubts about project objectives. After initial delay, the decision-making process accelerates, which offsets the initial loss of time.

**Misunderstanding no. 3: Risk of public protests is increased** – The fact is that public negotiation makes decision-making transparent. Making the planning process open may increase the danger of an informed public rejecting the project. Transparency sometimes compels decision makers to accept decisions which do not coincide with their goals. It is important to understand that, in a democratic society, closed decision-making cannot obscure potentially contentious measures or investment goals of public administration. Such a contentious measure will be brought to light anyway, e.g. by political opposition, civil society organisations or media.

<table>
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<th>Advantages and disadvantages of public participation</th>
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<td><strong>Advantages</strong></td>
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<tr>
<td>• reduced likelihood of civic protests against decisions</td>
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<tr>
<td>• appropriate adjustment measures are introduced, based on comments obtained prior to implementation</td>
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<tr>
<td>• reduced need for subsequent project adjustments during and after implementation.</td>
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If conducted professionally, a participatory process will prevent conflicts, i.e. this will be achieved thanks to the involvement of the public. It is hard to tell how the situation would develop without a participatory process: what the document would look like, how the public would react and what kind of problems would emerge.
1.4.2 Public participation levels

There are many ways of involving people in decision-making. It is therefore essential to distinguish between public participation methods – a sociological study will imply a different sort of public dialogue than, for example, a public hearing, civic advisory committee or referendum. Specific public participation procedures vary in the level of public control associated with the respective procedure. It is essential to define the level of public control in the early phase of preparing for a participatory process.

Attempts to manipulate public opinion are an example of feigned public participation, used when an important decision has already been made and it is necessary to „reasonably explain the decision to citizens“. In terms of its informative aspects, such an approach can be regarded as the most primitive attempt to involve the public. This method is used by public relations companies and decision-makers who wish to prepare the public for the decision. Manipulative methods expose the respective decision-maker's incompetence or lack of credibility.

A clear campaign informing about the decision-making process is fundamental to any serious effort to involve the public. This type of involvement implies that only information is given, without any collection of opinions or comments. Therefore, such campaigns should be used in cases where problems are clearly defined and the decision-maker only seeks to enhance the transparency of the current decision-making process. Examples for this include posters, notice boards, information given via the local media, etc.

The collection of comments and opinions allows decision-makers to identify and estimate potential citizens' reactions to decisions. The decision-maker choosing this procedure wishes to deepen his insight into the issue. However, he is under no obligation whatsoever to take comments into account. Citizens are requested to provide comments without any guarantee of them being taken into consideration. Such procedures mainly include direct interviews with citizens, surveys etc.

Consultation with citizens is an official process of negotiations between decision-makers and citizens' groups. It differs from other levels in the fact that the decision-maker has the obligation to give serious heed to the information obtained and to seriously evaluate all proposed ideas. Official consultation with citizens is used when, for legal or political reasons, the respective decision requires serious public hearing on the intended activity. Official consultation methods include public hearings and consultation with civil society organisations, citizens' initiatives, the business sector, experts and other interested public stakeholders.

In joint decision-making with citizens, the representatives of the public directly participate in decision-making. The decision-maker employing this method of citizens' participation is willing to openly discuss the conceptual solution and aims, and to optimise the decision together with the parties concerned. Joint planning can help avoid public protests, enhance the decision-maker's credibility and help win support for the implementation of decisions prepared in this way. The common procedure in these situations includes the establishment of special civic advisory committees, action planning, etc.
Direct democracy means that the decision-maker fully transfers the decision-making rights into public hands. Citizens adopt decisions through various voting methods. A referendum is the most frequently used direct democracy procedure. A formal referendum is used for specific situations, whilst a non-formal referendum may be used for a range of issues.

1.4.3 Stakeholders

To simplify things, the processes discussed in the manual are usually called „participation“ or „involvement of the public“. However, the public is not a homogenous entity, i.e. it consists of many target groups of citizens, and each individual can be a member of several stakeholder groups.

For the success of public participation it is necessary to establish who is affected by the planned activity. Identifying stakeholders is a task for decision-makers or organisers of participative projects. It is not difficult to identify which segment of the public will be directly affected by an activity. However, one needs to be aware of the fact that some other groups will also be interested in the activity.

How to identify the stakeholder group – when a project is planned, the public is usually divided into several stakeholder groups. Each of them has different characteristics – addresses them and communicates with them in a different way. In the case of a general public participation project, it is necessary to focus, for example, on the following groups:

- inhabitants of the area,
- institutions,
- entrepreneurs and companies,
- prominent personalities at the local level,
- civil society organisations.

The identification of stakeholder groups can be carried out by using the following methods:

- self-identification („all are welcome who want to cooperate“),
- identification by third party (those „who should be invited, who may be interested“, please give this invitation to other relevant individuals“),
- identification by the organiser:
  - based on personal experience,
  - by using existing directories,
  - geographic analysis,
  - demographic analysis,
  - historical analysis,
  - consultation of local institutions,
  - analysis of users.

The identification of stakeholders should be carried out throughout the public participation process, in each project phase. The reason is that, with time, the composition may change due to, for example, new objective circumstances which were not known at the beginning of
the project. The reasons can also be more pragmatic, because different process planning phases may require different citizen groups.

**How willing are citizens to participate?** – Before preparing a public participation process, one should be aware that not all citizens wish to express their opinion and have influence on decision-making, whether in terms of scope or type of influence. It is recommended to follow the rule that everybody should have equal access to information and that the amount of time he dedicates to the impact-producing activity is his choice. Organizers are often disappointed by citizens' low attendance in public hearings, discussions or similar events, even when they are perfectly organised. It is highly important for organizers to be aware that the addressed people will not be willing to deal with the issue to the same extent.

### 1.4.4 Public participation planning

The two key aspects in planning a participatory activity are context and structure.

The context of a public participation project includes:
- project purpose and topic,
- geographic scope and focus,
- legislative and jurisdictional context (e.g. relevant connections to policy-making bodies),
- time frame and decision-making process,
- funding sources,
- cultural, political and institutional considerations influencing all of the above.

The structural aspect includes:
- identification and recruitment of people,
- preparation of key material, if any,
- promotion,
- activity implementation,
- evaluation,
- printing of the final report and report dissemination to those involved and to other concerned parties.

**Purpose and topic** – the decision to involve the public in a participatory process is fundamentally political. Whether or not there is an intention to have direct influence on a policy, participatory methods are interventions in society. It is therefore important to be very clear about the purpose and goals of such processes from the very beginning. The purpose is to be clearly articulated and agreement on the purpose is to be achieved between the organizer and decision-maker, because it will influence every decision made from that point onwards. It is important to have appropriate understanding of the political situation, because it will have influence on the theme. The understanding gained through such an exercise will shed light on aspects such as right timing and political relevance, which will increase the potential for real political influence. One of the most important political factors to be considered in choosing a theme is political controversy associated with the topic and the degree to which the public is aware of it. It is difficult to arouse enthusiasm with topics that are not interesting to anyone or pose a social, environmental or political controversy.
Facilitator/Moderator – the role of a moderator is essential in any participatory method. His tasks will vary depending on the method. However, speaking in general terms, the moderator bears responsibility for maintaining process flow, and the timely and steered performance of activities, which requires resolution and diplomacy. A moderator should be characterised by flexibility, impartiality, empathy, enthusiasm and capability to listen. He should develop trust and mutual understanding between participants, show respect and communicate in a clear and friendly way. He should keep the group on the subject and provide encouragement and room for those who are less assertive to express their ideas. It is advantageous for the moderator to have a high regional or national profile and be experienced in moderating or facilitating meetings, have a reputation for impartiality, in both political and subject-related terms. He should not be known as an advocate of one of the involved sides or a political party. He should have some direct knowledge of the topic or sufficient time to acquire knowledge before the relevant event. For some methods, a good knowledge of the topic is important, while it is less so in some other cases. Empathy for different characters and the ability to draw out participants’ concerns and questions is useful. Reputation is less important to participants than the feeling that the moderator cares, works to their benefit and allows their opinions to be heard.

1.4.5 Case study

Public participation in the elaboration of a strategic development plan for the town of Kopřivnice, Czech Republic

The Town of Kopřivnice is a prominent and traditional economic centre of North Moravia. It is located in the Moravian-Silesian region, 32 kilometres southeast of the town of Ostrava. It is the second-largest town in the region, divided into four parts: an urban district and three villages – Lubina, Vlčovice and Mniší. The economic transformation over the recent years has resulted in structural changes – specifically, in the restructuring of traditional economic sectors, and dynamic development of small and medium-sized enterprises and services. Changed external conditions, the assertion of market principles and the need to resolve existing problems require changes in the way authorities operate in Kopřivnice.

Cooperating with citizens in building the future – based on the above-mentioned and other facts, and on the awareness of the need for a systematic and coordinated approach to the resolution of local issues, town councillors decided to continue employing an active approach to town development and to develop a Strategic Plan for the Development of the Town of Kopřivnice for the Period 2007–2022. The plan defines local strategic objectives in the form of appropriate priorities, measures and activities, including access to financing and implementation. The 2022 plan was developed in cooperation with the public, CSOs and local entrepreneurs, applying the community planning method in cooperation with citizens. In the course of document elaboration, maximum public involvement in the process was fostered, including the inhabitants of outer districts of Kopřivnice (Vlčovice, Mniší and Lubina). The fact that the town of Kopřivnice, as a member of the National Network of Healthy Cities in the Czech Republic, follows the principles of sustainable development fits in with all sections of the plan. Its assertion is not only a matter of environment but also a constituent element of social and economic development.
Beginning of planning – the elaboration of a Strategic Plan began in February 2007. A Commission for Strategic Development was formed which directed the whole plan development process and will supervise its implementation. Contacts were established with leading entrepreneurs, followed by direct visits by town representatives during the business sector survey. Questions were asked by the mayor and its deputies, and communication and cooperation were established. The Mayor invited a number of entrepreneurs to join the commission. The representatives of the town of Kopřivnice requested maximum public participation throughout the process, and local strategic commissions were established which consisted of members from outer districts. Other individuals were also invited who might come up with interesting ideas for the development of outer districts.

Mapping the current situation – the first project phase implied the development of a profile of the town of Kopřivnice. To this aim, an Elaboration SPF Team was appointed, who agreed to the extensive collection of data and cooperated during the process with a wide spectrum of interested individuals. Local Strategic Commissions also participated in profile development, as well as departments of town authorities, the Czech Statistical Office and other institutions providing data on population, local economic base, infrastructure, housing, environment etc. The collected information and a socioeconomic analysis of the town were used as the basis for town profile development. In view of the wide scope of problems, it was not possible to integrate detailed information for some outer districts, or those that are irrelevant at the town level. However, additional „subprofiles“ were structured for the villages of Lubina, Vlčovice and Mniší. The data for these documents were collected during discussions with village representatives. Based on the profile and a SWOT-analysis of the town and its outer districts, the Commission for Strategic Development confirmed the vision for the town and agreed on four priority development areas that need to be addressed in the first place in order to bring the vision into being and create conditions and prerequisites for further town development:

- economic potential and human resource development,
- transport, infrastructure, environment,
- social infrastructure,
- town image.

Public participation through working groups – the Commission for Strategic Development appointed a number of citizens to four working groups. The meetings of working groups were open to the public – this enabled the public to be informed about the meetings and to participate in them. Thanks to the process, the working groups expanded from 15-20 to 20-40 members who enjoyed continued support from Elaboration Team leaders. Between the meetings of the Commission for Strategic Development, they would meet on a regular basis and prepare parts of the strategic plan. A report was made after each meeting of the working group, and sent to those who had left their contacts on the list of participants. In addition to the report, participants had the opportunity to enter their ideas as long as they had not been brought up at the meeting of the working group. In order to win people over for participation in the whole process, it was necessary to discuss and think of a meeting propagation system and choose an unconventional place for working meetings. As work was done in summer time, they chose the Červený kámen recreation area.
The major outcome of strategic planning is the section containing defined priorities, appropriate solutions and specific activities, based on benefits and results, measurable indicators and an estimate of financial needs. In the subsequent phase of strategic planning, community organising, project operations and financial sources from the EU were discussed. Together with the town leadership and the Commission for Strategic Development, the members of the elaboration team also proposed a system for the implementation and supervision of the strategic plan. In addition to five working group meetings open to the public, two other meetings were held in each of the three outer districts. The main public forum took place in the downtown. Throughout the process, many proposals and ideas were collected which testified to the need for addressing other issues, which were then integrated into the plan by working groups.

The working groups, local strategic commissions in the Lubina, Vlčovice and Mniši districts and direct cooperation with citizens involved almost 200 citizens of the town of Koprivnice (not including forum participants) in plan development. According to the list of participants, 190 citizens took part in the forum. A total of 370 brochures, including a working version of the plan were distributed in public areas.

**Communication with the public** – during the elaboration of the strategic plan, the public was informed of the process through newspaper articles and press releases. Invitations to participate in working group meetings were announced on the radio. Online discussions (chatting) on the *What is a Strategic Plan* topic were organised as a new way of communicating with the Mayor of Koprivnice and Head of the Strategic Planning Department. A number of announcements were made via cable television, inviting citizens to the public hearing on the Strategic Plan that was to be held downtown. Citizens were invited to working group meetings by means of posters. A good way of inviting people were also invitation leaflets handed out in the downtown by scouts and members of the Children’s Council. In the same way, the public was invited to participate in the above-mentioned public hearing on the Strategic Plan.

[www.koprivnice.cz](http://www.koprivnice.cz)
[http://zdravemesto.koprivnice.org](http://zdravemesto.koprivnice.org)
2. LOCAL ACTION GROUP - LAG

2.1 Public-private partnership in rural areas

LEADER encourages rural areas to examine new methods for overcoming their development challenges, such as population ageing, low service-provision level and poor employment opportunities. Compared with the sector-based approach or the one focused solely on specific user groups, typical of „classic“ public policy formulation methods, LEADER promotes a different approach to development. This approach facilitates the establishment of links between local actors and sectors, which often work apart, and it also promotes linkages between rural areas. They are mostly small, homogenous and socially interrelated areas characterised by common tradition, local identity, feeling of belonging to the area and/or joint needs and expectations. By linking and bringing together such small communities, activities are facilitated which correspond to the special characteristics of the area and encourage development based on local advantages. A LAG area needs to be sufficiently coherent and have the critical mass of human, financial and economic resources which can support the development and implementation of a local strategy for sustainable development. The territory of communities brought together need not overlap with administrative boundaries.

By establishing links between local actors and sectors, work is initiated on the creation of local partnerships known as local action groups (LAGs). They are an original and important element of the LEADER approach. LAGs have the task of creating and implementing local development strategies, making decisions on the allocation of available funds and management of the funds. They produce effects in encouraging local sustainable development for the following reasons:

- they pool and combine existing human and financial resources in the public, private and civil sectors, and volunteers,
- they bring local stakeholders together in order to launch joint projects and cross-sectoral actions in order achieve synergy, a sense of common ownership and critical mass needed for improving the competitiveness of the area,
- they strengthen dialogue and cooperation between different rural stakeholders who often do not have joint work experience, thus reducing potential for conflicts and moderating situations in which solutions are reached through consultation and discussion,
- immersed in interaction between different partners, they moderate the process of adaptation and change, whilst taking account of the environment, diversification of the rural economy and quality of life.

A LAG needs to bring public and private sector partners together, seeing to the balanced representation of local interest groups, whose members belong to different socio-economic segments. At the level of decision-making, at least 50% of members must come from the business and civil society sectors. A LAG can be founded ad hoc, or it can build upon existing partnerships.
Most usually, LAG stakeholders include:

- representatives of local self-government and public institutions,
- trade/professional organisations and unions (agriculturists, small enterprises and other activities),
- associations (environmental protection, cultural service provision, community development, women, youth etc.),
- development agencies,
- business sector,
- media,
- high-profile individuals.

**Integrated and multisectoral approach** - LEADER is not a sectoral development programme; local development strategies must apply a multisectoral approach, i.e. integrate activities of a number of sectors. In the cases when activities are implemented within a single sector, links are needed between business, social and environmental actors and fields.

### 2.2. Spurring Sustainable Rural Development – Regions of Lika and Gorski kotar

#### 2.2.1 Introductory notes

Sustainable development is a type of development which is not detrimental to the environment, it is socially just, economically justified and self-sustainable. It is a win-win concept, ensuring that there are no losers. Sustainable development planning excludes certain options and business activities or manufacturing methods that still play an important role in the local LAG economy. Smooth transition to sustainable development is extremely difficult to implement, it is time-consuming (measured in years) and requires training for involved stakeholders.

An appropriately formulated sustainable development strategy and involvement of all available instruments for environmental protection, social justice and economic sustainability should underlie the development strategy of any area, regardless of size, development level, capacity and other specific characteristics.

The LEADER approach to fostering sustainable development in the rural areas of EU Member States has been developed over years and improved by using the trial and error method and gained experience. Among other principles, LEADER emphasizes that the development of any, even the smallest, area should sprout from within and be initiated by inhabitants themselves, and not be imposed from one of the higher levels in charge of area governance. Inducing the population to self-organise is the key tool under the LEADER programme, implying the formation of local action groups (LAGs).

#### 2.2.2 Experience gained in Lika and Gorski kotar

LEADER recommends the sustainable development approach, from which appropriate working methods, proven both here and in Croatia, derive. Two cases of pilot-projects in the
regions of Lika and Gorski kotar and experience gained through them are presented further in the manual.

The key activities that have an impact on the outcome – spurring the sustainable development process in a rural area – include:

- formation of an effective local partnership (local action group – LAG),
- capacity building for LAG members,
- formulation of a strategic development plan for the area,
- strategy implementation.

The following problems were identified during the implementation of activities:

- poor interest and passiveness of the local population, but also of some local self-government units, with regard to participation in projects aimed at spurring sustainable development in the area,
- questionable representativeness of public sector participants, decision-makers placing little importance on work within the local partnership; local self-government units often appoint to LAGs young people who do not have any serious influence on decision-making,
- questionable sustainability of a LAG after project completion; unless funding has been secured from different sources, LAGs cannot always count on public sector support after the project has ended.

Recommendations for addressing identified problems:

- partnership approach, identification of the core of the problem, definition of objectives and ways to attaining them
- arousing local population’s interest to participate in the project, by organising frequent public presentations of project objectives and involving high-profile individuals in the community,
- presentations of a project and its results to town and municipal mayors, public events, study trips and seminars and conferences add importance to the project and, consequently, the LAG itself,
- local self-government units should support the work of their LAG in line with results; prior to this, a strategic plan should be adopted at council meetings, and a partnership established which should do preparatory work and implement projects and programs; by sourcing funds for projects, a LAG demonstrates its value.

Conclusion – many initiatives have been launched in diverse parts of the EU and candidate countries which promote the utilisation of best practices for spurring sustainable development in rural areas. On the basis of experience, seven LEADER key factors have been identified which are characteristic of any successfully implemented sustainable development process

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6 LOCOMOTIVE (Local Community Motivation) – a local community mobilisation project in the Municipalities of Plitvička jezera, Udbina, Vrhovine, 2004-2005, financed by the Department for International Development (DFID) of the Embassy of the United Kingdom to Croatia

7 Sustainable Future for Rural Areas of Croatia project, 2007-2009, financed by the Dutch programme MATRA
in the rural areas of the EU. It is recommended to combine them with capacity building techniques for local action groups and areas themselves. The choice of methods will primarily depend on an appropriate needs assessment for both the area and LAG members. However, the best method is to employ a combination of techniques adjusted to area needs in order to attain the objective – setting the sustainable rural development process in motion. The safest road to take is LAG capacity building.

2.2.3 Recommendations for the establishment of a local action group (LAG)

Further in the text, steps are presented for the establishment of a successful local action group (LAG) on the basis of experience in working with local action groups in LIKA (LOCOMOTIVE) and Gorski kotar (LAG GK).

The community mobilisation process should primarily begin by strengthening self-esteem and LAG members’ awareness of their own value, value of the area and other people in their environment. LAG membership contributes to good standing among the members of involved local communities. However, the question is how to recognise the right candidates who are going to apply acquired knowledge and skills in their environment and so become proponents of sustainable rural development?

Ten steps for LAG establishment, applicable also for new initiatives, are offered below:

**Step 1 – Defining the objectives and purpose of LAG establishment**

Primarily for themselves, and then for others, individuals who launch LAG establishment should provide answers to the following questions: What do I/we wish to achieve with this project? What benefits does it offer to the local community? How willing are we for persevering work? It is also possible to harmonise objectives with the Sustainable Development Strategy for the Republic of Croatia adopted in February 2009.

**Step 2 – Presenting the project to the public**

It is recommended to make a presentation with objectives and some of the key ways to achieving them so the local community, business and public sectors receive timely information about the process. It is important to bear in mind that, due to diversity between these sectors, potential objectives must be motivating for all that are involved.

The purpose of project presentation, i.e. involvement of the public, is twofold:

* to motivate the population to join the work of the LAG, win formal and informal support form the public sector; it should be noted that the business sector is generally most difficult to motivate; candidates for LAG membership are to be identified and recruited from among inhabitants, business people and civil society representatives.

* to induce discussion during a meeting with the aim of examining the problems that dominate and therefore form the basis for data search and collection; using the media
is recommended in order to attract individuals interested to participate in the project and, generally, in the process.

**Step 3 – Launching the LAG membership nomination and selection procedure**

To form a temporary commission made up of at least three members who will make an application form for LAG candidates and select the most suitable after the application deadline. The selection criteria are to be defined and disclosed simultaneously with the invitation of candidate applications. In addition to standard information on the name and address of candidates, the application form should also contain questions about their motivation to work in the LAG and prior work experience in similar projects and activities. For example, the questions may ask for some of the following details: Why do you wish to invest your time, knowledge and skills in community work/work within the LAG? Candidates who provide satisfactory answers are invited to personal interviews in order to discuss obligations and their capability to fulfil them.

Local self-government units should appoint their representatives to the LAG. Prior to that, process initiators should put in effort and explain that it is desirable and necessary to include decision-making representatives as LAG members.

In the case that the membership structure of the LAG is unbalanced in terms of sector/field representation, rectification is possible through periodical acceptance of new members and membership revisions.

**Step 4 – Introductory workshop and training for LAG members**

Selected LAG members need to get to know each other and to familiarise themselves with the plan and working methods in the LAG. Following the initial meeting, it is advisable to hold a two-day workshop in a fairly isolated site in order to enable strong focus on the process, without distraction. An external individual (consultant, trainer) should be engaged to run the workshop in line with the plan agreed upon with the process initiator.

The workshop is used for decisions on rules, procedures and working principles for the future period. The strategic planning process, in which the participants will be involved for several months, is briefly presented, as well as possibilities for implementation. Each member signs a statement on participation in the project/process for a specific period of time. After the expiry of the time period, the member may commit him/herself again by signing a new statement, thus extending membership of the LAG (requires approval by the management board).

This workshop is particularly important because it sets out criteria for LAG’s future work. The following is defined:

- nature of adopted decisions,
- representativeness,
- overcoming of administrative boundaries of local self-government units,
- introduction of expert groups,
- legal form of LAG,
• draft Cooperation Agreement.

Topics included in training for LAG members:

• communication and presentation skills,
• leadership / management,
• motivation techniques,
• community mobilisation and organising,
• strategic planning,
• project thinking and writing of project proposals for sustainable rural development.

Step 5 – LAG registration

Local action groups are established under different legal forms, depending on the country. In Croatia, it is recommended to establish an association (CSO), but they may also take the form of companies, institutions or cooperatives. Each prospective LAG needs to examine legal forms for itself, their advantages and disadvantages, and select the most appropriate organisational form. The LAGs established in Croatia so far have been registered as associations.

Step 6 – Preparation of a situation analysis

By collecting data from diverse sources, subsequently processed, presented in working meetings and used for decision-making, LAG members engage in active work. Data can be collected quantitatively and qualitatively (through focus groups, surveys among business people, CSOs and other stakeholders in order to explore their views and opinions about predefined topics).

Quantitative estimation is applied for examining present legislation at the national and local levels, projects implemented in the area, statistical data etc. The following elements accompany a situation analysis:

- SWOT analysis,
- resource analysis,
- stakeholder analysis.

Collected and processed data is presented to the public (may also involve the media). In addition to the provision of information, increasing public interest in the process and facilitation of new partner relationships with diverse actors in the area are also among the objectives. This also increases fundraising opportunities for LAGs.

Step 7 – Strategic planning process for sustainable development of a LAG area

A LAG may include several self-government units and need not reflect administrative boundaries. However, it should cover geographic or other units that used to rely on each other, and/or do so today, or share some common characteristics. During the strategic
planning process, LAG members take an active part in all phases, assume tasks and make decisions on priorities, measures and activities. Minutes are taken at each meeting, and documentation is well maintained. A person is assigned to turn available material into documents.

**Step 8 – Adoption of a sustainable development plan for the LAG area**

The public should be introduced to the prepared document through public presentation in each local self-government unit. A LAG member is in charge of noting citizens’ questions and comments. A printed feedback questionnaire, handed out at the end of the presentation for completion by participants and then collected, would be useful. In the case that important, insightful comments have been obtained, the plan is returned for amendment.

The responsible LAG member presents a summarised plan to municipal/town councils. The LAG arranges the schedule for plan presentation to councils, and a LAG representative presents the key objectives, priorities, implementation modalities and general financial plan according to the schedule. Councils decide on plan adoption and its further elaboration for future operating purposes.

**Step 9 – Formation of a strategic plan implementation group**

In order to ensure appropriate plan implementation, it is necessary to form working groups (implementation group, implementation monitoring group etc.) within the LAG, for the purposes of implementation, supervision and task extension. Involvement of capable and qualified individuals from the local community also helps to ensure successful plan implementation.

**Step 10 – Implementation of the sustainable development plan for the LAG area**

The plan is implemented upon approval by councils, in line with the activity plan and, where applicable, the operating plan. Document implementation begins with the preparation of project proposals in line with the strategic document. A LAG activity plan and operating plan, relevant for document implementation, are adopted for each year. The LAG revises the document once a year and announces plan implementation results.

2.3 **LEADER in Gorski kotar – by LAG President**

In April 2008, after preparatory activities carried out by the ODRAZ association from Zagreb, Business Incubator PINS from Skrad and SMART association from Rijeka, a weekend workshop in Jastreb hotel, Begovo razdolje, brought together a group of individuals who were to establish the first local action group in Croatia – LAG Gorski kotar. The workshop was organised after a number of motivational meetings in the region of Gorski kotar, as the logical next step towards LAG establishment. As President of the first registered LAG in the Republic of Croatia, I will try to give a short overview of activities and events in the brief history of LAG Gorski kotar, which is now nearly two years since the group was formed. The opinions and views presented are those of members of LAG Gorski kotar, and they are, in a way, an insider's perspective.
Who was involved

At the first workshop in a series, the group was highly heterogeneous: many local CSO representatives, private small entrepreneurs, representatives of almost all major institutions, such as Risnjak National Park, Centre for Upland Agriculture (CPP), Croatian Agricultural Extension Institute, representatives of Gorski kotar municipalities and towns, representatives of the Porin Regional Development Agency, and even some former and the then municipal and town mayors. Ms. Jadranka Pelikan, Project Consultant, introduced us to the LEADER methodology, and participants elected their leadership, whose composition has remained basically the same until present time, and we began working.

Our work

Since the formation of the group, LAG members dedicated most of the time to training, from fundamentals of public relations, communication techniques and conducting of meetings, to strategic planning and community mobilisation methods, and project writing, an essential skill for anyone who wishes to turn their idea into reality. These activities were followed by two study trips to the Czech Republic, and some of us also attended a seminar in Germany. In addition, we visited sites in Slovenia and Italy to learn from their best practices. In addition to the said training events, LAG members met and networked with other rural development stakeholders in Croatia and other countries in the region, participating in meetings both in Croatia and abroad. In order to ensure a framework for our activities, LAG Gorski kotar decided to register as an association. We were entered in the register in January 2009.

In addition to training, LAG met on a regular basis (twice a month on average), mostly in the PINS building in Skrad, but also in other municipalities and towns that provided space for our activities. The meetings were used mainly for our primary activities, the Situation Analysis for Gorski kotar and for preparing the Strategic Plan for Sustainable Area Development, but also for day-to-day affairs and work on LAG's group dynamics, with a focus on specific rules defined at initial meetings.

Gaining first joint experience

As regards operating rules, I would like to point them out and recommend to future LAGs not to be excessively strict in defining and implementing them. Initially, we set stringent rules for the attendance of meetings and LAG membership. For example, we initially adopted a rule allowing for a number of justified and unexcused absence prior to the exclusion of a LAG member. Within short time, we realised that we would lose all members if we continued to observe the rules strictly. Hence, we took a more lenient approach. We realised that, despite not attending every meeting, some members did follow LAG activities, because all communication flowed via e-mail, and they turned out to be highly active and demonstrated familiarity with the situation when important topics were discussed. You may also expect, as was the case with LAG Gorski kotar, that a „working group“ will form from a number of more ambitious and zealous members, those who will be willing and have to accept more burden than others. I believe that this is a normal process and the only right way.
Creating a distinctive image for the area and group

During the whole process of formation, growth and development of LAG Gorski kotar, LAG members perceived the achievement and maintenance of a distinctive image for the group and area as highly important. We therefore endeavoured to appear in as many public events and always to present our highlights: the goal of sustainable area development and the fact that we are the first registered LAG in the Republic of Croatia. In my opinion, we were highly successful in our efforts, because similar initiatives in the country know about us. It is particularly important that the Ministry of Agriculture, Fisheries and Rural Development, which has jurisdiction over the development of LAGs, has become aware of our work, presence and will to create a rural development policy for our area. We also received recognition from some foreign LEADER experts, such as Ms. Jela Tvrdonova from Slovakia, who confirmed that we were on the right path and said that we should not be discouraged by the lengthiness (slow pace) of the process, because it is the only appropriate method for establishing a solid, well-functioning LAG. It is a process which, according to her, takes about two years, and often even longer.

Each of us in LAG Gorski kotar had some personal interest in the early phase of the process. I mention the word „interest“ deliberately, but not in the negative sense, as is often the case today. It is the type of interest that spurs development as the basis for any human activity. What we, LAG members, have learned and still do learn is the ability to put our interests on the table together with our counterparts, show respect for their interests and match them. Mutual respect and tolerance are the only way to move forward, develop models for their translation into reality, because their inherent aspect is the desire for progress and prosperity.

Activities

A few more words on the activities of LAG Gorski kotar. In addition to training events and the creation of the Strategic Plan for Sustainable Area Development, LAG put in efforts to create a distinctive image for itself. Subject to available financial resources, the LAG carried out a number of mini-projects that may seem to have little impact, but they were exceptionally important to us. The first project was the creation of a LAG logo. We invited primary school children in Gorski kotar to paint their visions of Gorski kotar during their art classes. It was difficult to select just one painting from a large number of beautiful works sent to the LAG, but we succeeded. The result is now displayed in the heading of all our documents.

For starters, under one of the written and submitted projects, we conducted a litter removal campaign around several water sources in the hamlet of Tići near Moravice. We hope that the funds collected from donors will allow us to continue this action aimed at preserving water sources and making them available for the purposes of tourism in Gorski kotar, a region rich in water.

In order to popularise our region, we issued a call for digital photographs for the Gorski kotar Calendar 2010. Out of 83, we selected the 12 most beautiful to us and integrated them into a calendar which will hopefully decorate not only interiors in Gorski kotar but also in a much wider area. The plan is to use all photographs and organise a touring exhibition aimed at promoting Gorski kotar as a Croatian distinct region.
The largest project, still being implemented, is the creation of info-points, small wooden kiosks identified by means of a large LAG Gorski kotar logo placed next to them. Promotional material presenting all towns and municipalities of Gorski kotar is available inside, and we intend to place them in all local self-government units. This project is an effort to address the problem of fragmented tourist boards and insufficient promotion of tourism potential in Gorski kotar as a whole. The fact is that visitors perceive us as an integrated region, while we, the inhabitants, still identify primarily with the specific local areas we live in.

Most of our time has been definitely dedicated to the preparation of a Basic Situation Analysis and Strategic Plan for Sustainable Development of Gorski kotar. Both documents are prepared for publication and will be presented to town and municipal councils in Gorski kotar. By adopting them, they will give the green light for implementation. Upon adoption, LAG Gorski kotar will begin making bigger steps toward achieving its goal – sustainable development of Gorski kotar.

In addition to the said activities, LAG Gorski kotar has written and submitted several more projects. Some of them have been refused financing, whilst others are still being evaluated by donors. We hope that they will be accepted and receive financial support.

Acknowledgements

On behalf of LAG and all its members, I wish to thank all our partners under the Sustainable Future for Rural Areas of Croatia project, which sponsored the establishment of LAG – from Mr. Paul Kosternik (Milieukontakt), Ms. Višnja Jelić Mück and Lidija Pavić-Rogošić from HMRR and ODRAZ. Further, our thanks go to the staff of PINS Skrad, Mr. Danijel Bertović, Ms. Stela Mulc, Nataša Kovačić and Barbara Klein, who partially coordinated our activities in Gorski kotar. Among project partners, we also wish to express appreciation to the SMART staff and Ms. Ivana Lajina from the Zoe association, one of the project initiators. Naturally, we would not have been able to succeed in our efforts without generous assistance from all town and municipal mayors in Gorski kotar, the region covered by our LAG.

Finally, our special thanks also go to Ms. Jadranka Pelikan, who, in addition to working with us during the whole project, also helped us recognise our personal potential and the potential of Gorski kotar as a region.

Recommendation

For those who would like to establish a LAG in their area, I wish to highlight the necessity to arm themselves with patience, because it is a process and not an event. The essence of a LAG is the method, not money. Bear in mind that any of us can contribute much more than we actually do. I hope that by reading these lines, you will get the desire to tackle the beautiful problem of rural development, and I hope that, as in the case of Local Action Group Gorski kotar, the magic of understanding and communication will also work in your case.

Petar Mamula

President of LAG Gorski kotar – first registered LAG in the Republic of Croatia
3. Strategic Plan for Sustainable LAG Area Development

3.1 What is strategic planning

Strategic planning is a process of making decisions about the methods and geographic area of the future LAG. This type of planning usually covers a medium-term period of three to five years. The development process lays a firm foundation for activity implementation in order to achieve common objectives.

Preparing a strategic plan is not an easy task. Members of a local development partnership need to dedicate appropriate amount of time to arrangements, deliberations and to defining plan elements, bearing in mind benefits arising from strategic planning:

An appropriately defined future of the LAG area
Due to continuous changes in the environment, the modalities of development of the rural area covered by LAG must be harmonised and adjusted, they must not remain unchanged, because it means fossilisation. However, local authorities and other relevant stakeholders in the LAG area must have a clear picture of the future of their area and define the ways to efficiently use resources and achieve objectives. This idea about the future is defined under the strategic plan. It is a tool that goes beyond the day-to-day struggling with difficulties, it facilitates the definition of the course and implementation of development activities.

Determining and staying on the right course
Legislative changes, new social trends, economic and political changes, new sources of funding, short-term priorities and similar phenomena may result in reactions exclusively focused on external stimuli. In order to retain local area identity and for local population to know where they are heading, plan makers and other stakeholders must ask themselves about their real objectives and priorities. Jointly, through a process involving other stakeholders from all sectors, the need to decide on common development goals and priorities for the whole LAG area. Instead of simply reacting to events in the outer world, they must influence and change the reality around them.

Transparency
The development and adoption of a strategic plan makes the activities of authorities and other stakeholders more defined and predictable. The involvement of relevant stakeholders in the plan development process and continuous provision of information to the wider public will allow local communities in the LAG area to better understand some decisions and to contribute to strategic plan implementation.

Participation of concerned stakeholders from all sectors and from the whole area
Involving different stakeholders in the deliberation and attainment of the vision is desirable, because this contributes to greater personal and joint responsibility. Simultaneously,
communication, coordination and cooperation between all interested parties is enhanced, and partnership between the public, business and civil sectors is encouraged.

**Strategic planning objectives include:**

- **in terms of content** – analysis of the environment, potential and restrictions in the communities involved; agreeing on a common vision and strategic objectives for development; determination of implementation modalities and expected results;

- **in terms of the process** – initiating and supporting interactive arrangements between all relevant stakeholders; initiating a joint analysis process and ensuring the critical mass of those interested in participation in further activities during the plan development process and implementation.

**Potential roadblocks in the planning process** – preparing a strategic plan is important for the LAG area. The strategic planning process is a serious undertaking. In order to launch it and lead it to successful completion, specific conditions must be fulfilled.

Prior to initiating strategic plan development, it is important to ensure support from local self-government units in the future LAG area. Local administrations must be involved in the plan development process and in plan implementation. Primarily, they must support LAG's concept of commonality.

The **development of a strategic plan** takes place in stages in a logical sequence where the end of one step is the beginning of the next.

- **Preparation** – one should think about the right moment for beginning the planning process, decide on participants in the process, devise a plan including a schedule of steps and designate persons responsible for their performance.

- **Development of a vision for the area** – one should think about a common vision for the development of the area, covering a number of communities; by working in small groups, through discussions and repeated reviewing, a clear and concise picture should be created with which all involved actors can identify.

- **Area analysis** – strengths and weaknesses, existing potential and resources – bearing in mind conditions in the area (geographic, economic, demographic, environmental, social etc.) and existing potential (in agriculture, tourism, sports, business, culture etc.) and capacity (human, natural, social etc.), a LAG area analysis should be prepared, taking account of the fact that it is an area composed of several communities, all of which should be involved in a balanced way.

- **Analysis of the environment (external attributes)** – opportunities and threats – characteristics of LAG's environment should be identified, i.e. the environment in which inhabitants act - social, economic, political and technological circumstances, as well as people and institutions important for area development; it is important to examine opportunities and threats for the area posed by the environment.

- **Integrated strategy for sustainable LAG area development** – during the process, results obtained in the analysis phase are combined and processed – one should account for both
weaknesses and strengths, and external opportunities and threats; answers should be provided to the question of how institutions and inhabitants will „change their community”, and what the objectives, priorities, measures and activities are.

Developing and turning the strategic plan into a document – findings and decisions should be put for each step of strategic planning – from the vision and analysis elements to plan elements themselves; the material should be reviewed and examined, and necessary amendments should be made; the final document – a feasible and ready-for-implementation strategic plan – should not be a comprehensive and incomprehensible document; the text should not be overloaded with details and data – they can be contained in appendices; the document should be written in a well arranged, simple and clear way.

Experience shows that the elements, i.e. the framework of a strategic plan should be defined by members of the local partnership, using expert assistance from an individual or organisation steering the process. They should be reviewed with community leaderships and the interested public. However, it would be good if the final text of the strategic plan could be prepared by an organisation qualified in this field. In the case of LAG Gorski kotar, it was Business Incubator PINS from Skrad, and in the case of LAG PRIZAG the Varaždin County Development Agency – AZRA. Financing was secured in different ways: PINS costs were covered from the project, in which they acted as a partner, whilst the work of the Development Agency was financed by local self-government units located in the area of the new LAG.

Planning process – specific steps should be followed in the planning process:

Organising a planning group:

- selection of appropriate individuals from each involved municipality and town – representatives of all the three sectors – potential members of the future LAG,
- designation of a local coordinator and a facilitator for the whole project (an expert or organisation) to lead the group through all steps,
- allocation of responsibilities for the planning process,
- provision of information to the wider community about the preparation of planning and planning procedure.

Planning the procedure:

- determining the duration of the planning process,
- determining the number of meetings, dates and participants,
- defining the form of strategic plan document,
- providing information to participants about planning process procedures, frequency of meetings and their obligations.

Collecting documentation and data

- collecting applicable basic documents and data on involved municipalities and towns (existing analyses, statistical data, plans, strategies and similar), area documents and higher-level documents relevant to area development.

Defining elements and developing the strategic plan

- in the course of group work, strategy elements (from the vision to activities) should be defined,
• based on a framework developed in this way, the final document is made,
• agreeing on implementation and monitoring methods.

Presenting and adopting the strategic plan

• presentation of the plan to local communities,
• official adoption of the strategic plan by self-government units, and beginning of implementation.
3.2 Strategic Plan Elements

3.2.1 Vision (dream)

It is a picture of the future shared by the representatives of various sectors (public, civil and business) who come from all communities covered by LAG – a different world that should be created, and ideal community in which citizens wish to live. The vision will never be fully achieved, but getting closer to it is possible by activating all relevant stakeholders with the aim of achieving the set objectives, and by jointly implementing the agreed measures and activities.

The vision for rural areas of Croatia:

The rural areas of the Republic of Croatia are attractive to all its inhabitants and visitors, appealing and suitable for living, working and staying.

Source: Rural Development Strategy of the Republic of Croatia

By defining the vision for the LAG area (a vision shared by all participants in the process), development directions, system of values, geographic scope of activities, target groups etc. are also defined. The vision needs to be easily understood and all-inclusive, so inhabitants can identify with it.

Recommendations for the vision development process:

- a number of working groups discuss the vision and put it into words,
- based on different suggestions, a smaller group prepares a vision proposal,
- the proposal is discussed at a joint meeting; the best version is adopted.

<table>
<thead>
<tr>
<th>LAG GORSKI KOTAR's VISION</th>
<th>LAG PRIZAG's VISION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gorski kotar is a green park above the sea, with tourism and sports infrastructures creating a unique and dynamic region inhabited by active and friendly population. Natural materials form the basis of a local architecture that is in harmony with the environment, and new technologies are employed in a way to ensure sustainable use of resources.</td>
<td>A community of happy and satisfied people in a healthy environment whose progress is based on the recognition of both cultural and traditional values as well as effective and balanced use of all human, natural and economic resources.</td>
</tr>
<tr>
<td><strong>Gorski kotar, the region to live in!</strong></td>
<td><strong>Home, sweet home</strong></td>
</tr>
</tbody>
</table>
3.2.2 Area analysis

**SWOT analysis** – this method is a widely known and much used tool in the planning process, suitable for group work. The local partnership, together or initially in small groups and then together, discusses the following elements:

- **strengths** – advantages identified in the area,
- **weaknesses** – disadvantages identified in the area,
- **opportunities** (external attributes – environment),
- **threats** – (external attributes – environment).

The first two categories – **strengths and weaknesses** – refer to the current situation in the LAG area. Strengths and weaknesses are shown in two columns. Using this method, we may often face the following circumstances:

- it is easier for people to enumerate negative than positive factors; it is therefore necessary to see to it that the members of the group are as objective as possible; should the group lack ideas for the identification of positive aspects of the area, it is the role of the host/moderator to present some examples and get the participants on a positive track;
- weaknesses can be strengths and vice versa; for example, well-developed road infrastructure is a strength, however it cuts the territory and threatens the environment; a discussion of different views may be exceptionally fruitful and yield interesting conclusions;
- some factors seem to be neutral (neither negative nor positive); hence, it is highly appropriate to ask the question that leads to strategic thinking: *What is it we should do in order to turn specific factors into our strength?*
- when thinking about the strategy, people usually focus on how to overcome weaknesses and avoid threats; however, it is highly important to devote sufficient time to strengths and to the consideration of opportunities and ways to taking advantage of them; it is important to identify aspects which contribute to positive factors and to use them for building a future for the area.

One should be aware that the SWOT analysis is often subjective, i.e. it expresses the views of the group involved in the planning process.
The second part of a SWOT analysis refers to the environment of the area, external opportunities and threats, out of the sphere of LAG’s influence. When working with the second part of the SWOT analysis, one may employ the PE(E)ST method, which is used for analysing a number of elements. The name PE(E)ST is an acronym deriving from the initial letters of the main fields of analysis. When analysing opportunities existing in the LAG area, as well as potential threats, the following factors are considered:

- **political factors** – Who is in power and what is the political situation within the LAG area? Which legal regulations facilitate or thwart effective activity? Are the authorities open for suggestions and social dialogue?

- **economic factors** – Is there local potential for spurring development and fundraising? What is the economic situation, is it stable? Which are the strongest business sectors? Is society accumulating wealth?

- **ecological factors (environmental)** – Which environmental factors influence or might influence the development of the area?

- **social (societal) factors** – How do communities and respective sectors perceive the situation and development opportunities? Do sectors and communities have a history of cooperation and dialogue? Are the involved communities open to new ideas?

- **technological factors** – How do geographical circumstances, the media, the efficiency of postal and transport services, and other positive or negative factors affect opportunities for an effective development of the area?

### A SWOT analysis of Gorski kotar

<table>
<thead>
<tr>
<th>Field</th>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
</table>
| DISTINCT NATURAL CHARACTERISTICS | - clear, high-quality mountain air  
- climate: rich in snow during winter, cool during summer  
- high biological diversity of the mountain eco-system  
- water sources  
- protected areas  
- beauty of nature  
- available raw materials | - insufficient exploitation of natural resources  
- poor landscaping and maintenance of the environment  
- isolation of upland areas |
| OPPORTUNITIES | - Hill and Mountain Areas Act  
- numerous national and international declarations and support to protected areas  
- availability of alternative energy sources (wind, water)  
- popularity of winter sports  
- proximity to the sea  
- potential for agricultural production | - environmental pollution  
- climate change (global warming) |
### TOGETHER FOR SUSTAINABLE RURAL DEVELOPMENT

**Manual for the implementation of the LEADER approach in Croatia**

#### Field STRENGTHS WEAKNESSES

**ECONOMY**

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>- favourable geographical location for transport purposes, at the national and European level</td>
<td>- lack of jobs</td>
</tr>
<tr>
<td>- traditional engagement in agriculture, wood processing, hunting and forestry</td>
<td>- insufficient activity of crafts</td>
</tr>
<tr>
<td>- good social infrastructure (education, health)</td>
<td>- lack of entrepreneurial spirit</td>
</tr>
<tr>
<td>- a large number of craft businesses relative to the number of inhabitants</td>
<td>- insufficiently used resources (natural and economic)</td>
</tr>
<tr>
<td>- skiing slopes</td>
<td>- excessive construction of apartments in some locations</td>
</tr>
<tr>
<td>- forests as an economic resource</td>
<td>- insufficient recourse to incentive measures (funds, tendering etc.)</td>
</tr>
<tr>
<td>- transport corridors/transport infrastructure</td>
<td>- uneven distribution of transport infrastructure</td>
</tr>
<tr>
<td>- tourism offerings</td>
<td>- low computer literacy</td>
</tr>
</tbody>
</table>

**OPPORTUNITIES**

- relevant spatial documentation (business zones, ethno-villages, tourism zones)
- potential for the development of tourism
- accession of the Republic of Croatia to the EU (opening of tax-free markets, increased quality of services and products)
- availability of funds (EU, national and regional incentives)
- foreign investors’ interest to invest in the domestic economy
- enabling policy in the Republic of Croatia
- Hill and Mountain Areas Act
- decentralisation

**THREATS**

- accession of the Republic of Croatia to the EU (risk that ancient customs might disappear – farmstead-organised pig slaughtering and meat processing for personal consumption, direct production and sale of homemade cottage cheese and sour cream, homemade brandy etc.)
- low-priced competitors’ products
- centralised forestry in the Republic of Croatia – Croatian Forests
- motorway
- excessive administrative fragmentation

#### Field STRENGTHS WEAKNESSES

**POPULATION**

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>- hospitable and peace-loving inhabitants</td>
<td>- depopulation</td>
</tr>
<tr>
<td>- cultural diversity (language, customs) within a relatively small area</td>
<td>- emigration</td>
</tr>
<tr>
<td>- good inter-ethnic relations</td>
<td>- high mortality rate</td>
</tr>
<tr>
<td>- young and educated people</td>
<td>- low birth rate</td>
</tr>
<tr>
<td>- experts</td>
<td>- passive citizens</td>
</tr>
<tr>
<td>- „highlanders“</td>
<td>- old population</td>
</tr>
<tr>
<td>- Local Action Group Gorski kotar and PINS</td>
<td>- population disposed towards inertia</td>
</tr>
<tr>
<td></td>
<td>- local institutions’ inappropriate attitude to ethnic minorities</td>
</tr>
<tr>
<td></td>
<td>- political discord</td>
</tr>
<tr>
<td></td>
<td>- lack of commonality and solidarity</td>
</tr>
</tbody>
</table>

**OPPORTUNITIES**

- linking with other areas in the EU which share similar problems, and learning from their experience

**THREATS**

- loss of identity

*Source: Strategic Plan for Sustainable Development of Gorski kotar 2010 – 2013*
Overview of available documentation

Prior to launching further analyses, one should check what strategies and plans exist at the national, regional, and local levels. All of these documents contain area analyses (natural characteristics, population, economic situation, social sector etc.) and development goals. As regards rural development, a Rural Development Strategy was adopted in 2008; all counties have their Regional Operating Programmes (ROPs); local self-government units have physical plans, overall development plans, and some also have economic development strategies, green plans etc.

When analysing a LAG area, one should identify and go through such documentation in order to select aspects relevant for the LAG area. The strategic plan of the LAG area should be in line with higher level plans, because they include collected valuable data and specific development directions that may be useful in defining and examining the elements of the strategic plan for the LAG area.

Resource analysis

The manner in which the resources of Gorski kotar were analysed is shown below:

Using collected primary and secondary information, the members of the Local Action Group Gorski kotar rated resources categorised under four sectors:

- social resources,
- physical resources,
- economic resources,
- cultural resources.

Specific segments were relegated to the respective resource group, and each segment was examined and rated. The ratings were as follows:

5 – fully developed/preserved and used resource
4 – fully developed/preserved and partially used resource
3 – partially developed/preserved and partially used resource
2 – partially developed/preserved and unused resource
1 – poorly developed/preserved and unused resource
1 – overdeveloped and exhausted resource
0 – depleted/nonexistent resource
Comment:
As evident from the figure, depopulation is the major problem of Gorski kotar. Ratings for other specific resources range between 2.2 and 3.2. Each of the examined social resources offer possibilities for further development.

Comment:
According to the working group, the adequacy of geographical location for transport purposes is the most valuable resource, rated 3.8. The utility infrastructure (rated 2.4) is still insufficiently developed, and there is ample room for advancement in this field.
Comment:
All discussed economic resources are at a similar level of development. According to the working group, there are no major differences. Agriculture and water resources received the lowest ratings. These two segments are the least used, i.e. poorly developed. Forestry is partially developed (rating: 3). Well-preserved forests are an important resource in the region.

CULTURAL RESOURCES – MEAN VALUE OF RATINGS GIVEN BY LAG GORSKI KOTAR

- Associations in the fields of culture and sports (eco-ethno associations)
- Risnjak National Park and protected areas
- Religious tourism (pilgrimages)
- Language (dialect(s))
- Sports infrastructure, on a growth trend
Comment:
The most poorly developed resource offering great possibilities for advancement are competitive sports events, especially thanks to the fact that there are many and diverse sports and cultural associations. The local dialect is partially preserved. The working group believes that Risnjak National Park can additionally enhance its offerings, which would encourage the development of the rural area around the park.

3.2.3 Identification of key problems

The SWOT analysis gives a clear overview of the situation in the LAG area. However, it can not be the only angle from which to examine the totality of the development agenda. Thus, a problem analysis is also performed during the strategic planning process in order to define the key challenges.

Well planned conduct of this process phase is important in order to define further strategy elements, i.e. to define strategic objectives. There are several methods of problem analysis. One of them is to make a problem tree, where all identified problems are written down and arranged (on „branches”) by cause-consequence strings. A less known method, the problem matrix, is described below.

Writing down and selecting a problem by using the screening method – this type of analysis is usually conducted in a number of small groups. Each group discusses and writes down all identified problems in the LAG area. Up to five most important problems are selected and passed through the screen. For each problem that has been written down, we ask the following questions:

- Should the LAG be the entity to deal with the problem?
- Does the LAG wish to resolve it?
- Can the LAG, or is it capable, of resolving it?

<table>
<thead>
<tr>
<th>Problem</th>
<th>We need to</th>
<th>We wish</th>
<th>We know/can</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem 1</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Problem 2</td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Problem 3</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

"Pairing“ the problems – the selected problems, those we need, wish and can resolve, are entered in the table (pair-wise matrix):

- horizontally – from left to right, and
- vertically – from the bottom up.

We compare all problems, two at a time (we pair them) – the more important problem is entered in the matrix location where the two problems cross. Selection is based on an answer to the question: "Resolution of which problem will ensure faster progress to the community?" Three to four most discussed problems are the priorities that need to be dealt with:
Questions that help in determining the importance of a problem:

- What problems are the major barriers in the community?
- What decisions are available to tackle the respective problem?
- What are the costs of implementing the specific decision?
- What benefits are expected from the specific decision?

<table>
<thead>
<tr>
<th></th>
<th>Problem 1</th>
<th>Problem 2</th>
<th>Problem 3</th>
<th>Problem 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem 1</td>
<td>X</td>
<td></td>
<td>Problem 3</td>
<td>Problem 4</td>
</tr>
<tr>
<td>Problem 2</td>
<td>X</td>
<td>X</td>
<td>Problem 3</td>
<td>Problem 2</td>
</tr>
<tr>
<td>Problem 3</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Problem 4</td>
</tr>
<tr>
<td>Problem 4</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

As an example, we present the work of LAG PRIZAG below:

During a workshop, participants were divided into four groups. Each of them specified problems and grouped them. Four to five most discussed problems were matched in pairs in order to identify priority problems.

**Group 1:**

<table>
<thead>
<tr>
<th>PROBLEM</th>
<th>1. Poorly developed infrastructure</th>
<th>2. No interest, no motivation and incapability to use joint resources</th>
<th>3. Lack of entrepreneurial spirit</th>
<th>4. Low level of qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Poorly developed infrastructure</td>
<td>/</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>2. No interest, no motivation and incapability to use joint resources</td>
<td>/</td>
<td>/</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3. Lack of entrepreneurial spirit</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>4</td>
</tr>
<tr>
<td>4. Low level of qualifications</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>/</td>
</tr>
</tbody>
</table>

Priority problems in group 1:

1. Low level of qualifications (3),
2. Poorly developed infrastructure / No interest, no motivation and incapability to use joint resources / Lack of entrepreneurial spirit (1).
Group 2:

<table>
<thead>
<tr>
<th>PROBLEM</th>
<th>1. Poorly developed utility infrastructure</th>
<th>2. Land fragmentation</th>
<th>3. Young people migrating out of the area</th>
<th>4. Unused tourism potential</th>
<th>5. Low awareness of environmental protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Poorly developed utility infrastructure</td>
<td>/</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2. Land fragmentation</td>
<td>/</td>
<td>/</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3. Young people migrating out of the area</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4. Unused tourism potential</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>5</td>
</tr>
<tr>
<td>5. Low awareness of environmental protection</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>/</td>
</tr>
</tbody>
</table>

Priority problems in group 2:
1. Poorly developed utility infrastructure (4),
2. Land fragmentation (3),
3. Unused tourism potential (2),
4. Low awareness of environmental protection (1)

Group 3:

<table>
<thead>
<tr>
<th>PROBLEM</th>
<th>1. Inadequate infrastructure</th>
<th>2. Fragmented agricultural plots, uncultivated land and low interest in agriculture</th>
<th>3. Unused potential in tourism</th>
<th>4. Reduction of overall production, growing unemployment, dropping living standards, growing number of welfare users</th>
<th>5. Low level of social awareness required for problem resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Inadequate infrastructure</td>
<td>/</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2. Fragmented agricultural plots, uncultivated land and low interest in agriculture</td>
<td>/</td>
<td>/</td>
<td>2</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3. Unused potential in tourism</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>


Priority problems in group 3:
1. Reduction of overall production, growing unemployment, dropping living standards, growing number of welfare users (4),
2. Low level of social awareness required for problem resolution (3),
3. Fragmented agricultural plots, uncultivated land and low interest in agriculture (2),
4. Unused potential in tourism (1).

Group 4:

<table>
<thead>
<tr>
<th>PROBLEM</th>
<th>1. Unemployment</th>
<th>2. Poorly developed agriculture</th>
<th>3. Poorly developed utility infrastructure</th>
<th>4. Poorly developed social infrastructure</th>
<th>5. Poorly developed tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Unemployment</td>
<td>/</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2. Poorly developed agriculture</td>
<td>/</td>
<td>/</td>
<td>3</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>3. Poorly developed utility infrastructure</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>4. Poorly developed social infrastructure</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>4</td>
</tr>
<tr>
<td>5. Poorly developed tourism</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>/</td>
</tr>
</tbody>
</table>

Priority problems in group 4:
1. Poorly developed utility infrastructure (4),
2. Unemployment (3),
3. Poorly developed social infrastructure (2),
4. Poorly developed agriculture (1).
**Problem ranking** – all priority problems within specific groups were ranked by the number of points. First three to four problems rank as those associated with key issues to be resolved in the LAG area.

<table>
<thead>
<tr>
<th>Problem</th>
<th>TOTAL POINTS</th>
<th>HOW FREQUENTLY WAS THE PROBLEM LISTED:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorly developed utility infrastructure</td>
<td>8 (4 + 4)</td>
<td>1. 2.</td>
</tr>
<tr>
<td>Reduction of overall production, growing unemployment, dropping living standards, growing number of welfare users</td>
<td>7 (4 +3)</td>
<td>1. 1.</td>
</tr>
<tr>
<td>Fragmented agricultural plots, uncultivated land and low interest in agriculture</td>
<td>6 (3 + 2 +1)</td>
<td>1. 1. 1.</td>
</tr>
<tr>
<td>Low level of qualifications</td>
<td>4</td>
<td>1.</td>
</tr>
<tr>
<td>Unused potential in tourism</td>
<td>3 (2 + 1)</td>
<td>1. 1.</td>
</tr>
<tr>
<td>Low level of social awareness required for problem resolution</td>
<td>3</td>
<td>1.</td>
</tr>
<tr>
<td>Poorly developed infrastructure</td>
<td>3</td>
<td>1.</td>
</tr>
<tr>
<td>No interest, no motivation and incapability to use joint resources</td>
<td>3</td>
<td>1.</td>
</tr>
<tr>
<td>Lack of entrepreneurial spirit</td>
<td>3</td>
<td>1.</td>
</tr>
<tr>
<td>Poorly developed social infrastructure</td>
<td>2</td>
<td>1.</td>
</tr>
<tr>
<td>Low awareness of environmental protection</td>
<td>1</td>
<td>1.</td>
</tr>
<tr>
<td>Young people migrating out of the area</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

At the end of the procedure, the key problems were identified for the LAG PRIZAG area:

<table>
<thead>
<tr>
<th>Problem 1</th>
<th>Problem 2</th>
<th>Problem 3</th>
<th>Problem 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorly developed utility and social infrastructures</td>
<td>Uncultivated land and no interest in agriculture</td>
<td>Low level of knowledge and social awareness</td>
<td>Unused potential in tourism</td>
</tr>
</tbody>
</table>

The next step is to discuss, evaluate and select the best solution for each of the selected problems. The selected solutions form a framework for the strategy. They should be structured in a way to form an integrated whole, with a feasible strategy, especially in respect of funds that may be available from identified sources. Then, answers should be formulated and strategic objectives defined in order to address the key problems, and most promising solutions should be discussed, evaluated and selected.
3.2.4 Strategic objectives

The objectives point to the desired change in key problem areas and determine activity directions for the key problem areas as well as in what way the LAG area intends to move towards the vision.

The criteria for appropriately defining a strategic objective include:

- conformity with the vision,
- precise definition of activity,
- focus on results,
- being realistic and attainable,
- objectivity and balance.

Strategic objectives are defined in response to identified key problems:

<table>
<thead>
<tr>
<th>KEY PROBLEM</th>
<th>STRATEGIC OBJECTIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT NEGATIVE SITUATION</td>
<td>IMAGE OF THE PROBLEM</td>
</tr>
<tr>
<td>POSITIVE MIRROR IMAGE OF THE PROBLEM</td>
<td></td>
</tr>
</tbody>
</table>

Example: LAG PRIZAG

Strategic objectives defined in response to the recognised key problems:

<table>
<thead>
<tr>
<th>Key problems</th>
<th>Strategic objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorly developed utility and social infrastructures</td>
<td>1. To improve utility and social infrastructures in order to increase living standards and living conditions for the population, ensuring even development throughout the area</td>
</tr>
<tr>
<td>Uncultivated land and no interest in agriculture</td>
<td>2. To improve business/management conditions in agriculture and forestry</td>
</tr>
<tr>
<td>Low level of knowledge and social awareness</td>
<td>3. To increase the level of knowledge and social awareness</td>
</tr>
<tr>
<td>Unused potential in tourism</td>
<td>4. To develop tourism, based on overall area potential</td>
</tr>
</tbody>
</table>
3.2.5 Strategy (how)

A mid-term activity plan is needed which explains the ways to attaining the strategic objectives in order to bring the vision for the LAG area into being. The strategy explains:

- priorities and measures,
- programs/projects for implementation,
- users/beneficiaries,
- ways to assuring required funds.

Not all strategies are the same. Two areas with similar visions and problems can choose different ways to attaining their objectives.

There is a large number of different strategies, depending on the circumstances and local development partnership's and other stakeholders' needs.

3.2.5.1 Priorities and measures

Strategic objectives define the direction (field) of activity. However, for a 3-5 year plan period, priorities are selected on which will be addressed through plan activities. This requires a realistic approach and an assessment in order to identify the fields in which the LAG can achieve success within a few years. Due to this, priorities are defined in order to focus the implementation of objectives on selected issues and elaborate them through measures and project themes.

Example: LAG PRIZAG

<table>
<thead>
<tr>
<th>Strategic objective 1:</th>
</tr>
</thead>
<tbody>
<tr>
<td>To improve utility and social infrastructures in order to increase living standards and living conditions for the population, ensuring even development throughout the area</td>
</tr>
</tbody>
</table>

| Priority 1.1. Small infrastructural facilities important for the even development of the area |
| Measures: |
| 1.1.1. Finding innovative infrastructural solutions for fringe settlements or hamlets |
| 1.1.2. Assuring funding sources for projects |

| Priority 1.2.: Facilities and programmes for social and cultural needs |
Measures:

1.2.1. Provision of facilities for pre-school children, for the elderly and weak, facilities for other social needs

1.2.2. Development of programmes and projects aimed at improving social life and addressing needs

3.2.5.2 Project themes and financial framework

In practical terms, a strategic plan is implemented through projects. In plan development, each measure is elaborated by identifying and defining potential project themes for implementation, project beneficiaries and applicants, the desired number of projects per theme and financial framework for the project. In this way, a general picture can be obtained with respect to necessary funds for strategic plan implementation. The planned total amount also helps assess how realistic and feasible the plan is, by being compared with potential funding sources.

The completion of project proposals in line with the strategic document implies the beginning of the implementation phase.

Example: LAG PRIZAG

<table>
<thead>
<tr>
<th>Measure 1.1.1. Finding innovative infrastructural solutions for fringe settlements or hamlets.</th>
<th>Measure 1.1.2. Assuring funding sources for projects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project themes</strong></td>
<td><strong>Beneficiaries</strong></td>
</tr>
<tr>
<td>Innovative solutions for water supply and sewage systems in hamlets and fringe areas</td>
<td>Local population</td>
</tr>
</tbody>
</table>
Innovative approach and methods for utility infrastructure (solar energy, biomass, alternative energy solutions, energy efficiency)

| Local self-government units, local population, SMEs, institutions | 3-5 | HRK 50,000.00 – 100,000.00 | HRK 300,000.00 |
| HRK 800,000.00 |
| Environmental Protection and Energy Efficiency Fund, Ministry of Environmental Protection, IPA, self-government units, Regional Development Fund |

3.3 Structure of a Planning Document

The basic elements of a strategic plan should be presented to the local general public through the media, public presentations, leaflets etc., because inhabitants can and need to participate in plan implementation – through their jobs, projects, local initiatives etc.

All steps in the development of a strategic plan must be documented, and decisions and solutions formulated and integrated into a single document: **Strategic Plan for Sustainable LAG Area Development**. The table below describes the basic elements that should be contained in such a document:

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>CONTENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>Brief description of document content – should include information about identified problems, proposed development directions, main objectives and tasks. Briefly describe the document development process.</td>
</tr>
<tr>
<td>Vision Values</td>
<td>Integrated definition of the vision Description of values shared by LAG members</td>
</tr>
<tr>
<td>Description and analysis of the area</td>
<td>Brief description of the area by districts and business activities – situation and resources, including SWOT</td>
</tr>
<tr>
<td>Description of key problems</td>
<td>Analysis and definition of problems, with an emphasis on key problems</td>
</tr>
<tr>
<td>Strategic objectives</td>
<td>Strategic objectives for the next several years – addressing the key problems</td>
</tr>
<tr>
<td>Priorities, measures</td>
<td>Description of selected priorities for each strategic objective, and measures for priority implementation</td>
</tr>
</tbody>
</table>
3.4  Planning as Team Work

The basic functions of a team doing the planning include: steering of the planning process in line with generally accepted procedures and collection of information needed for developing the strategic plan. It is therefore exceptionally important for the team to include as many people with diverse positive views of the area of the future. In the presented practical examples, where the processes of LAG establishment and that of making the first joint strategic document progressed simultaneously, all potential members of a local partnership participated in the development of the strategic plan, that is, about 20 persons. This is advantageous, because it provided LAG members with insight, basic ideas and understanding of the strategic plan for the sustainable development of their local area, the plan which they will manage and for which they will be responsible. In the subsequent planning periods, it is to be expected that more operative teams and/or a central planning team and working groups in charge of resolving specific tasks will develop, which will enable experts to join who represent stakeholder groups and/or organisations from the LAG area.

It should be pointed out that, in the presented cases of LAG Gorski kotar and LAG PRIZAG, in addition to an expert facilitator steering the strategic plan development process, local coordinator(s) played a crucial role. They saw to it that all local-level processes run harmoniously, in particular the following:

- determination of the date and time for meetings and on attendance,
- keeping of records and an overview of basic data on participants who are potential LAG members,
- participation in the preparation of agendas, in conducting meetings and preparing minutes,
- permanent consultation with facilitators on topics and issues relating to the mobilisation and provision of information to the public, LAG formation and preparation of a strategic plan,
- coordination of document collection and data i.e. „homeworks“ between meetings,
- collection of other material required for the development of a strategic plan,
- seeing to it that concerned stakeholders and the general public are informed of the process and planning results, collection of feedback information etc.,
• communication and coordination of cooperation with the leaderships of local self-government units and other cooperating associations,
• organisation of meetings with stakeholder groups and public meetings associated with the development and presentation of the strategic plan,
• presentation of processes and results achieved in the LAG formation and strategic plan development processes.

3.5 Criteria for the Evaluation of a Draft Strategic Plan

The criteria for evaluating the selected directions and solutions should reflect the circumstances in a LAG area. While preparing a draft plan, it is useful and necessary to include a maximum number of stakeholders in the criteria identification procedure, either through regular provision of information or through the collection of feedback information. To this aim, the following questions may be helpful, and they should be discussed within the LAG with the representatives of local self-government units:

• Is the strategic plan feasible, taking into account conditions within the LAG area and external factors?
• Is the strategic plan based on experience and skills of the people within the LAG’s catchment area?
• In what way does the strategy use available material, human and financial resources?
• Are the activities contained in the strategy in line with the vision for the area?
• What financial and other resources will be needed for the implementation of the strategic plan? Is this justified from the economic perspective?

Answers to these and similar questions will help re-examine the results of the local partnerships work and the selection of best solutions to be integrated into the strategic development of the LAG area in the years to come.
4. WRITING A PROJECT PROPOSAL – from Concept to Project

4.1 What is a Project?

A project is a tool for organising interrelated activities into a specific sequence in order to attain specific objectives within specific time and funding framework.

The purpose of a project is to achieve specific change – in the conduct of people, way in which the system or specific institution functions. Projects typically deal with the problems or needs of specific groups by using new ideas and methods, building on existing possibilities and potential.

A project is defined by objectives which it seeks to attain and activities which need to be performed in order to achieve those objectives, usually within a strictly defined timeframe.

Whether it is a business, public or non-profit sector’s project, the project manager must perform the following activities in order to carry the project through:

- prepare a detailed implementation plan (based on actual needs) with project objectives, specifying required investment, activities and desired results,
- set realistic, measurable performance indicators,
- prepare a working plan and budget, bearing in mind available resources and employees' /members' capabilities,
- precisely define the responsibilities of specific teams/persons and follow their work,
- keep records on project implementation (activities and finances) and prepare periodical reports to relevant institutions,
- perform administrative tasks, e.g. hiring staff, subcontracting and procurement of equipment,
- follow project progress and changes in the environment in order to timely define and implement necessary measures aimed at ensuring project progress in line with objectives.

4.2 Elements of a Project

4.2.1 Analysis

A seriously conceived project can not meet beneficiaries' actual needs unless a situation analysis is conducted. It often happens that a problem analysis is made without being sufficiently thought through. To be more specific, individuals who do project planning often believe that they can identify the problem offhand. Therefore, they do not want to perform „unnecessary“ problem exploration. However, different stakeholders may hold different views of the same situation. An individual or narrow group seldom has a whole picture of the
problem to be addressed with the project. It is therefore particularly important to consult people with different views.

**Stakeholder analysis** – stakeholders are all those affected by the project, positively or negatively. The stakeholders enjoying positive project impacts are also called **beneficiaries**. Stakeholders are also persons who can have influence on project results.

In order to identify your stakeholders, ask yourself the following questions:

- Whose experience and views are relevant?
- Who will decide on the project?
- Who will be implementing decisions?
- Whose active support is essential for project success?
- Who is entitled to be involved in the project?
- To whom is the project a threat, and to whom is it beneficial?

When identifying stakeholders, consult them about the problem. Information can be obtained at meetings, by surveys and similar procedures. After sufficient information has been collected and processed, you can summon stakeholders important for your project in order to jointly identify the key problem and develop a project.

The analysis of stakeholders is important in order to identify key individuals and organisations, their stakes in the project and how their stakes affect project sustainability.

What else needs to be identified?

- stakeholders interests with regard to the problem and prerequisites for their involvement in the project,
- are there conflicts of interests among various stakeholders and project risks,
- relationships between those stakeholders on whom you can rely,
- appropriate modalities for various stakeholders' participation in the project.

**Model table for stakeholder analysis**

<table>
<thead>
<tr>
<th>Stakeholder group (or specific stakeholder)</th>
<th>Potential support to project/potential role</th>
<th>Expectations from the project</th>
<th>Fears relating to the project</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Analysis of project organisation/team capacity** – the key factor to project success is the capacity of participating organisations and individuals. A SWOT analysis of the organisation/team is the chief factor to project success. Under point 2.2, the method for the
implementation of a SWOT analysis for the LAG area is described. This analysis will be used for the development of a strategic plan for the sustainable development of the rural area. The same method will be used to analyse the capacity of the project team or organisation, specifically:

**Strengths:** positive internal characteristics of the organisation/team  
**Weaknesses:** unfavourable/weak characteristics of the organisation/team  
**Opportunities:** external factors which can favourably affect the project or organisation/team  
**Threats:** external factors which can unfavourably affect, i.e. reduce opportunities for the organisation/team

A SWOT analysis is conducted by employing the *brainstorming* method, in which all project team representatives participate. One individual should run the process in order to explain the exercise to all participants, write down suggestions, summarise the results and enter them in the table. Group members must have enough time to reflect on everything.

Based on the analysis, one should decide which steps are indispensable in order to reduce weaknesses and take advantage of opportunities. How will your strengths be helpful in this? How should potential losses be minimised in the case that threats get in the way? A SWOT analysis may help you to change/harmonise your objectives, because you have realised that they are too ambitious when compared with organisational capacity. It can also be helpful in deciding on which problem segment you can really effectively address under the project.

### SWOT analysis of an organisation providing support to local community development

<table>
<thead>
<tr>
<th></th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTERNAL FACTORS</strong></td>
<td>• personal knowledge and skills</td>
<td>• small number of staff</td>
</tr>
<tr>
<td></td>
<td>• appropriate office space</td>
<td>• reduced working potential</td>
</tr>
<tr>
<td></td>
<td>• good relations with potential partners in the non-profit sector</td>
<td>• inactive/insufficiently involved in the Management Board</td>
</tr>
<tr>
<td></td>
<td>• issued publications</td>
<td>• lack of long-term financing</td>
</tr>
<tr>
<td></td>
<td>• prepared project models</td>
<td>• no plan for fundraising</td>
</tr>
<tr>
<td></td>
<td>• energy and readiness to work</td>
<td>• lack of time for the revision of the organisational development strategy</td>
</tr>
<tr>
<td></td>
<td>• financial reserves for the next six months</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• training rooms free of charge</td>
<td></td>
</tr>
<tr>
<td><strong>OPPORTUNITIES</strong></td>
<td>• donors' higher sensitivity for community projects</td>
<td>• key donor withdraws from the country by year’s end</td>
</tr>
<tr>
<td></td>
<td>• project in pilot-community partially approved</td>
<td>• some of the commissions evaluating our project proposals do not understand our work, because they have no experience with such an approach</td>
</tr>
<tr>
<td></td>
<td>• partially approved funding for community technical support programme</td>
<td>• the ministry which we cooperate is in arrears for the services rendered</td>
</tr>
<tr>
<td></td>
<td>• possibility for some participants to pay for training</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• new partners at the local level</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• history of cooperation with high-profile persons and maintenance of contacts</td>
<td></td>
</tr>
</tbody>
</table>
Problem analysis – in order to set project objectives, you need to clarify and analyse the problems. You can begin by writing down all problems that come into your mind. First, they need to be carefully identified – they must be present problems, not potential, fictitious or future problems. The problem is an existing unfavourable situation, not the absence of a solution.

Problem analysis includes two tasks:

1. Identification of the main problem facing the beneficiaries of the planned project or organisation,
2. Identification of causes and consequences.

Problem analysis is an important component of cooperation between stakeholders, the project team and all other concerned parties. It includes the opinions of all stakeholder groups. The goal is to obtain an overview of the situation by arranging problem causes in a logical sequence. This can be done in different ways, whether by means of a) table, specifying causes on one side, and consequences on the other, or a b) problem tree.

a) Table of cause-consequence strings

After writing down all problems, arrange them in cause-consequence strings, as exemplified below:

Let’s Play English and Speak Infotech project

Specified problems:
- computer illiteracy,
- poor knowledge of foreign languages,
- lack of extracurricular activity programmes,
- separation between youth of different ethnicity,
- expensive computer training, unaffordable to 90% of population.

Arranging problems by cause-consequence strings:

<table>
<thead>
<tr>
<th>CAUSES:</th>
<th>CONSEQUENCES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• rural area, distance from educational facilities</td>
<td>• computer illiteracy</td>
</tr>
<tr>
<td>• lack of experts</td>
<td>• poor knowledge of foreign languages</td>
</tr>
<tr>
<td>• poor organisation of the local community</td>
<td>• lack of extracurricular activity programmes</td>
</tr>
<tr>
<td>• lack of communication in multi-ethnic communities</td>
<td>• separation between youth of different ethnicity</td>
</tr>
<tr>
<td>• population in a poor financial situation</td>
<td>• no opportunity for attending courses</td>
</tr>
</tbody>
</table>
b) Problem tree

A detailed description of a problem tree is given in the Manual on Successful Organisation of the Local Community: Our Community, Our Responsibility, issued by ODRAZ in 2004 (pg. 144).

**Description of needs and problems / current situation** – you need to identify and explain the problem to be resolved, as well as needs to be satisfied.

In an effort to depict the situation and problems facing individuals, and the world in general, in much detail, many organisations make mistakes. The project should be focalised on a specific problem that can be resolved. In describing the problem or needs, the problem should be *presented*, showing its importance, but in a way that clearly shows that it can be dealt with within the project time and resource framework, i.e. successful beginning of problem resolution should be realistically expected.

**The problem description should work as a bridge towards the desired solution.** One of the usual errors is presenting the problems facing the organisation/team, instead of those facing the community in which the project team works or the sector dealt with by the team. The specified needs should be presented from the beneficiary’s perspective, focusing on his needs, problems and intentions. A formulation such as “Children do not have a day-care centre” does not stand for the problem, it is actually the solution to an implied problem (children’s’ inactivity or lack of discipline). In order to be successful, you should take a deeper dive into the problem/need. Check whether you have established a clear difference between real reasons and symptoms (causes and consequences).

Substantiate the problem. How do you know that the problem really exists? Do not assume that they exist, because not all have all the same information. Even if this is the case, not everybody will recognise the same things as a problem. Use information (instead of assumptions of beliefs) in order to substantiate the grounds for the project.

A sentence such as “As we all know, the duration of unemployment reduces the outlooks for finding a new job” should be replaced with the sentence “A recent unemployment report shows that each year of unemployment reduces the possibility to find a new job by 2%. Research conducted by the International Unemployment Institute shows...”. Statistical data used in an appropriate place is more useful than high words.

Start from the assumption that your potential donor or associates you count on will not know a lot about the problem. Even if the do, they may have a completely opposite opinion. Think about the facts you can present to an uninformed person and with which you can persuade the one who has suspicions. Do not exaggerate. Data is useful when it underpins specific plans and grounds for their implementation. If detailed statistical data really needs to be used, show it in the project appendix, specifying key statistics in the problem description.

Ask questions about the nature of the problem:

- Why is the problem important?
- What is the field of activity?
• What are the social consequences of the problem?
• What are the consequences of disregarding the problem?
• Could it be said that problems will increase in the near future?
• Who are the beneficiaries of your activities? In what way will the solution benefit them?
• Why are their needs so important? (detailed description of target groups)

Note:

Problem description/definition:
• it must be clearly presented, real and resolvable,
• it must logically connect the organisation’s activities and problems/community needs which you will address,
• it must enjoy open support from the community, eminent people, other organisations working on the same problem or expert in the field, and statistical indicators and other relevant data.

Let’s Play English and Speak Infotech project

**Problem description:**

According to the collected statistics, there are 340 pre-school children, 182 primary school children, 120 high-schoolers and more than 80 persons under the age of 30 living in the territory of the municipality X. The data obtained in a survey show that 80% of respondents have little or no contact with computers. In the municipality X there is no training centre, whilst distance from the city and high course prices form impassable barriers to education. As a consequence, the level of computer literacy is low, there is a lack of experts, and the community is poorly organised with regard to needs for extracurricular and educational activities. Since computer literacy and knowledge of English are the prerequisites for obtaining a job and professional advancement, young people are marginalised by their competition.

**4.2.2 Objectives**

Objectives can be divided into an overall objective and specific objectives\(^9\).

The overall objective stands for the desired change which can be brought into life gradually over years and is not attainable just through your single project.

A specific objective\(^10\) stands for what we wish to achieve, or change, during the project.

Many confuse overall objectives, specific objectives and activities. For example, if the problem has been defined as “a lack of knowledge and skills among employees regarding effective CSO management”, the overall objective one can choose is to “establish effective

\(^9\) i.e. long-term and short-term goals

\(^10\) or a short-term goal
organisational management”, whilst the specific objective could be to “improve the management skills and knowledge of staff”. The result in the latter case would be “developed and implemented training programme”. Activities that need to be conducted would, for example, include “an assessment of needs for education among members; development of a detailed training programme, selection of trainers, preparation of training material, conduct of workshops, preparation of workshop evaluation material” etc.

Should you find it difficult to differentiate between overall objectives/specific objectives (what you wish to achieve) and activities (manner of attaining them), thinking about desirable changes resulting from your work in a year or two would be helpful, because the change itself is the objective to be attained with your project. When you describe specific project objectives, you must be as specific as possible, and write down detailed information about qualitative and quantitative changes and the desired impact on your target group or area.

Examples for overall objectives:

- to increase computer literacy by 25% among all high school seniors in Brod-Posavina, Osijek-Baranja and Vukovar-Srijem Counties within a year;
- perform the afforestation of 350 hectares of scorched hinterland of the town of Zadar within a year and a half, using pine and stone pine seedlings;
- reduce the incidence of depressive disorders and asocial behaviour among 65 paraplegic persons in Split-Dalmatia County by 50%.

Despite the fact that you will present your project, it is important to provide a clear basis for measuring the success of your work. The organisation needs to set measurable objectives and indicators for project success evaluation.

Let’s Play English and Speak Infotech project

Overall objectives:

- to provide young people with access to training, and thus increase their competitiveness in the labour market,
- increase the quality of free time activities for children and youth.

Specific objectives:

- to improve knowledge needed to work with software packages (Windows, Excel, Word) among population aged up to 35,
- to increase the number of English speaking youth in the municipality by 10%,
- to assist unemployed persons in strengthening their self-presentation skills for labour market purposes.
4.2.3 Results

A result is a specific, measurable project outcome achieved through various project activities. Results are described by using a verb form for completed action (*taken place, trained, printed* etc.). The project result can, for example, read as follows: “15 heads of CSOs completed a training programme and acquired knowledge and skills needed for appropriate management of the organisation”.

4.2.4 Activities

Activities are designed, arranged and performed in order to achieve objectives and expected results. They must be clearly defined and detailed, allowing clear understanding of the implementation method. The implementation of each project phase and their mutual interrelatedness should be carefully discussed and agreed upon.

It is important to bear in mind that different methods can be used for the resolution of one problem. For example, tackling addiction among youth may involve cooperation with parents aimed at preventing the isolation of young persons within their families, or it may involve direct work with youth in order to develop positive thinking, or it could have the form of preventative meditation and hypnosis against drug abuse.

When describing activities aimed at achieving project objectives, one should check whether detailed information about the target group is included, as well as how the target group was selected. For example, where training is to be conducted for twenty CSO managers, one should specify them, and also the selection method and criteria etc.

Developing an activity plan

An activity plan is a document describing the tasks aimed at achieving the respective objective, the timeframe and needed resources, and responsible individuals. Its purpose is to actively determine what should be done in order to achieve the objectives agreed upon. It should also specify all activities/tasks that need to be performed for optimum implementation.

Essential plan elements include:

- time frame (e.g. one year),
- specific steps, i.e. planned activities, persons involved in implementation and deadline for each step,
- human and material resources, existing or non-existing, required for achieving the desired results,
- the person responsible for each of the specified steps.

Bear the following in mind:

- the timeline and activity duration table (Gantt table) does not show real dates, but project duration months - 1., 2., 3. etc. Month 1 is the first month after the financial support contract was signed,
- include only activities mentioned in the descriptive section of the project proposal. If, during the development of the activity plan or later in the budget development phase, an additional required activity occurred to you, it should be indicated in all sections of the project documentation.

When submitting the project report, you should also report on the achievements relative to the submitted plan. A clear plan ensures easy implementation.

Example for an action plan – Gantt table

<table>
<thead>
<tr>
<th>Activity</th>
<th>Months</th>
<th>Responsible persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.1. TRAINING PROGRAMME</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparation of a detailed training plan and training material</td>
<td>1 2 3 4 5 6 7 8 9 10 11 12</td>
<td>PM, T</td>
</tr>
<tr>
<td>Preparation, promotion, choice of candidates</td>
<td></td>
<td>PM, PA</td>
</tr>
<tr>
<td>Training implementation</td>
<td></td>
<td>PM, T, PA</td>
</tr>
<tr>
<td>Evaluation</td>
<td></td>
<td>E</td>
</tr>
<tr>
<td>II. PUBLICATION PRINTING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Text preparation</td>
<td></td>
<td>PM, PA</td>
</tr>
<tr>
<td>Design and printing</td>
<td></td>
<td>PM, D, PS</td>
</tr>
<tr>
<td>Public presentation</td>
<td></td>
<td>PA, PA</td>
</tr>
<tr>
<td>Dissemination to users</td>
<td></td>
<td>PA</td>
</tr>
<tr>
<td>III. WORKING WITH THE MEDIA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meetings with journalists</td>
<td></td>
<td>PM, J, P, PA</td>
</tr>
<tr>
<td>Preparation of material for the media</td>
<td></td>
<td>PM, PA</td>
</tr>
<tr>
<td>Preparation of DVDs</td>
<td></td>
<td>PM, P</td>
</tr>
</tbody>
</table>

4.2.5 Performance indicators

It is not sufficient to specify just overall objectives and specific objectives. Methods for the measurement of progress and achievement of objectives should also be designed. In order to make objectives measurable, indicators with relevant information should be added. Make
sure that indicators really refer to objectives, i.e. that they show whether the objectives have been achieved or not.

Good indicators should be:
- specific – measuring real impacts of an activity/initiative,
- measurable,
- accessible,
- relevant in terms of the respective objectives,
- timed.

Examples for indicators:
- 10 workshops conducted,
- 25 representatives of local community youth trained,
- 1000 manual copies printed,
- 2 kilometres of roads constructed,
- 80% of pre-school children involved in the dental prevention programme,
- care assured for 30 elderly persons in the area of the municipality.

Where indicators are specified as percentages, do not forget that you must have initial data in order to compare them with your performance.

4.2.6 Project budget

A project budget serves the following purposes:
- defining total required funds for the planned project and assuring that the project proposal is realistic,
- it allows evaluators to assess how reasonable the proposal of costs is, and how economical the project under evaluation is.

Prior to submitting the project, you yourself can also assess whether the costs are reasonable and justified. Do not forget to assess the cost-efficiency of specific activities prior to project submittal; total projects costs divided by the number of beneficiaries are one of the self-assessment methods.

The budget format depends on the procedures and requirements set by the potential donor.

Steps in preparing the budget:
1. make a list of required costs for each activity,
2. determine units, unit price and number of units,
3. distribute costs according to the set budget form,
4. make an assessment of indirect costs,
5. distribute costs according to the source of financing (majority of donors request co-financing),
6. prepare a table of costs.
Example for a project budget form:

<table>
<thead>
<tr>
<th>ACTIVITY / TYPE OF COSTS</th>
<th>Unit amount</th>
<th>No. of units</th>
<th>Amount per unit</th>
<th>Total (HRK)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. DIRECT COSTS</strong> (project manager, activity manager under the project, publications, space rental for activities, printed material, campaigns, round tables, training etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Project manager (e.g. 50% of working hours)</td>
<td></td>
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<tr>
<td>b) Project assistant (e.g. 30% of working hours)</td>
<td></td>
<td></td>
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<tr>
<td>c) Trainers (fee amount x no. of training days)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Workshop supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Training room</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Coffee and drinks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Training material</td>
<td></td>
<td></td>
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<tr>
<td><strong>Total direct costs</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>II. INDIRECT COSTS</strong> (share of total amount)</td>
<td></td>
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<td></td>
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<tr>
<td>a) Office rental (e.g. 30%)</td>
<td></td>
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</tr>
<tr>
<td>b) Overhead costs</td>
<td></td>
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<tr>
<td>c) Telephone costs</td>
<td></td>
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</tr>
<tr>
<td>d) Postal costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Office material</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Bookkeeping services</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>g) Bank costs</td>
<td></td>
<td></td>
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<tr>
<td><strong>Total office costs</strong></td>
<td></td>
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<tr>
<td><strong>III. EQUIPMENT COSTS</strong></td>
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</tr>
<tr>
<td>a) Computer</td>
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<tr>
<td>b) Printer</td>
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<tr>
<td><strong>Total equipment costs</strong></td>
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<tr>
<td><strong>IV. TRAVEL COSTS</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>a) Transportation costs (kilometres, travel tickets)</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>b) Per diems</td>
<td></td>
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</tr>
<tr>
<td>c) Hotel costs</td>
<td></td>
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<tr>
<td><strong>Total travel costs</strong></td>
<td></td>
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<tr>
<td><strong>V. OTHER COSTS</strong></td>
<td></td>
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</tr>
<tr>
<td>a)</td>
<td></td>
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<tr>
<td>b)</td>
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</tr>
<tr>
<td>c)</td>
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<td></td>
</tr>
<tr>
<td><strong>Total other costs</strong></td>
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<tr>
<td><strong>TOTAL I+II+III+IV+V</strong></td>
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</tr>
</tbody>
</table>

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4.3 Project logic

OVERALL OBJECTIVE

SPECIFIC OBJECTIVE I
- RESULT I.1
  - ACTIVITY I.1.1
  - ACTIVITY I.1.2
- RESULT I.2
  - ACTIVITY I.2.1
  - ACTIVITY I.2.2
  - ACTIVITY I.2.3

SPECIFIC OBJECTIVE II
- RESULT II.1
  - ACTIVITY II.1.1
  - ACTIVITY II.1.2
- RESULT II.2
  - ACTIVITY II.2.1
  - ACTIVITY II.2.2
  - ACTIVITY II.2.3
## Appendices

### Appendix 1: Sustainable Development of Rural Areas of Croatia project

| Partners | Milieukontakt International, Amsterdam - Leading Partner  
|          | ODRAZ – Sustainable Community Development, Zagreb – National Coordinator  
|          | PINS d.o.o. Skrad – Local Coordinator  
|          | SMART, Rijeka and Croatian Rural Development Network (HMRR), Zagreb  
| Associates | Pelikan Consult, Zadar – training and technical assistance  
|            | Nataša Škrbić - evaluation  
|            | CCI, Zagreb – needs assessment  
| Beginning of project in Croatia | February 2007  
| End of project | December 2009  
| Total project value | 344,000 EUR  
| Financial support | MATRA Programme of the Netherlands Ministry of Foreign Affairs  
| Name of LAG | LAG Gorski kotar  
| Local self-government units within the LAG | 3 towns and 6 municipalities of Gorski kotar (Towns: Vrbovsko, Čabar and Delnice; municipalities: Ravna Gora, Skrad, Brod Moravice, Mrkopalj, Lokve and Fužine)  
| Total no. of inhabitants | 26,000  
| Population density | 20.5 inh/km²  
| LAG membership composition | 23 representatives of all local self-government units and all sectors; 46% public, 54% business and civil sector  
| No. of Management Board members | 5  
| Association registration date | 23 February 2009  


## Appendix 2: Sustainable Development of Regions through Participatory Processes project

| Partners | CCO – Center for Community Organising Central Moravia, Czech Republic  
HMRR – Croatian Rural Development Network, Zagreb |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Associates</td>
<td>ODRAZ – Sustainable Community Development, Zagreb – <em>training and technical assistance</em></td>
</tr>
<tr>
<td>Beginning of project</td>
<td>28 November 2008</td>
</tr>
<tr>
<td>End of project</td>
<td>28 January 2010</td>
</tr>
<tr>
<td>Total project value</td>
<td>91,000 EUR</td>
</tr>
<tr>
<td>Financial support</td>
<td>European Commission, PHARE 2006</td>
</tr>
<tr>
<td>Project pilot-area</td>
<td>Eastern part of Krapina-Zagorje County, southern part of Varaždin County and western part of Koprivnica-Križevci County</td>
</tr>
<tr>
<td>LAG name</td>
<td>Prigorsko-zagorski LAG PRIZAG</td>
</tr>
<tr>
<td>Local self-government units within LAG</td>
<td>1 town and 10 municipalities of Gorski kotar (Town: Novi Marof; municipalities: Visoko, Breznica, Breznički Hum and Ljubeštica – Varaždin County, Gornja Rijeka, Sveti petar Orehovec and Kalnik – County Koprivničko-Križevačka, Budinšćina, Konjšćina I Hrašćina – Krapinsko-zagorska County)</td>
</tr>
<tr>
<td>Total area</td>
<td>546.57 km²</td>
</tr>
<tr>
<td>Total no. of inhabitants</td>
<td>38,812</td>
</tr>
<tr>
<td>Population density</td>
<td>70 inh/km²</td>
</tr>
<tr>
<td>Composition of LAG membership</td>
<td>38 representatives of all local self-government units and all sectors, Development agency AZRA and ODRAZ-Sustainable Community Development; 37,5% public, 62,5% business and civil sector</td>
</tr>
<tr>
<td>No. of Management Board members</td>
<td>11</td>
</tr>
<tr>
<td>Association registration date</td>
<td>7 January 2010</td>
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**Index of authors**

<table>
<thead>
<tr>
<th>1. BASIC CONCEPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Višnja Jelić Mück</td>
</tr>
<tr>
<td></td>
</tr>
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<td></td>
</tr>
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<td>Roman Haken</td>
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</table>

<table>
<thead>
<tr>
<th>2. LOCAL ACTION GROUP - LAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lidija Pavić-Rogošić</td>
</tr>
<tr>
<td>Jadranka Pelikan</td>
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<tr>
<td>Petar Mamula</td>
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<thead>
<tr>
<th>3. STRATEGIC PLAN FOR SUSTAINABLE LAG AREA DEVELOPMENT</th>
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<tbody>
<tr>
<td>Lidija Pavić-Rogošić</td>
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<thead>
<tr>
<th>4. WRITING A PROJECT PROPOSAL – FROM CONCEPT TO PROJECT</th>
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<tbody>
<tr>
<td>Lidija Pavić-Rogošić</td>
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**Bibliography and useful websites**

<table>
<thead>
<tr>
<th>Resource</th>
<th>URL</th>
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<tbody>
<tr>
<td>LEADER – from an Initiative to a Method – an instructive guide to the LEADER approach, ZOE – Center for Sustainable Development of Rural Communities, 2004</td>
<td><a href="http://www.odraz.hr/stranice/publikacije.html">http://www.odraz.hr/stranice/publikacije.html</a></td>
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<tr>
<td>LAG Gorski kotar</td>
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<td>Animating Local Partnership in Rural Areas – a practical guide, TEPA project, 2008</td>
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</tr>
<tr>
<td>Public Participation, tool for administration of public matters, Centre for Community Organising, 2008</td>
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<td>EU LEADER+ Observatory</td>
<td><a href="http://ec.europa.eu/agriculture/rur/leaderplus/index_en.htm">http://ec.europa.eu/agriculture/rur/leaderplus/index_en.htm</a></td>
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<td>LEADER+ in Member-States</td>
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<td>The European Database of Local Action Groups</td>
<td><a href="http://ec.europa.eu/agriculture/rur/leaderplus/lagdb_en.htm">http://ec.europa.eu/agriculture/rur/leaderplus/lagdb_en.htm</a></td>
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<tr>
<td>Our Community, our Responsibility, ODRAZ, 2004</td>
<td><a href="http://www.odraz.hr/stranice/publikacije.html">http://www.odraz.hr/stranice/publikacije.html</a></td>
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<td>Millenium Development Goals, UNDP Croatia</td>
<td><a href="http://www.undp.hr/show.jsp?page=62183">http://www.undp.hr/show.jsp?page=62183</a></td>
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<td>We the Peoples Millennium Forum Declaration and Agenda for Action, UN</td>
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<td>Towards Sustainability – a Manual for Towns and Municipalities, Primorje-Gorski kotar County, 2004</td>
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