

Rural Development and Democratisation in Russia and Estonia

**An evaluation of Sida's support
to three projects in Russia and Estonia**

**Paul Dixelius
Camilla Gramner
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**Department for Central and
Eastern Europe**

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Sida Evaluation 01/01

**Department for Central and
Eastern Europe**

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Infocenter, Sida
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Telephone: (+46) (0)8 795 23 44
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E-mail: info@sida.se,

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Authors: Paul Dixelius, Camilla Gramner, Dan Hjalmarsson.

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SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Address: S-105 25 Stockholm, Sweden. Office: Sveavägen 20, Stockholm
Telephone: +46 (0)8-698 50 00. Telefax: +46 (0)8-20 88 64
Telegram: sida stockholm. Postgiro: 1 56 34-9
E-mail: info@sida.se. Homepage: <http://www.sida.se>

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Executive Summary

In November of 2000, EuroFutures was appointed by Sida to evaluate three projects financed by Sida. The purpose of the evaluation is to acquire knowledge about the relevance, effects, impact, cost-effectiveness and sustainability of the Swedish support so far and to point out future development possibilities as well as recommendations. The main reason for addressing the issue of rural development and democracy in these three geographical areas is the severe problematic consequences that the transition of the Soviet Union has had on rural areas in Russia and the former Soviet republics.

The *Improvement of Local Development in Pryazha* project, located in the Pryazha District of the Republic of Karelia has been going on from October 1997 to date. The second project, *Local Partnership and Democracy Development in Arkhangelsk County* started in June 1999 and is planned to run over a three-year period but is currently only at midterm. The third project evaluated is *Kodukant* in Estonia, which was initiated in 1992. Sida financed the project in three different phases, up until 1996. Since the three projects are in different phases of development they have been studied separately regarding findings and results. The results have been analysed and conclusions are presented for example regarding a model for development projects in rural areas of transition countries. Project approaches, content and procedures have been studied jointly. The Kodukant project has been evaluated in 1995 and consequently this follow-up is less comprehensive in scope and differs from the other two regarding analytic approach. The Kodukant project is no longer a Sida-financed project.

The overall objective of the Pryazha project is to improve local development in the district. The project is process-oriented and based on a belief that most rural villages have enough resources to start some sort of economic activities, even though on a very small scale, without the involvement from higher administrative levels. In Pryazha, the aid of the project has mainly consisted of education, professional guidance, twin village contacts, visits in Sweden and organisation networks.

The objective of the Arkhangelsk County project is to work out a model for local influence and partnership on the district level. The implementation of the Arkhangelsk County project has firstly consisted of starting a dialogue on local self-governance and increased power of citizens in decision-making processes and secondly of mobilising committed people on village and administrative levels to work jointly for economic and social development.

The objectives of the Kodukant project was firstly to stimulate local mobilisation and local democracy by relying on people's driving forces and initiatives, secondly to stimulate the spirit of enterprise, start-ups, expansions and innovations and thirdly to develop supporting structures and promote co-operation at all levels. The evaluation shows that Kodukant has evolved to become an important part of the Estonian regional and rural development policy.

A common denominator of the three projects is the emphasis on social content and local development. The analysis of the projects shows, however, that the projects have been carried out with rather different approaches. The process-orientation of the Pryazha project, focusing almost exclusively on small-scale development, has presupposed an *entrepreneurial approach* with an informal implementation procedure. As the project has evolved, new needs have been identified and consequently cared for by the project without looking back much on project plans or operational goals. Little efforts have been invested into involving the higher administrative levels. Politicians and civil servants have had the role of supporting the project activities and communicating the results to other districts in the region.

The Arkhangelsk County project, involving the different administrative levels in the project objectives from the very beginning, has been carried out with a higher degree of *system approach* and a more formal implementation procedure. The project has gained ground concerning the legal basis and necessary structures for rural development e.g. regarding the formation of village assemblies. However, as the situation characterising rural Russia is grave in both economic terms and power of initiatives it has been difficult to evoke necessary involvement on grass-root level. The pressure is still relatively low concerning increased influence on the decision-making process. Thus, the focus has increased on activities supporting rural development parallel to the development of the democratic structure. Initiatives have been mobilised on village level and many ideas and ambitions have been expressed on how to start economic activities in the villages, however, most of them still remain to be transformed into concrete results.

The analysis of the three projects leads to a number of interesting conclusions. The main conclusion refers to the project approach. An entrepreneurial approach is recommended in an initial stage of projects in rural areas in countries such as Russia and Estonia. A high degree of entrepreneurial support directed towards the target groups often leads to early achievements in the form of concrete results that are important for the establishment of local faith in the project. Early results are particularly important in regions where there is a general reluctance towards projects in general and especially those supported from outside.

However, once the small-scale activities are moving, the administrative structures need to be strengthened and the political sphere integrated with the development. Orientation towards change of systems creates the basis for sustainable changes supporting the development on the grass-root level. Kodukant is an example of a project that started with a relatively strong entrepreneurial focus on village activities although attention also was given to political involvement. As the project has matured it has added more system-oriented activities and structures. To summarise, rural development should be seen as a dialectic process between entrepreneurial grass-root action and structural changes.

Other findings of the evaluation include the need for a more informal project procedure, the use of twin town or village co-operations, the important skills of project management, the necessary commitment from the counterpart as well as the balance between time spent on documentation and implementation.

A continuation of the Arkhangelsk project is necessary to achieve more concrete results. In order for this to happen, it is important that the grass-root level is more actively involved. Focus should be on the implementation of the ideas and ambitions expressed in the first stage. This implies more work in the field. It is important that some villages show concrete results that in turn can serve as inspiration for others to start working in the same direction. The project management also has to determine whether the project has enough resources to continue operating on the field in all three districts. To ensure the long-term continuation of the work it is also desirable that as many village administrations as possible become involved in the project and can inspire others to follow.

A continuation of the project in Karelia is also recommendable. The second stage should focus on both broadening the project to other districts and to strengthen the basis on system level to ensure a long-term continuation of rural development in Karelia.

1. Introduction

1.1 General Information

In November of 2000, EuroFutures was appointed by Sida to evaluate three rural development projects. The projects, which have all been financed by Sida, are situated in different geographical areas and are currently in different phases:

- In October 1997 a project started aiming at *Improvement of Local Development in the District (Municipality) of Pryazha* situated in the Republic of Karelia. This project officially ended in October 2000. EuroFutures will evaluate the implementation of the project as well as the results obtained. One objective of the evaluation is to assess the alternative of continuing the project and possibly extending the activities towards the neighbouring districts of Ollonets and Pittkeranta.
- The project *Local Partnership and Democracy Development in Arkhangelsk County*, also known by the name “The Northern Way”, started in June 1999 and is planned to run over a three-year period. The midterm evaluation will be the basis for deciding upon the possible continuation of the project.
- *Kodukant* is a programme in Estonia that commenced in 1992. Sida’s financial contribution finished in late 1996. EuroFutures performed a midterm evaluation of the programme in February 1995 (“Development Projects in Estonia”). The current evaluation is to study the situation today i.e. the sustainability of the activities initiated during the implementation period of the project.

From EuroFutures three consultants have been involved in the evaluation of the three projects. Dan Hjalmarsson has focused primarily on the Kodukant programme in Estonia while Camilla Gramner and Paul Dixelius have jointly studied the projects in Pryazha district and Arkhangelsk County.

1.2 Background

The transition from the planned economy of the Soviet era to a situation of large-scale liberalisation and privatisation has had many serious effects on Russia and the former Soviet republics. The rural areas have experienced particular hardship, with unemployment, social problems and geographical isolation, which has forced the inhabitants to live under increasingly poor living conditions.

Before the transition, the rural community largely depended on the local factory, sovchos or kolchos (public farms) for employment and social security. As public entities were privatised several of them could not handle the pressure of the market forces and therefore had to shut down. In the case of the public farms, the land and equipment were distributed among the inhabitants for private use. Today, these pieces of land are often not used at all. In Estonia, this effect is accelerated by the rapid urbanisation. In many rural districts the sense of despair has reached almost desperate levels, since all previous safety nets have disappeared. The Sida-financed rural development projects have as primary objectives to try and turn the negative trend and help the rural inhabitants in finding new paths back to decent living conditions.

Rural areas in Sweden have experienced similar problems – although of a lesser magnitude - to those in Russia and Estonia. Not least in recent years, there has been a constant struggle in Swedish rural municipalities against unemployment due to the closing of large public and private entities, young people moving to the cities, and so on. Several public authorities and larger organisations in Sweden have been involved in the promotion of rural development. Partly, the initiatives have revolved around the Swedish campaign “All of Sweden shall live” (“Hela Sverige skall leva”).

Naturally, the Swedish rural development projects in Russia and Estonia have tried to utilise the experiences gained from Swedish cases in order to help the targeted districts in Russia and Estonia to more easily overcome “known” obstacles. It should be noted that the Kodukant programme in Estonia and the experiences drawn thereof have contributed to later projects with resembling objectives such as those now set up in Karelia and Arkhangelsk.

The backgrounds to the individual projects are found in the section describing each project separately (See chapter 2).

1.3 Methodology

The research part of the evaluation process has been divided in three main phases:

In the initial phase of the project, *existing documentation was gathered*. Apart from discussions with initiated people at Sida (see Appendix I for names of people interviewed) attention was given primarily to documentation obtained from the archives at Sida and from the respective project managers. The first phase also included the development of an evaluation strategy and the identification of main issues to be addressed.

The second phase consisted of *interviews with relevant people in Sweden*. For a first round of discussions, Camilla Gramner and Paul Dixelius received the project managers, Christina Hammarström (Pryazha district in Karelia) and Inez Backlund/Valery Lemesov (Arkhangelsk County) at EuroFutures in Stockholm. Then, during two days, Gramner and Dixelius visited Östersund (Backlund and Lemesov) and Umeå (Hammarström) for more in-depth interviews. In Umeå, they also met with representatives from two Swedish twin villages of Karelia: Taveljö and Hällnäs. Dan Hjalmarsson met with Staffan Bond, head of the Swedish Kodukant team, to discuss the development of the project. The second phase also involved preparations for the research trips to Estonia and Russia including practical plans and *identification of a relevant evaluation approach* for each separate case.

The *research visits* to Estonia, Karelia and Arkhangelsk County constituted the third and perhaps most important phase. During a comprehensive eight-day trip, Gramner and Dixelius covered both Karelia and Arkhangelsk County. Interviews were performed with local project co-ordinators, representatives from regional and local governments as well as with initiative group leaders and individuals active in the projects. Dan Hjalmarsson led a one-day seminar in Tallinn including follow-up talks and discussions. Valuable impressions were collected, especially from the trip to Karelia and Arkhangelsk, about the situation in the districts and the concrete results achieved in the respective projects.

1.4 Evaluation Approach

Since the three projects have reached different stages of development, each project needs to be addressed with regard to its specific prerequisites.

The Kodukant evaluation is a special case since Sida's involvement in the project was finished approximately four years ago. The current evaluation focuses on how the project has evolved since 1996.

The projects in Karelia and Arkhangelsk are more comparable although the official three-year period of the Karelia project has just ended and the project in Arkhangelsk County is in midterm. The projects in Russia have been analysed in four different stages:

- The *preparatory stage*. In this stage, analyses are carried out on the steps taken and the measures used in building the platform on which the project was started.
- The *objectives*. An account is given of the primary goals of the project and the results that the projects want to achieve.
- The *implementation phase and results obtained*. A description is made of the methods used to obtain the objectives listed in the project plans. The outcome of the project is assessed based on documentation, interviews and visits during the research trip to Russia.
- The *future visions*. The final stage looks at the future plans of the project, what future measures are important to concentrate on, possible changes from the original framework etc.

The description of the projects in their different stages is followed up by a more in-depth analysis, which also tries to compare the strong and weak points of the different projects and to find positive common denominators. This part is the basis for the final chapter of the report listing a number of conclusions from the evaluation and lessons to be learned. A main theme in the evaluation has been to try and find a project framework or model for the promotion of rural development and small-scale business applicable in other regions under similar conditions.

A list of the documentation studied during the evaluation is given in Appendix II.

2. Project Descriptions

2.1 General Information

In order to facilitate the reading of the report, a description of the administrative structure in a Russian county is presented below. Oblast or county is the regional level. Under the county administration a number of districts or rajons, are sorting. Within each district there are village administrations (sometimes called selsovjets when using the former terminology) responsible for a number of villages. During the late 1990's in Arkhangelsk County there has been a discussion on the formation of an organisation on the village level, here called village assembly. The chapter on the Arkhangelsk project will further develop this matter.

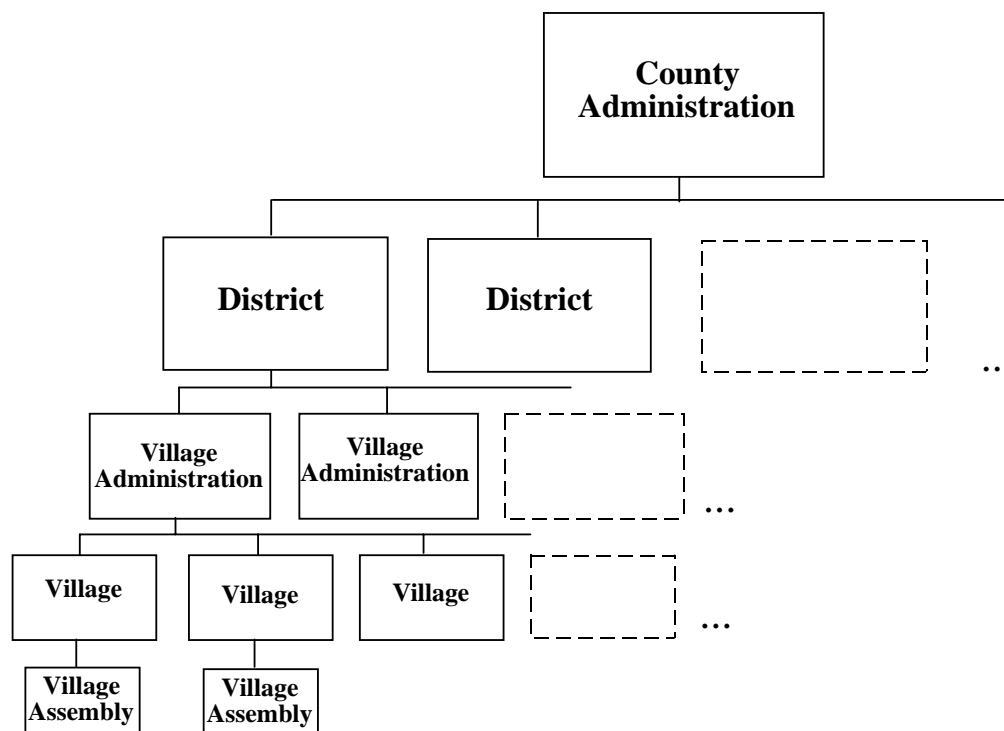


Figure 1. Administrative structure in the regions of Arkhangelsk and Karelia.

2.2 Improvement of Local Development in the District of Pryazha

General Description

The rural development project in the District of Pryazha is based on an agreement between Hush-ållningssällskapet (the Rural Economy and Agriculture Societies in Västerbotten County) on the Swedish side and the Pryazha District Administration and the Karelian County Administration on the Russian side. For some time, the County of Västerbotten has been twin-county with the Republic of Karelia and the interest from Västerbotten County to assist in the development of Karelia has been one of the main driving forces behind this project initiative.

The District of Pryazha is situated in the Russian part of Karelia, approximately 1.5 hours drive from Petrozavodsk and 5-10 hours drive (depending on weather conditions) from the Finnish border. The total population is about 20,300 divided between 82 villages sorting under 13 village administrations. About 35.4 per cent of the population are of Karelian ethnic origin, which is a relatively high figure in comparison with other districts within the republic.

Name	Area (km ²)	Inhabitants	Number of districts/ village administrations	Village admin. active in the project	Number of villages
Republic of Karelia	180,520	766,400	16 districts	–	–
Petrozavodsk City	122	282,500	–	–	–
Pryazha District	6,389	20,300	13 village administrations	13	82

The downfall of the Soviet Union has had severe consequences on the Republic of Karelia and the conditions in Pryazha are poor. The standard of living is low, maintenance of buildings and infrastructure has been virtually non-existent for the past ten years, the environmental situation is threatening, unemployment rates are high etc. Even people who are employed have not been able to rely on regular payment of salaries. The citizens of Pryazha District feel isolated and abandoned by the

State, which has resulted in a countryside characterised by apathy and stagnation. The problem of alcoholism, especially among men, is also widespread.

There are some two hundred companies in the district of which a few are profitable. As in other parts of Russia the privatisation of state-owned companies has been difficult and many of them have gone bankrupt or operate at reduced speed. Small enterprises often find it difficult to survive due to very high levels of taxation. There have been reports of 80-98 per cent tax on profit.

The Karelians in Pryazha have managed to preserve many cultural typical features such as handi-craft, sewing and musical traditions. Furthermore, the Karelian language has helped to maintain an ethnic bond, also between Russian and Finnish Karelians, over the years. In schools of the Pryazha District Karelian is now being taught and the knowledge among the children about Karelian traditions and culture is being strengthened.

The aid of the project has promoted the development of the rural District of Pryazha through education, professional guidance, development plans, twin village contacts and organisation networks.

Agreement and Organisation

Representatives of the Republic of Karelia officially signed the project agreement, but in practical terms the project is organised from the Pryazha District level. In its turn, Pryazha District keeps in contact with the villages and administrates initiatives aimed at specific villages and co-operations between them. However, both district and regional levels are describing their roles as being supporters of the project. In general, the villagers themselves play the central part and are the driving force of the project.

The project manager, Christina Hammarström, is agronomist by education and teacher of history by profession. In addition, she has extensive personal experience from e.g. private enterprising and farming. In the Pryazha project the practical knowledge on the commercial areas to be developed have been described as essential for the successful fulfilment of the objectives.

The agreement between the contracting parties includes a division of responsibilities between the project management in Sweden and the Pryazha District Administration. In the agreement it is stated that the Pryazha administration is responsible for practical arrangements in Karelia i.e. transport of project delegates (starting from the Finnish border), accommodation of project delegates, interpretation and premises for meetings. Pryazha also keeps with a local project co-ordinator, Pavel Mityaev, who is part-time employed by the District administration.

Preparations

Based on experiences of working in Karelia and a network of contacts that had been established between the County of Västerbotten and the Republic of Karelia, a need for concrete actions on the local level was identified. Christina Hammarström, who has been involved in projects in Karelia before, was contacted at an early stage.

In late June-early July of 1997, a first preparatory visit to the Republic of Karelia was made. According to the pre-study report from the visit, the objective of the journey was to "collect information, find appropriate contact persons and to discuss the project plan." It was stated that the project should be accomplished in one pilot district within the region. Pryazha was chosen due to its favourable geographical location, easy to reach from Finland and with a relatively good infrastructure. Pryazha could also be described as traditional with the typical problems of this part of Karelia. Interviewees also point out the local commitment and openness for change at the Pryazha local administration level.

The Pryazha project has concentrated on working with developing existing assets of the Pryazha District villages. During a trip, Hammarström paid special visits to six villages: Vedlozero, Savinovo, Kroshnozero, Esoila, Matrosy and Manga. In the villages a number of companies, schools, churches and other village entities were visited, that could be of interest for the programme. In fact, the trip to Pryazha was a detailed inventory of local assets and ideas of fields for development. An attempt was made to identify each village's particular strengths, in a wide perspective, that could be exploited to develop the village. These strengths could be in very different forms i.e. potential for developing tourism, cultural traditions, hunting possibilities, special knowledge in carpentry, painting and sewing or many times just of very active individuals. Finding active and dedicated individuals, both on the Swedish and Karelian sides, has also been described as an important task of the project.

Preparations in Sweden included discussions with potential twin villages in Västerbotten County. Particular focus was put on villages within the Municipality of Vindeln and the surrounding area. Åmsele, a village within the Municipality of Vindeln, showed an aeryly interest in establishing a twin city relation with some village in Karelia.

Objectives

The overall aim of the project is the improvement of local development in the District of Pryazha. The original idea was to find the small grains of hope and optimistic spirit in the so-called "dead villages" and further to try to use the strong individuals and useful assets to turn the development in a positive direction. The project is based on a belief that most of the villages have enough resources themselves to start economic activities even though on a very small scale.

The operational goals of the project have been listed as follows:

- Produce development plans for 5-7 villages.
- Create a new meeting place in 5-7 villages.
- Establish an organisation for future development once the project is finished.
- Initiate contacts between 5-7 villages in Västerbotten County and Karelia.
- Improve conditions for employment in 10-20 companies.
- Spread information and knowledge about organisation, co-operation, marketing etc. to a variety of groups in society, in total to include some 5-7 villages and approximately 20-30 people in each.

Implementation

According to the summary of project results the Pryazha rural development project has been spread to all 13 village administrations within the district. Eight of the 13 village administrations in the district have participated since the project's beginning, November 1997: Pryazha, Chalna, Esoila, Vedlozero, Kroshnozero, Svyatozero, Matrosy and Svinovo. The additional five have participated since the autumn of 1999: Kinelahtha, Koivuselga, Kolatselga, Sodder and Syapsya. Within the village administrations a majority of the villages have to some extent been involved in the project.

During the implementation phase of the project a large number of activities have been carried out. They can be summarised as activities aiming at:

- a) building small-scale activities in the villages;
- b) exchanging experiences with twin villages;

- c) supporting individual and organisational initiatives with material and financial aid as well as training;
- d) spreading results and experiences to a wide range of people at different levels in society.

The four different categories are further described below and some practical examples are also given.

Building small-scale activities

The philosophy of the project has been – with a practical and process-oriented approach – to build small-scale activities on the existing prerequisites of the Pryazha District, to find some particular qualities in each village, on which the project can focus and build a commercial activity. The objective is to promote economic activity in the rural areas but also to help the villagers in thinking commercially as well as to boost their self-confidence. The intention of the project management has been to identify the activities to be developed in a village, which can be started at once with no additional means in the initial phase. In co-operation with the people from the village a development plan for the village has been set up.

A number of small-scale activities have been initiated, some of which are listed herein. The inhabitants of the villages have been involved in different activities springing from local cultures and specific conditions of the villages. In Pryazha, a tourist centre has been established, receiving visitors mainly from other parts of Russia. The tourist centre employs two to three people full time, and activates a number of village tourist services such as the local Russian Choir and the Steam Sauna/Clay bathing/Massage facility in Svyatozero. Individuals with a spare room in their house or apartment have been encouraged to start their own hostel services. “Hostel”-managers running their business successfully, are engaged by the tourist centre.

Identification has been made of several groups of people and individuals that can start earning their living through their specific skills and other existing resources. Old ladies knitting and sewing as well as gifted carpenters and handicraftsmen have started to produce their own products and souvenirs for commercial purposes, to be sold privately or at local/regional fairs. In order to give villagers with different specialities the opportunity to display their products and exchange ideas, an annual winter fair has been organised within the project. Two such fairs have taken place in November 1999 and in December 2000.

Co-operation and exchange with twin villages

For the long-term sustainability of the project an aim has been to create long-lasting relationships between the villages in Pryazha and in Västerbotten County. Twin village relations have been established with seven villages in Sweden: Vindeln, Tavelsjö, Tvärålund, Örträsk, Granö, Hällnäs and Åmsele. Representatives from all Swedish twin villages have visited “their” villages in the Pryazha District and a strong personal commitment from the village inhabitants, stretching beyond diplomatic exchanges, has evolved. The project has included a number of visits in both directions to support and encourage exchanges on a personal level. 29 people from the Swedish twin villages visited Pryazha District in June 1998 to establish friendly relations. During five days in the summer of 1999, a delegation from the villages of the Pryazha District, amounting to almost 50 people, visited the twin villages in Västerbotten. The delegation included a choir from the Karelian village of Svyatozero that made several performances during the visit to Sweden.

The project has tried to make the best of natural resources, culture and environment within the district. A group of cultural workers and handicraftsmen from Pryazha District visited the County of Dalarna to learn about the preservation of cultural legacy with the objective of strengthening the

position of Karelian culture and traditions. Representatives from the village of Esoila have also visited Taveljö to learn about small-scale fruit and berry production. Two people from Svyatozero also practised at a greenhouse in Hällnäs.

The exchange with twin villages has also encouraged people to make more use of local natural resources and to make their environment cleaner. One example is the announcement of a village competition for the most well kept garden.

The project has declared the importance of developing a wide range of contact networks, not only with individuals but also between organisations and companies in both countries. A group of Swedish youths has visited the Pryazha District for intercultural exchanges. The group was encouraged to assess the potential of tourism in the district i.e. to act as “pilot tourists” and let the villagers test their tourist attractions and then evaluate the opinion of their visitors. The group also taught the Karelian school students the game of indoor-bandy. The overall purpose of the visit was to increase the understanding among the Swedish students of the situation in Russia and more specifically of the Karelian countryside. Another example is a visit to Pryazha in November 1999 during which a pastor from the local Church in Vindeln established contacts with the church communities in the villages of Chalna and Pryazha.

Material, financial and educational support

Several existing companies and individual initiatives in the Pryazha District have been assisted by the project to improve their production and increase their selling. Swedish specialists have visited Pryazha and provided small businesses with new tools, equipment and knowledge such as carpentry and car repairing.

With such help from the project, the House of Culture in Svyatozero has developed a youth club. Through a small financial contribution, the Culture House Manager invested in TV-game equipment, which can be “rented” by village youngsters for a small amount of money. The income from the TV-game covers restorations of the clubhouse and extensions in the form of new facilities, particularly focusing on stimulating youths.

Education and training are also important ingredients in the project. Courses in English language and marketing have been arranged as well as more specific training in for instance the use of modern tools for wood crafting. In combination with material support there is often also a need for training on how to use the new facilities.

Education is also important on a more theoretical level. Thus, on two occasions the project coordinator from Pryazha has attended courses of regional administration and development at the Umeå Summer University.

Spreading experiences and results

One project objective has been to make the activities reach all groups of inhabitants in the local society and the project has consistently tried to involve many different groups from the villages in the district. To date the project has evidently managed to involve men and women as well as children, pensioners, unemployed people, different ethnic groups, local institutions such as schools, hospitals, museums, culture houses and culture groups. Attempts have also been made to create contact networks between local businessmen but due to their limited interest no such networks have yet been established.

The project has also tried to establish networks between different groups within the Pryazha District in order to obtain a greater interface. For each village administration a development support group

has been set up and meeting places have been established in official buildings such as the village administration building, the local house of culture or similar. The representatives of the support groups have participated in training courses where Swedish experiences of local development, business organisation/co-operation and housekeeping were used as benchmarks.

Also within the district there has been a will to make the project reach as many people as possible and to promote a general interest and commitment in the project from all levels. Discussions with people at levels ranging from the Foreign Ministry of the Republic of Karelia, the Pryazha District Administration and village administrations to members of development support groups, doctors and teachers show a wide-spread interest and understanding of the scope of the project. The project has also been covered in regional and local newspapers, TV and radio in Västerbotten and Karelia.

This ambition is also an attempt to make the possibilities of the villages and the region as a whole evident for the local population. Under supervision of Christina Hammarström the development support groups of the different village administrations have been assigned to promote their own villages, by producing small brochures or similar. This activity, which was combined with a course in marketing, has helped the village representatives realise the values and assets of their local communities.

Financial Analysis

The Sida support for the Pryazha project amounts to a total of 2 101 000 SEK. According to the budget for the three year period, 35 per cent of the resources should be allocated to personnel costs (half-time), 9 per cent for external consultants, around 33,5 per cent to travel expenses and the remaining 22,5 per cent to administration, literature and other expenses for material, translations, insurance, etc.

The final financial report of the project (December 2000, see below) shows that the budget has not been closely followed. Particular discrepancies are found in the cost items for personnel and travel. The total cost for the project manager exceeds budget by almost 75,000 SEK, mainly due to the fact that the account covers two months outside the budgeted project period. Total costs for trips to Russia amount to only two thirds of the budgeted sum, also in relation to the total outcome the amount only corresponds to 26 per cent. The low expenditure on travel is explained by the fact that no per diems have been paid to project participants and that visits by twin villages have been partly funded by the villages themselves. On all other items the costs are below budget and in total almost 350,000 SEK remain unused.

The major cost items in the project are divided as follows:

Tabell. Actual costs in relation to budget.

Cost items	Budget	Share of budget	Actual outcome	Actual share
Personnel (project manager)	742,316	35 %	816,820	46,5%
Fees (external consultants)	185,454	9 %	214,662	12,5%
Travel costs	702,590	33,5 %	457,295	26 %
Other	470,640	22,5 %	265,360	15 %
Total	2,101,000	100 %	1,754,137	100 %
Remaining amount		346,863		

Futures Plans of the Pryazha Project

The positive spirit among the Pryazha inhabitants is shown in their will to spread their knowledge and experiences to neighbouring districts in the Republic of Karelia. Thus, for a possible continuation of the project the importance of enlarging the project and spreading the results and methodology to other districts in Karelia is stressed. According to present plans an enlargement would primarily be directed towards the district of Pittkeranta and Ollonets. These districts have already shown a great deal of interest in the project.

Other plans for a continuation of the project include a stronger focus on existing businesses. In order to attract the local businessmen in Pryazha District and help them realise the benefits of working closer together there is a plan from the project to use positive examples from Sweden. The project wants to invite the business federations from the Municipality of Vindeln in Västerbotten County to make a presentation in Pryazha District of their activities in Sweden, and the advantages the Swedish companies see in company networking. The promotion of other independent organisations is also included in the plans in order to strengthen the networks and co-operations over the district borders.

A continued strengthening of the bonds between the twin villages is also proposed. There are various ways of making people meet on different levels. It is important that the young people in Russia learn to communicate in English with people in the outside world. This could for instance be achieved through co-operations between schools in Västerbotten and Karelia.

Experiences from Other Sida-Projects

In the initial phase of the project (early 1998) a representative from the Kodukant programme in Estonia participated by informing local support group members about the Estonian experience of rural development. The Head of Hushållningssällskapet, Maud Olofsson, has previously been involved in the Kodukant project and her experiences and knowledge from that project have also been taken into consideration in the set up of the project in Pryazha. In this way, some of the early experiences from working with local development in the countries in transition have been used in the project.

Analysis of Results

To summarise the above list of activities within the implementation phase, it can be concluded that the operational goals of the project have been fulfilled with one or two exceptions. The project has involved not only the 5-7 villages addressed in the operational goals but all 13 village administrations. Villages have made up plans for their development and created new meeting places in the villages and often in the facilities of the village administrator. 7 of the villages have established twin village relations with villages in Västerbotten County and many exchange activities between these villages have taken place. A number of seminars and educational activities have taken place in the villages covering subjects such as marketing, English language and knowledge of specific areas. In total hundreds of people have been involved in the activities on the Karelian side.

Regarding the objective of improvement of conditions for employment in 10-20 companies, it is rather difficult to determine the level of success based on the observations gathered during the visit to Karelia and Pryazha District. Conditions for employment can cover a vast amount of factors, including regulations on taxes, wages and other judicial matters. In this study, it can only be noted that a large number of people have been involved in the project and that many individuals have created new sources of income to their families.

Another concrete goal was to establish an organisation for the future development of the project. Although no such specific organisation seems to be in place, the conditions for future development appear to have been assured. Interviews with the Republic of Karelia shows that they are determined to spread the results from Pryazha to other districts in Karelia. With no exception, the

project participants were convinced that the project activities would continue without further financial support from Sida. The general attitude among the villagers and administration authorities was that a possible termination of the project would “slow down the process” but not make it stop.

Looking at the overall goal with the project, i.e. to improve rural development in Pryazha district, the project has succeeded. It is obvious that the small-scale projects have raised new hope in the villages, and the results from private enterprising have also had significantly positive effects on people’s minds, not least in terms of increased self-confidence. It is also apparent that the strengthened self-confidence and personal involvements also in the activities of the local community have increased the interest in the political decisions and in the measures decided upon at higher administrative levels. In other words, the promotion of small-scale activities has had positive effects also on the democratisation process. As one of the interviewees put it:

“The belief in your own personal power is one of the main bricks in the foundation of a democratic society.”

The Pryazha project is based on three important features that have greatly contributed to the achievements of the project:

- focus on the individual;
- small-scale activities;
- exchange with the outside world.

The project has been clearly focused on the individual level. Believing in the power of individual efforts and the possibilities that are evolving when peoples’ own creativity is released has been a common feature in the project. The strategy has been to involve people on the grass-root level and let them be in the frontline. Thus, there is little practical involvement from politicians and administrators on the regional level. Their role has mainly been to support the project in terms of visa preparations for the travel arrangements within the project and other administrative matters. Their role is also to spread information about the project and the results to other districts in the region. The district level is linked to the project primarily through practical support and has also employed one person part-time to handle the project.

Thus, the Pryazha project is not of a political nature. There are no politicians or political parties that “own” the project. According to interviews the project can continue regardless of who is in power. This picture is also supported by the fact that Pryazha has had a change of Mayor during the project implementation, which has not affected the project development negatively. The firm support on the grass-root level has clearly created stability for the accomplishment of the project and most likely also formed the basis for a continuation of work on rural development in Pryazha also after the project is ended.

Another important strategy of the project is to focus on small-scale activities. The poor situation in the villages and the prerequisites for commercial activities imply a development in very small steps. One must not forget that the Russian people have lived under communism for a period of 70 years during which no individual initiatives were supported. Thus, it takes time to make people understand that their future lies in their own hands. In Pryazha one of the most evident results of the project is the shift in mentality of the people involved in the project. The citizens are no longer awaiting actions from political or administrative levels, but instead they have realised that they have to build the future of their families and villages on their own. Many interviewees have pointed out that the most important factor of the project has been to make people realise that they have enough resources to start economic activities: Pryazha does not need luxury hotels in order to start some small-scale tourism, family hostels are quite sufficient. In the same way traditional skills in knitting,

woodwork, etc. could actually be used commercially. The winter fair has surely been important as a way for villagers to reach a market for their products and learn to price and market them.

The twin village approach has also been an important part of the implementation of the project. The visits to Sweden have generally inspired people to increase the efforts of local development – visiting the outside world has worked as something of an eye-opener for people to identify the potential of their own villages. Interviewees also state that the contacts with people from the outside have given them increased self-confidence – people from another country have shown interest in their lives and their future. Contacts with foreigners have also made people understand the importance of learning foreign languages, English in particular.

The model used in Pryazha is adjusted to the specific characteristics of the district. Thus, when applying this model on other districts or regions it will need to be adjusted to the new features. For instance, the geographical closeness to Finland has been a helpful condition for the implementation of the project in Pryazha. Most journeys from the twin villages in Västerbotten County have been carried out by bus or car, which has been very cost effective. It has also been relatively easy to transport small amounts of goods, tools and equipment by hand, to support individuals or small projects. Virtually no participants have been paid for the time and efforts they have put into the Pryazha project or even received per diems during their visits. Once passing the border, the Swedish travellers have been taken care of by the Pryazha district administration and vice versa.

Conclusions on the Pryazha Project

In relation to both the overall and the operational goals the Pryazha project has been successful. People involved on village, district and regional levels are satisfied with the project and the results achieved. Except for the three features listed above (focus on the individual, small-scale activities, exchange with the outside world) the important success factors are the project management and the early visible results of the project.

During the project both people on local and regional levels have developed trust and confidence in Christina Hammarström. Due to the spontaneous sceptical attitude towards “projects” in general, people at the local and regional administrative levels initially did not have high expectations on the project. However, when results, in terms of strong commitments among villagers and concrete actions, were shown the general attitude begun to change. The personal commitment of Christina Hammarström has been very important in the process of the project. This raises the question whether it is possible to duplicate the project and use the same model in other cases. The answer – according to the findings of this study – is both yes and no. It is difficult to find project managers with not only extensive competence in leadership and practical knowledge of the specific areas in focus but also a strong personal commitment. It is surely desirable for every project financed by Sida but not always possible. However, the general model that was used in the Pryazha project, focusing on individual activities on the local/village level, early results, small-scale activities and external contacts, is undoubtedly useful and possible to duplicate in other development projects, also outside Russia.

It is clear, however, that the twin village bonds cannot be used in the same way once the distances grow. Twin village bonds built on personal dedication are always positive from a development point of view but for a rural development project in a more distant region the relationship would have to be based on other incentives. Modern communication technology can in these cases to some extent compensate for the loss of frequent physical meetings between twin villages. Setting up bonds between local organs such as dedicated NGOs¹ from the two twin villages, with mutual interests, could also be a way of creating more intimate and sustainable exchanges.

¹ Non Governmental Organisations

The exchange of experiences between projects dealing with rural development in transition countries could be extended. The Pryazha project had some initial contact with representatives from Kodukant but it does not seem to have led to any concrete exchanges of experience. Project exchange and co-operation with the Arkhangelsk project has been sparse.

2.3 Local Partnership and Democracy in Arkhangelsk County

General Description

The region of Arkhangelsk is situated on the Northwest coast of Russia. In terms of area, Arkhangelsk Oblast is larger than the whole of France (587 400 km²), and for the rural population the enormous distances have a negative impact by increasing the inhabitants' sense of isolation from the outside world. Since the breakdown of the Soviet Union the infrastructure has deteriorated significantly and several communication routes have been shut down. Some villages (e.g. on the "wrong" side of a riverbank) have virtually no contact with the outside world. Within the region, the roads used to be of decent quality for car and truck transports and there were flight connections between the major cities whereas now trains are sometimes the only means of communication. Many people have rarely left their own village or district, never seen Arkhangelsk City and very few people have been abroad.

The Arkhangelsk County faces most of the same problems as the Pryazha District, with deteriorated industry and collapsed state farms, which has led to unemployment. The County is also characterised by a low degree of maintenance and restoration of infrastructure, a lack of personal initiatives etc. Russia has gone through a decentralisation process resulting in increased responsibility of the regions. However, little has so far been done as regards the decentralisation to increase power at district or village levels. Unfortunately, adequate funding to uphold the necessary standards have not been allocated from the federal level and the pressure on regional budgets has increased.

In many terms, Russia is a divided society. The similarities between the development of cities such as Moscow and St Petersburg and the rural areas of Russia are few. While Moscow and St Petersburg have had an increasing growth and number of direct foreign investments, leading to higher standards of living for many people, improvements in the rural areas are yet to be seen. Thus, a feeling of mutual disbelief has evolved between central and rural areas. Among Moscovites the mere existence of some rural regions in Russia is put in question as they are only seen as cost items. This is noticed in the public debate, which in turn adds to the rural areas' distrust in the system and increases the apathy of the rural population.

In the Arkhangelsk County there are no less than 18 districts. The project initially concentrated on three districts within the county: Ustianskiy, Primorskiy, and Shenkurskiy. The Upper Kitsa village of the Vinogradovskiy district was also included as a special case.

Name	Area (km ²)	Inhabitants	Number of districts /cities and Village administrations	Village admin. active in projekt	Number of villages
Arkhangelsk oblast	587,400	1,500,000	18 districts		
Primorskiy district	22,670	33,300	17 village admin.	5	203
Shenkurskiy district	11,700	20,500	12 village admin.		260
Ustianskiy district	11,560	42,000	14 village admin.	4	229
Vinogradovskiy district	12,560	24,000	13 village admin.	1 ²	

² Kitskaya Village administration (882 inhabitants and 2,8 km²)

Agreement and Organisation

The project commenced in June 1999 upon an agreement between the Arkhangelsk County administration and Jämtland County Administration and is to run over a three-year period upon condition of an evaluation at midterm.

In the agreement set up with the Arkhangelsk County Administration it is stated that the Swedish part (Jämtland County Administration) is responsible of carrying out the activities formulated in the project description including production of reports that need to be approved by the Russian part. The commitment of the Russian part (Arkhangelsk County Administration) includes the provision of documents necessary for the project assignments and assuring transportation to and from the airport in Arkhangelsk. It also includes the commitment of the Russian part to make efforts to find accommodation and transportation on the field, of decent quality and price. It is also their responsibility to provide suitable premises for meetings and seminars. (All direct costs are covered by the Swedish part).

A project group was appointed in the initial phase consisting of the project management team, some experts and the responsible persons from each of the pilot communities (See Appendix III for list of names). The project group should help the process in providing methods and tools for rural development and self-government. It should also act as speaking partner and mediator in providing contacts and ideas.

The project management team initially consisted of Inez Backlund, project manager, Valeriy Lemesov and Christer Eklöf. Inez Backlund has a background in journalism and has lately been working as Information Officer at Glesbygdsverket (the Swedish National Rural Development Agency). She has both theoretical and practical experience from working with rural development and strategy issues. For instance she has been active as project manager for rural development projects for women in Tornedalen and has also been involved in the campaign "All of Sweden shall live". Valeriy Lemesov has an academic background in literature and Nordic languages. He has done several assignments for Glesbygdsverket and has also been director of Intourist's Scandinavian operations. Valeriy currently works as a teacher, interpreter and editor of works mainly covering the Barents Region. Christer Eklöf also has a background as journalist and has previous experiences from working for the Red Cross in Russia and Georgia. He has practical knowledge of working with rural development issues in Sweden and has been working for Glesbygdsverket for some time.

One contact person was appointed responsible for each of the three districts that were targeted: Inez Backlund is responsible for Ustianskiy District, Valeriy Lemesov for Primorskiy District and Christer Eklöf for Shenkurskiy District. Due to geographical reasons the Upper Kitsa village of the Vinogradovski district was also included under the umbrella of Primorskiy District, in other words under Valeriy Lemesov.

Since the start of the project there have been some changes of people of important roles for the project. Gleb Tuirin of the North Russian Institute for Humanitarian and Social Initiatives (NIHSI) was a main character in the start-up phase of the project. Initially he was appointed local project co-ordinator in Arkhangelsk. Due to difficulties of collaboration and some disagreements regarding the formulation of the project he left his post and was replaced by the current local co-ordinator Viktor Sadkov. Victor Sadkov has since then been part time employed by the project and part time by the County Administration. At a relatively early stage of the project the contact person for the Shenkurskiy district, Christer Eklöf, resigned from his district of responsibility. Allegedly, the main reason for his resignation was language problems.

In each of the districts (Primorskiy and Ustinaskiy) a Rural Development Officer, in charge of the local administration's work related to development issues, has been appointed. The Rural Development Officers are generally on a high position in the district and the issue of rural development is one among other important responsibilities.

Preparations

Glesbygdsverket was initially the main Swedish part, which is why it has played an important role during the planning of the project. Due to the shift in operational focus at Glesbygdsverket the project was later transferred to the County Administration of Jämtland.

In the late fall of 1997 Lemesov and Backlund from Glesbygdsverket met with Gleb Tiurin from NIHSI to talk about the Scandinavian experiences with regard to democratisation and local development. Later, in early 1998, three representatives from Glesbygdsverket were invited to Arkhangelsk to meet representatives of NIHSI to further discuss the idea of a project for local influence in Russia. During the visit, the Swedish representatives made two stops at the Primorskiy district to get an initial orientation of the needs and apparent problems.

The second stage of preparations consisted of a visit to Sweden by the Vice-Governor of Arkhangelsk county, Tamara Rumiantseva, and two representatives from the NIHSI, during which Glesbygdsverket shared experiences from local development projects in Swedish municipalities.

The main preparations directly linked to the ongoing project were done during the summer and fall of 1998 when a field study in Arkhangelsk County was carried out. The research was organised as a problem inventory. The aim was partly to achieve greater knowledge about the issues in need of special attention and also to determine which districts were suitable for the project. The project group from Glesbygdsverket visited a total of seven districts including adherent village administrations and villages and performed a number of interviews and participated in meetings. The decision to choose the districts of Shenkurskiy, Ustianskiy and Primorskiy was based on the personal commitment of the political leaders in the districts. They showed an understanding in the importance of local involvement in economic development.

During the pre-study it became clear that people in the villages in most cases had a very clear picture of their problems. However, the general opinions of the people where that they lacked the necessary resources for changing their situation and the possibility to identify and make use of their opportunities. At this stage of the project it was, according to the documentation, stated that the success of the project largely relied on the commitment of the county level. Without them taking active part in the project it would be difficult to achieve the project objectives.

Objectives

The overall aim of the project is, according to the initial project description, to develop local democracy and local influence in Arkhangelsk County. The idea is that the village administrations (selsovjets), which are closer to the citizens and their needs, should have more influence in the process of local decision making. They should be authorised with own budgets for activities of concern for people at the grass-root level. In this way citizens should be more involved in the planning of the society.

At the end of the three-year period a model for local partnership and democracy is to be in place. Structures in terms of expertise should be established on the regional level that can support local development at different stages. The intention is also that the Russian counter part, at the end of the three-year period, shall take over responsibility for continuing the project.

The project is built on the idea of reinventing the historic traditions of self-government in North-west Russia and to develop them by using recent Swedish experiences on rural development. The historic traditions of democracy and self-governance go back hundreds of years in the parts of Russia that is called the Pomor region. Today, this region covers parts of Arkhangelsk County. The democratic tradition remained even after it was incorporated with Russia in the 16th century and was still in use until the collectivisation took place in the 1930s. In the democratisation process of today, people are looking back and get inspired by these historic traditions.

In a long-term perspective the objective is to help strengthen the horizontal connections between the northern parts of Sweden, Norway and North Western Russia and in wider terms to achieve political goals of sustainable and stable peace in the entire Barents Region.

In order to fulfil the overall objective, a number of operational goals were listed. Among others it was stated that the project should initiate and support a mobilisation of resources at the local level as this is important to support the process of democratisation. The operational goals are as follows:

- Mobilise local human and economic resources;
- Develop co-operation between different administrative levels;
- Spread knowledge of democratic forms of co-operation;
- Create networks connecting people in local development activities;
- Exchange experiences between participating district, including local initiators³, village assemblies, politicians and civil servants;
- Initiate concrete projects in economic and social development;
- Visualise the role of women and men in development processes;
- Document the working process and results for future development projects in Russia.

In Sida's decision for granting financial support for the initial 1,5 years of the project the following results were to be achieved:

- Creation of a model for local development in Russia.
- Education and training of 3*20 local initiators.
- Establish a working group on county level focusing on rural development.
- Develop operational programmes and show the first results.
- Establish contacts with Swedish twin villages and municipalities.
- A regional network for the three districts should be in place.
- Carry out an education and inspiration trip to Sweden for active rural developers.
- Two method seminars to be held during the first year.

³ In Swedish referred to as "eldsjälar".

Implementation

The implementation strategy of the project is twofold:

- *start up a dialogue* on local self governance and increased power of citizens in decision- making processes;
- *mobilise committed people* on village and administrative levels to work jointly for economic and social development on the local level.

Within this strategy a number of activities have been carried out. These activities can be summarised in the following topics: Seminars, Process support, Visits to Sweden, Support of research, Finding means of financing.

Below activities under each of these topics are further described and some examples given.

Seminars

In accordance with the project objective a lot of attention has been focused on the structure of self-government and forces of local development. To transfer knowledge and exchange experiences on these matters seminars have to a large extent been used. Seminars have been arranged in forms of: method seminars, seminars for local initiators, follow-up seminars for local initiators and seminars on development of new structures for self-government.

Two *method seminars* have been held during the autumn of 1999 and winter of 2000 in order to discuss the outline of the project and the results obtained at that point. At these seminars the project group, consisting of the Swedish and Russian parts, was present. The aim has been to disseminate and develop the methodology and outline of the project. The first seminar was more of an internal discussion that primarily dealt with the organisation of the project: what stages should be included and consultation on the approach to be used for achieving the goals set up for the project. During the inspiration trip to Sweden carried out in February 2000, the second Method Seminar took place in the village of Storsele. At both seminars the opportunity was taken to discuss the results and outcome of the seminar for local initiators carried out in Arkhangelsk County.

Seminars for local initiators were arranged in the autumn of 1999 on three occasions, one in each of the districts of Primorskiy, Ustianskiy and Shenkurskiy. In total some 60-70 local initiators participated. The local initiators consist of people committed to the project on district and village administration level. A number of active villagers were also addressed. They were selected by the districts and village administrations on the basis of their local influence and earlier engagement in rural development activities. The local initiators are meant to be cornerstones of the grass-root development in the villages and they are to be educated to lead new village assemblies.

A number of *following up seminars* have been arranged in order to continue the support of the local initiators in their work with developing local plans of action. The themes for these seminars have depended on the content and priorities in the action plans. Focus has for instance been goat breeding, mini-dairies and small-scaled food processing. Action plans have been produced in a majority of the districts and village administrations. The villages that spontaneously have shown interest in the project have been prioritised by the district administrations in the first stage. Action programmes covering the entire districts have also been produced for Primorskiy and Ustianskiy districts. Within the three pilot districts a joint list of priority activities have been identified containing:

- Small-scale food product refining including; goat breeding, circulating mini-dairies, processing of wild berries, mushrooms, vegetables, education of small scale entrepreneurs within the food industry and tourism.

- Local rural banks
- Forest-care programme
- Small-scale tourism
- High tech training
- Local leadership
- Working with youths

During the project *seminars on development of new structures for self-government* have been held. The aim is to initiate discussions on a shift in power in the decision process to the local level. In these seminars Swedish experts and politicians have participated.

Process support

Working with rural development and structural changes to improve the influence of the local level in the decision-making process should be seen as a process built on many different initiatives. During the advancement of the project new issues and obstacles are continuously brought forward that need to be addressed. Also in the Arkhangelsk districts, the project has greatly relied on process support from the project group and especially from the Swedish project management team.

In terms of *rural development* Backlund and Lemesov have aside from the seminars participated in numerous meetings at county, district and village levels. In these meetings practical issues have been addressed. Many meetings have been held on matters concerning how to make activities start in villages, how to make villagers committed to co-operation on village level, how the village assemblies are to work and so on. Issues have also been on a very concrete level concerning for instance details on local cattle-breeding, how to transport wood, potatoes or other products from the countryside to the market, rules on food control, etc. One issue that often comes up is the need for financing activities in the villages. Frequent discussions on the development of local banks have taken place but so far no such solutions have been developed. Another source of financing has been developed by the district of Ustianskiy that has allocated a minor part of the district budget for a fund dedicated to small-scaled activities in the villages.

In terms of *structural changes to improve self-government and the influence of the local level* in the decision-making process, the process support has mainly focused on initiating discussions on county, district and village levels. A part of structural changes is also the work on creating a firm basis for activities within village assemblies.

On the Arkhangelsk county level, a steering committee has been set up, which is assigned to create a model for local development. The Steering Committee consists of three members and is headed by Vice Governor Tamara Rumiantseva. A main initiative of the Steering Committee, in collaboration with the Public Law Directorate, is the creation of new regulations for local development giving village assemblies the possibility of pursuing private enterprising to a limited extent. The village assemblies with the particular judicial status necessary are supposed to be relieved from regional and local taxes under the condition that all profits contribute to the practical improvement of the village.

So far approximately 10 village assemblies have been set up within the framework of the project. To strengthen the bonds between the village assemblies and make the members understand the advantages of co-operation a Village Assembly Union headed by Nikolai Falileev (Chief of Public

Law Directorate) in co-operation with Viktor Sadkov (Local Project co-ordinator) and Ludmila Eliseeva (Secretary) is currently being put in place.

Visits to Sweden

An important part of the project has been to transfer and exchange knowledge between Swedish regions and the pilot districts in Arkhangelsk. Thus, a number of visits have been organised for local initiators and other representatives from county, district and village levels in Arkhangelsk.

During the last week of January 2000, representatives from the Arkhangelsk County Administration visited Sweden to discuss how authorities at regional and central levels in Sweden support rural development, what roles the municipalities and organisations play and how the legal and economic base for rural development is set up.

A study visit to Sweden was organised in February 2000 that lasted almost three weeks. The participants on this visit included representatives of the targeted district and village administrations as well as some individuals with concrete project ideas. The inspiration trip to Sweden covered five Swedish counties and numerous municipalities. The object of the journey was to show good examples from Sweden of local development, small-scale production and small-scale tourism. During this visit contacts were initiated with potential twin municipalities in Sweden. The most probable scenario is that Primorskiy district will co-operate with Kalix municipality, Ustianskiy district with Bollnäs municipality and Shenkurskiy, as it seems, with either the municipality of Kramfors or Norsjö. Contacts have also been initiated between the villages of Upper Kitsa and Drevdagen in Dalarna County.

A group of representatives from Arkhangelsk in important positions as regards the project visited Östersund in the summer of 2000 to participate at the national "Rural Parliament" sessions. In the late summer and autumn of 2000 a couple of shorter visits to Sweden were organised with the participation of project initiators and other individuals involved in practical development projects. The purpose of the visits has been to inspire, educate and also to establish contacts and create new networks. Representatives from the potential twin cities in Sweden have also visited Arkhangelsk to participate in local and regional seminars.

Research support

In some areas of particular interest the project has tried to connect activities to current research. This has been the case in the field of gender related studies and might also be of interest in a study of social economy and its role in rural development in Russia. With regard to the gender issue an initiative was taken to carry out a study on the basis of the assumption that men and women are developing different strategies in dealing with the present situation in Russia and the effects of the transition, not least in rural areas. The final purpose of the study is to display the differences between men and women in rural societies and to study how their roles affect their respective participation in local development.

Contacts were established with the Centre for Gender Research at Pomor University in Arkhangelsk and it was decided that the assignment to study the roles of women and men in local development was to be carried out. The gender study started during the summer of 1999 and is still ongoing. It has included method seminars and field research involving a number of students and post-graduates. The study is under the practical responsibility of Natalia Koukarenko, a PhD at the University. The study will be presented in a final report and is also to be presented during a seminar, which was initially planned for December 2000 but was later postponed.

Finding means of financing

In the process support it has been evident that the lack of financing is an obstacle in starting up activities for rural development. Thus, efforts have been made within the project group to find additional funding for the start-up of different local initiatives. As an example, the application for Tacis support can be mentioned that the project group put together during three weeks from 22 February to 14 March, 2000. The application regarded support for a project concentrating on cross-border co-operation between the Arkhangelsk County in Russia and Jämtland County in Sweden and the development of common small-scale business development approaches. The Tacis application was denied.

Financial Analysis

Sida has supported the project with a total sum of 3,351,000 SEK for a period of 18 months starting June 1, 1999 and ending on December 31, 2000. A sum of 2,551,000 SEK was intended for the first 12 months and the remaining 800,000 for the last 6 months. The budget for the first year should be divided as 1,523,000 for fees (62 per cent), about 970,000 for travel-related costs (29 per cent) and the remaining 9 per cent for administration and other expenses.

The result of the first 12 months showed a sum of remaining funds amounting to 400,000 SEK which was transferred to the last period of 6 months upon approval by Sida.

The major cost items in the 18 months of the project are divided as follows:

Cost items	Budget	Share of budget	Actual outcome	Share of outcome total
Personnel (project manager)	1,626,800	48,5 %	1,696,707	49,5 %
Fees (external consultants)	450,000	13,5 %	432,599	12,5 %
Travel costs	969,200	29 %	997,523	29 %
Other	305,000	9 %	295,614	9
Total	3,351,000	100 %	3,422,443	100 %
Deficit			- 71,443	

Tabell. Major costs in relation to budget.

The final figures, accounting for the entire project period up until midterm shows that the Arkhangelsk project has exceeded budget with about 70,000 SEK. The deficit is primarily due to a miscalculation regarding fees (approximately 50,000 SEK in total). Another 20,000 SEK was added to the deficit, in agreement with Sida, due to a participation in a fair in Estonia in late 2000.

The main differences in actual costs compared to the budget are found in the cost item for personnel. The total sum spent on salaries for the project team and fees to external consultants is 2,129,306 SEK – compared to budget the cost for personnel is slightly higher than budgeted whereas the cost for external consultants turned out to be lower than expected. Travel costs to Sweden and Russia, accommodation in the field as well as per diems amount to 997,523 SEK – about 30 per cent of the total budgeted amount.

Future Plans of the Arkhangelsk County Project

Plans for a continuation of the project in a second phase are basically based on the same strategy as in the first phase. The dialogue will continue on how to develop a model for self-government and increasing power of local levels in the decision making process and even more efforts are to be

made on mobilising people on village and administrative levels to start up village assemblies, co-operatives and small-scale businesses.

According to the project management team, important activities within the strategy is training on local leadership, small-scale business and the use of high technology. A model for local financing should be developed and a further transfer of Swedish experiences on local democracy and self-government should take place through seminars and visits to Sweden. A broadening should also take place, for instance in form of a foundation of an international centre for ecological construction in one of the pilot districts and the start-up of a study on the role of social economy in rural development in Arkhangelsk county. In other words, the work shall continue as started but become deeper and broader in scope.

Experiences from Other Sida-Projects

The Arkhangelsk project has initiated exchanges of experiences and investigated possible ways of co-operating with similar initiatives in Estonia, under the umbrella of the Kodukant programme. Valeriy Lemesov conducted a visit to Estonia in September 2000. He then recognised that the two projects had similarities and that they could both benefit from an exchange of experiences for instance in how to use traditional skills in rural development and small-scale business. Estonian experiences on the development of self-government could also be of interest in Arkhangelsk.

Analysis of Results

Most of the expected operative results listed by Sida in their approval have been achieved. A seminar for more than 60 local initiators has been performed according to plan and the work of the Steering Committee has started again after the delay occurring when one of the members deceased. All districts and villages involved have developed action plans. The project concept seems to be rooted at district levels and the first steps towards concrete action are taken in some villages but the results are in most cases still not apparent. The first contacts have been taken between the districts and the identified possible twin-towns but no regular co-operation has yet evolved. Regarding the network between the three pilot districts, contacts have been established and meetings between them have taken place. Still, the people in charge of rural development at district level often have a heavy workload and therefore the time available for such issues is limited. Study visits have also been carried out according to the plan and two method seminars were held during the first year. One result that has not been achieved is the creation of a model for local development in Russia. However, lots of efforts have focused on the cornerstones of such a model, i. e. the legal framework and village assemblies.

The establishment of a Steering Committee at County level, the appointment of Rural Development Officers and the promotion of Village assemblies are positive developments to reach the overall objective of supporting the development of local democracy. However, this working method is sensitive in the sense that it is relying on the continuous involvement of senior officials and politicians at county, district and village levels. Changing the structure of decision-making in the Russian local and regional governments has to be seen as a long-term process. Thus, it is important that the support from political levels remains, during the three-year period of the project, to such an extent that the continuation of the work is secured. This is particularly important in Russian rural areas, as the democratic structure is weak in general terms. The situation in rural areas such as the Arkhangelsk region and also Karelia, is signified by high rates of unemployment, poverty and low levels of activities as people to a high degree are still relying on initiatives to be taken by authorities. People do not yet have sufficient self-confidence and are not organised in such ways that they are putting pressure on the structure to change. In other word, it is fair to say that the basis for a stronger democratic structure is still weak.

The outcome of the latest election has had some effects on the people involved in the project. In both Primorskiy and Ustinaskiy, key persons have shifted on both district and village levels. In Ustianskiy, at least two heads of village administrations were removed from their positions and the mayor and deputy mayor, were also replaced. As it seems, in this election there will be no major shifts on the political scene at county level that will affect the project. At this moment, when the evaluation is produced, little is known regarding the effects that these changes will have on the implementation of the project. We can only conclude that it is a factor creating a certain degree of uncertainty. The opinion of the project team is that it will have no serious effects on the continuation of the project. Everything will continue according to plan. Meetings with the new heads of districts and village administrations, to discuss the continuation of the project, are planned for the spring of 2001.

The election of heads of village administrations in Ustianskiy District has been described as a positive step in the democratisation process. Making the citizens the electors of their own leaders is naturally a desirable goal in the long run. However, the democratisation process has to be seen in a larger perspective where a change in the system must evolve in symbiosis with political maturity and stabilisation. The recent local elections of December 2000 showed that it is difficult to make a change in one area without changing related aspects. The change in election of heads of village administration should in this context have been made parallel to a shift in power of decision making at local level. If the heads are to be elected, the village administrations should also have more influence on how the resources are allocated and used.

It is also important to remember that Russians tend to lean on, and wish for, strong leadership. Not least during the Soviet era strong leadership was a characteristic in organising activities on all levels of society. This does in many ways explain the difficulties in making people take initiatives on the local level. Interviews as well as documentation by the Swedish project management show that in many villages stronger leadership is requested in order to realise the plans and ideas of the people. It seems as though the feeling that there are insufficient necessary resources to start activities and to earn an income still characterises the attitude of the villagers. On district and county level there is a higher level of maturity on these issues. People on these levels tend more to believe in the power of the people. They are arguing that the individuals have to take the first step in order to get an understanding of their own capacity and the importance of strong personal commitment.

As has been pointed out earlier, the foundation of a democratic society largely relies on the self-confidence of people and the belief in their own power to make a change. Thus, project activities focusing on the mobilisation of resources at village level are of great importance. Initiatives to activate people and make them understand that they can make a change even with the very limited resources they have at hand, can contribute to the formation of a basis for a democratic movement. The project management also has taken this into consideration in the application for the second project period as the overall goal of the project is formulated in terms of ensuring the stability and survival of the rural societies.

Looking at the initiatives made on mobilising people at grass-root level, the process of starting village assemblies has been in focus. Work has been done on the process of changing the structures and the legal status of village assemblies. Among the project's initiatives to promote grass-root activities the creation of village assemblies has been in focus. However, starting a village assembly can be seen as a large step for a village that so far has not performed any economic activities, on individual basis nor together with other villagers. Even though such a village can become interested in starting a village assembly it may be difficult to maintain the enthusiasm through the entire process (obtaining legal status etc.) if results are not visible. The main issue in such a first step

should rather be to make activities start in the village and then to build a formal organisation. As interviews state, it seems to be a long process from decision of starting an assembly to actually getting started with concrete activities. At least in these cases applying for the legal status necessary to start a village assembly has been a both bureaucratic and time-consuming process. The initiative groups have had to put great efforts into just making it through the application process.

The method of working with villages through the village administration implies that activities on village levels depend on the good will of heads of village administrations. The project management has pointed to this fact as a problem, since it hinders the pace of implementation, if the village administrator is not committed to the project. At the same time, a too strong leadership on the village administration level has also been noticed as a problem since it has a restraining influence on the commitment and enthusiasm of villagers. In some cases village administrators have been reluctant to promoting village assemblies as they have been seen as a threat to their own power. Until today, the different roles of the village assemblies and administrations are still not completely clarified. It is possible that this role division has to be defined in order to make the work spread within the districts to more than the current four village administrations in Ustianskiy (out of 14) and five village administrations in Primorskiy (out of 18).

A result of the project so far is that many ideas and ambitions have been expressed on all levels of which many are brought forward in the development plans of the districts. Some economic activities have been carried out on the village level in the form of restored roads, common buildings, etc. financed by common collections, district funds and voluntary work. The restoration of a village library with help from the Swedish side is also a concrete example of such initiatives. Nevertheless, most interviewees testify that the mentality of villagers still has not changed, with the exception of a few individuals who are working hard to set village assemblies in motion and to change the power of the village administrations. In most villages, initiatives still have to come from higher levels in order for things to happen. Interviewees on district level also state that many activities would discontinue without the support of the leading driving forces on the political and administrative levels.

Just as in Pryazha, meetings between Swedes and Russians have been useful in order to inspire people at the local level and have increased the knowledge of their own situation and how to deal with the local problems. Meetings with foreigners have in many cases functioned as eye-openers. The production of a pedagogical video in Russian, showing small-scale initiatives in Sweden, is another measure of the Arkhangelsk project that is taken to obtain the same result.

Some practical issues related to the project team can also be addressed in this analysis. Even if each district has appointed one person to be in charge of rural development, it has proved to be difficult for these people to find necessary time for this assignment. The persons appointed are in high positions in the district organisations and are often overburdened by work from their ordinary duties. Especially during the election period, these persons were occupied with other issues related to their official duties. This has meant a slow down in the implementation of the project. It is recommendable in these kind of projects that enough resources are allocated from the local authorities. This is important not least for securing the continuation of the activities after the Sida project is finalised.

The fact that two main characters of the project; Gleb Tiurin of the NIHSI and Christer Eklöf responsible of Shenkurskiy district, left the project at an early stage has had some consequences. The disappearance, first of Eklöf and then of Tiurin has made it difficult for the project to follow up on the activities initiated in Shenkurskiy. For instance, contacts with twin villages in Sweden may be difficult to maintain. This issue should be considered in a continuation of the project.

Conclusions on the Arkhangelsk Project

When analysing the results of the Arkhangelsk project it is important to remember that the project still is only in its midterm. The conclusions made shall be seen as important features that can be discussed in order to make the most of the remaining 1,5 years of the project.

The project has evidently achieved the main part of the operative results set up by Sida in the approval of the project. The remaining task is to create a model for rural development in Arkhangelsk.

A general conclusion of the project outcome so far is that good relations have been established between the Swedish and Russian parts. The co-operation seems to function well and many steps have been made in order to establish a working method for rural development issues at the district level. Another aspect is that there is a certain sensibility in the structure relying on the strong commitment and active involvement of senior officials and politicians. Elections can, as has been seen during the latest months in all of the districts, seriously change the composition of key persons involved in the project. It is probable that this change will effect the pace of implementation in one way or the other.

The focus has over time shifted towards more involvement on grass-root level. Parallel to this shift a stronger emphasis should also be put on the involvement of the individual villagers. It is always difficult to perform grass-root activities from a district level but it is especially hard in countries like Russia with hierarchic traditions. Even though the attitude among officials and politicians is indeed very positive towards rural development and the understanding of the specific problems is apparent, villagers easily fall back on the traditional top-down mentality. In fact, one of the most important issues in local development strategies and democratic processes in Russia is to make people understand that the future of their village is primarily their own responsibility. The situation in rural areas is so grave that one can not expect much economic support from either district, regional or national authorities. Naturally, the involvement of local authorities is important, the question is rather what role they should play in the project. If the project is to focus more on strengthening rural societies and the basis for their survival, it is recommendable that individuals on village level are to take a more central role.

Another issue to address is the rather limited number of village administrations, within each district, that the project so far has reached. This may be a factor to consider in the future development of the project.

2.4 Kodukant (Estonia)

Background

Kodukant started in 1992 and was financed by Sida, in three different phases, up until 1996. Altogether Sida allocated 2,5 million SEK to the project. The Kodukant-project was initiated half a decade ahead of the projects in Pryazha and Arkhangelsk, and has served as input to two following projects. Consequently, there are many similarities between the projects. They all concentrate on village development and to enhance democratic processes in rural communities. Individuals are in focus as well as the creation of favourable social settings.

The projects also differ in several respects. It is obvious that Kodukant is more full-grown. It started nearly ten years ago with a number of small-scale activities and has now developed into a nationwide movement. The other two projects have not reached that phase yet. In Arkhangelsk, more effort has been put into engaging the political system than in Pryazha, where focus is on developing from the grass-root level.

Other similarities and differences, that could explain present and future successes and failures, will be discussed below and in the concluding conclusions at the end of this report.

Objectives

The aim of the Kodukant-project was to initiate and support a process of social and economic transformation in Estonian rural communities. The project emerged from the Swedish rural development initiative “All of Sweden shall live”. On the Swedish side, Mr Staffan Bond, one of the initiators behind “All of Sweden shall live ”, was among the pioneers in Kodukant.

The objectives of the Kodukant movement was threefold:

- Firstly to stimulate *local mobilisation* and *local democracy* by relying on people’s driving forces and initiatives.
- Secondly to stimulate all kinds of *entrepreneurship*, start-ups, expansions and innovations
- Thirdly to develop *supporting structures* and promote *co-operation* at all levels. The Kodukant objectives could be summarised in the following illustration:

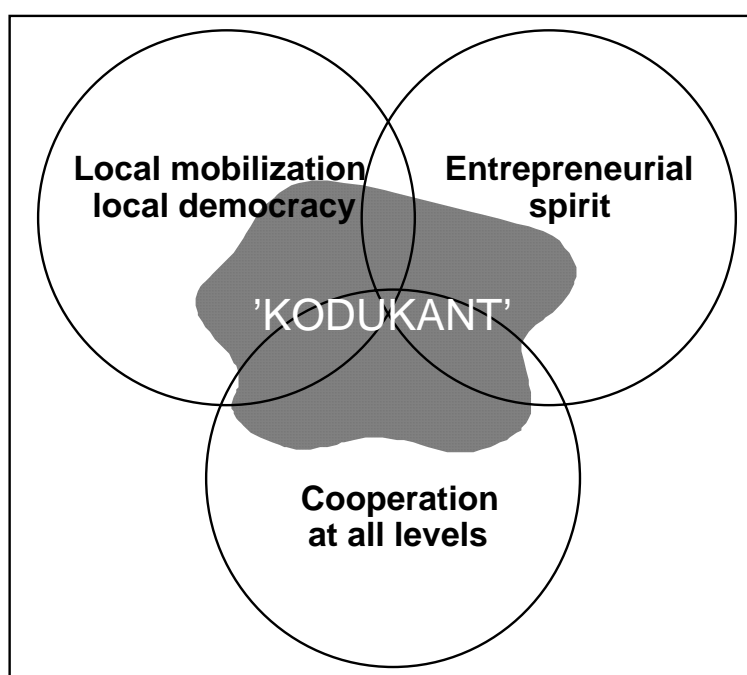


Figure. Objective of 'Kodukant'

The shadowed area represents the “umbrella” under which a great number of activities and measures have taken place during a period of almost a decade. In an evaluation report of February 1995, EuroFutures gave a more complete picture of the first three years of the Kodukant project. In this follow-up report, some of the major achievements since 1996 will be discussed. Furthermore, some comparisons between the Estonian project and the two Russian projects will be made.

Formal Structures

There were very clear structural aims in Kodukant. The aim was to form NGO-structures to support the local process all the way from the village to the national level. Kodukant has been run through a co-ordination group chaired by ministry officials. Seminars were arranged for municipal leaders, all the county governors were brought to Sweden on a study trip and then gathered again for

follow-up discussions in Estonia. A governmental national village development programme was initiated by Kodukant, which was further developed during the project period.

A New Type of Support

By the time Sida/BITS took the first decision to support Kodukant, this type of project was something rather new to Swedish support agencies. Most of the earlier support to countries in transition was directed towards tangible investments in infrastructure, such as sewage treatment works and power plants. Thus Kodukant, with a focus on local mobilisation and other “soft development issues” was regarded a new and promising approach for regional and local development aid.

Activities and Results

In 1991, the first Swedish-Estonian seminar on village development was held. As a direct result of the seminar, a project plan and an application to Sida/BITS were prepared. Sida decided to support the project in December 1992, with a total amount of 400 000 SEK. In June 1994 Sida allocated another 1 000 000 SEK to the second phase of the project. A last and final decision to support Kodukant was taken in November 1995, when 940 000 SEK was allocated to the project. Altogether Sida has directly supported Kodukant with 2,5 million SEK.

The actual implementation in Estonia started at the beginning of 1993, with a wide range of activities, primarily in the counties of Rapla and Viljandi. Among the main activities were seminars to transfer knowledge from Sweden to Estonia. Those working in the project have noticed that the close co-operation with representatives of the Swedish village movement has been very important. In practice, networking with Dalarna and Jönköping Counties has been crucial.

A number of steps were taken to promote local initiatives and entrepreneurship such as seminars, study-circles and consultation in towns and villages. Measures to stimulate start-ups and facilitate financing were implemented. Approximately 100 so called “tele-cottages” have been put up to facilitate the use of computers and modern communication technology. Other activities under the umbrella of Kodukant were women’s resource centre’s, eco-tourism and natural food projects.

Gradually the activities in Rapla and Viljandi became a model for other villages throughout Estonia. Experiences were spread throughout Estonia and today Kodukant is present in all of Estonias 15 counties

In Arkhangelsk and Karelia, similar actions have been taken, starting with a number of small projects. The difference, once again, is that Kodukant is almost ten years ahead, and has developed into an integrated part of the Estonian regional and rural development policy. In comparison to Kodukant, the other two projects are still in a start up-phase.

In 1996, after the ending of the Sida-support, the Estonian government took on the financial responsibility for the future of the project. According to representatives of Kodukant, the Estonian government has allocated approximately 10 million EEK between 1996 and the year of 2000. The total number of project proposals has increased over the years. From more than 500 in 1997 to nearly 1 000 in the year 2000.

Kodukant involves a large amount of voluntary work and matching investments from local communities. One of the founders of Kodukant estimated that the total funding, including voluntary work and additional support, could be six times the original funding.

In October 1997 the formal Kodukant association was established in Otepää, the Estonian Movement of Villages and Small Towns. The aim of the association is to promote the development of villages in Estonia, in other words to carry on – in a formalised way – with the Kodukant activities.

After several years of ongoing activities, Kodukant has now become an important actor in regional and local development policy in Estonia. Representatives of the Estonian Ministry of Agriculture in Tallinn views Kodukant as a significant player in the development of the rural Estonia. Kodukant is often invited to various meetings at the ministry and is often allowed to comment on policy proposals and bills to parliament. Today, Kodukant has achieved a more or less official status of being a spokesman for the rural Estonia.

During the year of 2000, Kodukant has started lobbying for new activities. Politicians are made aware of the severe problems facing villages and small towns via letters, information leaflets and personal meetings.

Kodukant has been responsible for arranging national meetings, A Rural Day of Estonian Villages, even called the Rural Parliament. The first meeting was held in Ida-Viruma county in 1996, the second in Valga County and the third at Hiiumaa Island. The fourth meeting will take place in Raplamaa County in June 2001.

The Rural parliament attracts people engaged in rural development from all of Estonia, including representatives from the Estonian government. At the rural parliament questions regarding the future development of the rural parts of Estonia are discussed. At the Hiiumaa meeting the following was said about how to use Kodukant in the future. Kodukant is supposed to:

- spread information
- find resources for fulfilling objectives
- communicate with the public, state and local governments
- develop and co-ordinate partnership networks
- organise joint actions
- organise international relations
- make the active people aware
- consistently follow the general strategy

Kodukant started as a joint Swedish-Estonian project, and experiences from “All of Sweden shall live” were used. There were also contacts with the Finnish Village Movement. Kodukant has also had influences on the establishment of “Rural Parliaments” in Hungary and Slovakia. Already from the beginning there were ambitions in Kodukant that the Estonian rural process should be a positive example to other East- and Central European countries. In that respect Kodukant has been an international co-operation project from the very beginning. Kodukant has, in its turn, inspired the projects in Pryazha and Arkhangelsk through seminars and other kinds of information exchange during the start up phase.

Thanks to the success in Estonia, Kodukant is now engaged in a number of international activities such as:

- PREPARE – Pre-accession Partnership for Rural Europe;
- INSPIRE – Information sharing with European rural initiatives;
- “Forum Synergies”, participation in building up the transnational network

- Co-operation with French CIVAM, Spanish CERAI and English East Anglia Food Link and Somerset Food Link project

In addition, representatives from Kodukant see many opportunities to develop EU-programmes such as the rural development project LEADER, once Estonia becomes member of the EU.

Results

The results of the project could be expressed in many ways. It is obvious that a lot of things have happened under the Kodukant umbrella.

In short Kodukant has evolved from a quite small and local foreign aid project to an integrated part of the Estonian regional and rural development policy. One impact of Kodukant is that today there are rural experts who deal with rural development issues.

The Kodukant movement has, according to representatives from Estonian ministries, contributed to a widespread awareness of the development possibilities at different levels in the Estonian society. One of the hallmarks of Kodukant is to emphasise the opportunity approach, not to complain and ask for outside support.

Conclusions

Studies, evaluation reports, interviews and discussions with actors on the field focus on the crucial role of the project manager. Two quite different skills are needed. Firstly and most obviously the project manager needs to have a basic theoretical understanding of the problems in rural small towns and villages. It is important that the project manager can provide a new or at least an additional perspective on the problems and possibilities at hand. With the theoretical skills often comes the ability to make suitable reports to aid agencies and local and national governments, to prepare applications for grants etc.

Secondly, experiences show that theoretical knowledge is not enough. During discussions with people engaged in Kodukant and in the two Russian projects, people clearly pointed out the need of what could be called “community entrepreneurship”. The success of Kodukant is due to a handful of pioneers who have devoted themselves to the realisation of Kodukant. The distinctive characteristic of a successful community entrepreneur is his or her ability to “get things done” and to encourage others to act. Without this ability, very little happens in the field.

Representatives of Kodukant also express that it is in practice difficult to find project managers with both a good theoretical understanding and extensive entrepreneurial skills. In many occasions the optimal interplay between theoretical knowledge and entrepreneurial skills is lacking.

Discussions about Kodukant can be summarised in the opinion often expressed by people working with rural development:

“Everything starts and ends with people.”

In Kodukant the grass-root-perspective has been in focus from the very beginning. The words “grass-root perspective” and “small scale activities” are also constantly taken up in the discussions about successful development measures. Small steps with an early engagement and “early win project” are essential to success.

From the start, a general opinion in the Kodukant process is to stress the importance of changing social and economic conditions rather than supporting tangible investments and physical infrastructure.

The achievement of Kodukant is to a large extent due to the work of NGO:s and individuals. During the whole process, a number of “community entrepreneurs” have been the driving force behind the project. They have voluntarily and without regular salary been active in the process. During discussions about the future of Kodukant the question about the need for a more formal structure, with civil servants running Kodukant, was raised. With a more formal and on a regular basis financed activity, more could be done, was one opinion. But on the other hand, this could mean a shift from a NGO-driven process to a national politically run system, with a risk of losing the “Kodukant-movement-drive” and a true bottom-up perspective.

Kodukant is a non-political organisation. The independent role is one of the reasons behind the success, according to Kodukant representatives.

Kodukant was built on existing twin-relations and promoted new connections especially between county and village levels. The discussions points at the important role the vivid networking between Dalarna, Jönköping and their partners in Estonia has played. Other examples are the established contacts between Ida–Virumaa – Västernorrland and Tennasilma – Sollerön which have continued after the formal ending of the project. The twin city relation has opened up new perspectives for those engaged in the rural development activities. The interaction on an individual basis has encouraged action. People in Swedish villages have often functioned as role models for action in Estonian villages. People on the field stress the fact that the most efficient networking is on a man to man or women to women basis, not on a diplomatic, more formal level. Thus, a promising twin city-perspective means meetings between individuals involved in and committed to hands on village development.

3. Analysis of the Three Projects

In this evaluation direct comparisons between the projects have not been made. Instead the projects have been studied through a coherent analysis structure, which has formed the basis for this discussion on pros and cons of each project accomplishment.

3.1 Project Approach, Content and Procedures

The three projects show similarities in some ways but differences in many others. In order to summarise the features of the projects and create a basis for analysis, the projects can be looked upon from two different perspectives:

- Project approach;
- Project content and procedures.

These two perspectives have also been discussed in the analysis of each project. Below, each of these perspectives is further developed using four-field tables to summarise the picture.

Project Approach

The project approach includes management characteristics and a formulation of objectives, strategies, methods and activities of each of the projects. The approaches of the three projects evaluated in this study can be described in terms of either system or entrepreneurial orientation. A project with a high degree of system approach is dealing with changes on the system level and needs more of a theoretical basis. The counterparts are often officials or managers on a high organisational

level. The activities are often of larger scale. An entrepreneurial approach is dealing with hands-on and practical solutions focusing on concrete actions. Entrepreneurial projects are often mainly working with people on low organisational levels (i.e grass-root level) and the activities are often of small scale. A project can be oriented to each of the approaches to a high or low degree.

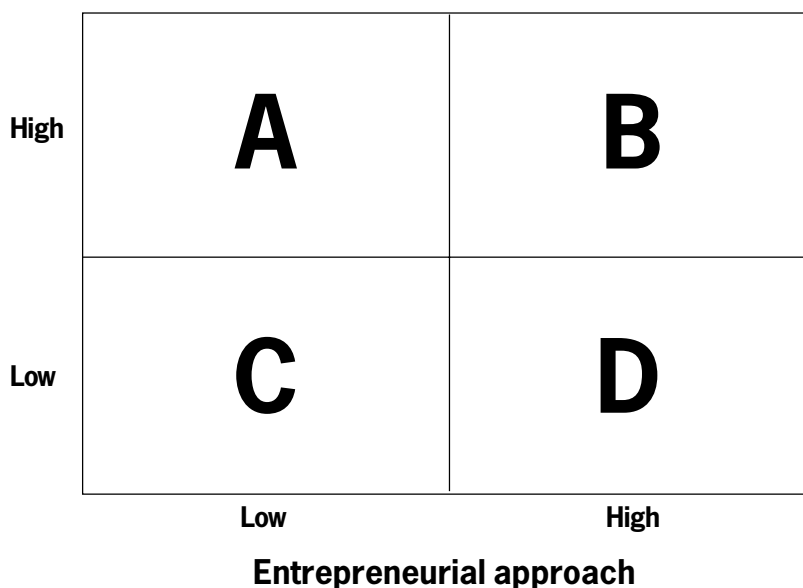


Figure. The project approach as either system or entrepreneurial oriented.

In theory it is desirable that best practice among projects should be found in box B. Such projects would perfectly combine theory and practice. A high entrepreneurial capacity would imply a firm support among target groups and achievements on practical and concrete results. A high degree of orientation towards system level would imply possibilities of accomplishing sustainable changes to the system supporting the development on the grass-root level. As the approach largely depends on the project management and the environmental prerequisites of the specific project, the question is whether such perfect balance is possible or even desirable in practice to achieve in a project. It is more likely that a project is either found in A or D. Projects in A are generally good for making progress in system changes. Projects in D are generally strong in getting things happen on the grass-root level. It has often proved to be a good approach if early results are necessary to attract the attention of the public. Projects in box C should probably not be approved at all: both low system and entrepreneurial management implies no fruitful approach at all and is unlikely to be successful.

Looking at the projects of Arkhangelsk, Pryazha and Kodukant the approaches have differed. The Pryazha and Kodukant projects have had a rather high degree of entrepreneurial approach and less focus on structure, although more emphasis was put into Kodukant to try and clear way for village initiatives in the higher administrative levels. The Pryazha project has in fact almost entirely left out the system approach. Any changes necessary on the system level have been a responsibility for the authorities and have not been included in the project.

The Kodukant project started nearly a decade ago as a truly entrepreneurial project with clear grass-root-perspective with enthusiasts such as Staffan Bond on the Swedish side and Mikk Sarv and many others in Estonia. From the beginning, Kodukant was focusing on actions in the villages. Almost no attention was paid to activities on the district or national levels. Gradually, as the Kodukant movement spread throughout Estonia, more and more effort was put on system approach. When the Sida-support to the project was terminated in 1996, measures were taken to find internal

support. Kodukant was established as a formal association that year and the Estonian government regarded Kodukant as an important part of the rural and regional development policy. In short, Kodukant started with many dispersed activities in several villages. Gradually, the Kodukant movement grew into a national concern, and the system actually changed from below.

In its local development strategy the Arkhangelsk project has had stronger emphasis on a system and less on an entrepreneurial approach. The project description, emphasising the need of strengthening the system of self-government and increase the power of local level in the decision making process, implies an orientation towards a system approach. Naturally, the project has therefore been working mainly via people on a relatively high organisational level. However, lots of efforts have also been put into implementing rural development strategies on district and village level. The methodology has focused on establishing village assemblies as a basis for villagers and other initiators to perform economic activities. To a relatively less extent project activities in terms of for instance hands-on support of starting up a business have been carried out on the grass-root level. Even though this shows that the project has been working with both large and small-scale activities the orientation has more the character of a system than an entrepreneurial approach.

The entrepreneurial approach of the Pryazha project has formed the basis for the successes of the project. By showing early results and a strong support from grass-root level the project gradually received strong support from regional authorities. It is otherwise a risk with entrepreneurial projects that great results are shown on the local level but are not spread to other parts. In Karelia, the project is generally regarded very successful, many other districts want to begin to work in the same direction and the regional authorities are taking on the responsibility to communicate the project ambition to other districts within the region. The small-scale approach has also been very appreciated, or as one interviewee puts it:

“The main success factor of the project is the focus on individuals in the villages and small-scale activities”

As far as this study has observed, no general changes in the system have been carried out so far. This could however be necessary in a longer perspective. The system of taxation is for instance one issue that sooner or later needs to be handled by the regional and district authorities. In the long run some financial commitments from the regional level will probably also be necessary in order to spread the results to the region as a whole. The project has so far been carried out seemingly without making efforts to influence such matters.

The system approach of the Arkhangelsk project has been successful in the sense that a dialogue has started on county, district and village administration level and between these levels. Interviews show that the people involved are positive and optimistic about the future development of the system. They seem to feel that the project has contributed positively in the direction towards a more decentralised system of democracy on local level. However, due to the situation in the villages, characterised by unemployment, low level of self-confidence and low initiative power, there is today a very limited pressure from grass-root level towards a more decentralised system with more power on the village level. The rather limited number of village administrations so far involved in the project in each district might also be an effect of this situation.

It is probable that the people have to “change” before the system can change, i.e. that the people have to start expressing a demand for more influence and more power in the decision making process. In this sense people have to start seeing their own potential and no longer await actions from authorities. This would imply a stronger focus on initiatives on grass-root level, i.e. more of an entrepreneurial approach. The individual progress provides the citizens with the confidence necessary to start demanding additional support and adequate services from the district and village administrations. In

other words, in this case the democratisation is not a deliberate measure to increase the influence of the citizens but a process that comes from people who start understanding their value.

To make the project spread to a larger number of village administrations within the pilot districts, successes in forms of concrete results on the village level can serve as an inspiring example. It is interesting to see the achievements on the development of legal status, tax reductions, etc for village assemblies. However, in villages where there are no or very limited economic activities it is probably easier to start on a smaller scale. Thus, the work needs to be more focused on making people starting to implement their ideas and ambitions within an assembly or on their own. It is easier to influence people to take initiatives once they realise that there is a potential source of income to be found in the limited resources they already possess.

To strengthen the entrepreneurial orientation at this stage of the project, a solution would be to take a closer look on the Pryazha and Kodukant projects, which have had a stronger orientation towards this level. A visit has already been made to Estonia and a visit at sight in some villages in Pryazha could probably also be a source of inspiration. It can be possible to use some of their experiences also in Arkhangelsk.

An advantage of the small-scale perspective is the project’s independence from the political sphere and public authorities. Not least with regard to the history of Russia and the recent rule of a totalitarian regime, the citizens benefit strongly from the limited influence “from above” that signifies the small-scale projects. The personal benefit from the small projects is a strong driving force that can have an inspiring effect on other villagers that in turn supports the long-term sustainability of the project. The greater the extent to which individuals or smaller village assemblies have a self-interest in the project and people are involved on a personal level, the more sustainable the project is likely to be.

Project Content and Procedures

By looking at project content and procedures it is possible to distinguish projects that focus on hard support (often of more technical nature) from projects with a soft support (often of more social character). The project procedures can be either of a formal or a more informal character. A formal

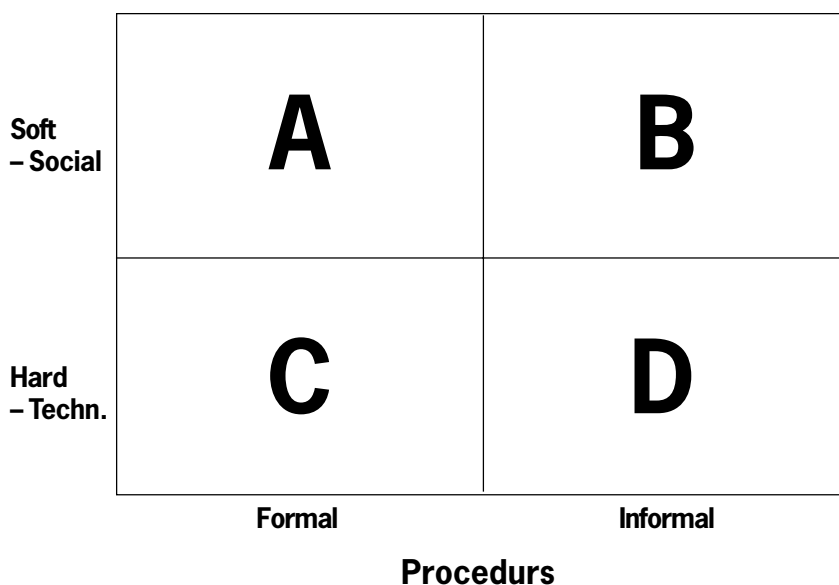


Figure. The project content and procedures as either soft/hard or formal/informal.

procedure follows a detailed project plan often made up before the implementation of the project. An informal procedure relies on a process based on flexibility with the details of the project being worked out gradually in close co-operation with the counterpart.

Depending on the general character of the project it is relatively easy to notice whether a project has a hard or soft content. Projects on infrastructure such as construction of roads, housing, plants for supply of water or electricity, etc are probably without exceptions to be found in box C. The success of such project generally also depends on strict formal procedures. It is not possible to start constructing a road without a detailed action plan that has to be followed. Projects focusing on rural development, cultural exchange or integration of ethnic minorities are generally found in either box A or B. Projects in box A, generally have a strength in documentation and organisation of the project – time schedules are followed and the planning on further development of the project is thoroughly documented. One risk with formal procedure combined with social content is that the support among the target groups can become weak. Projects in B on the other hand generally have a less detailed description on project activities when it is initiated. The project descriptions tend to be more of an outline of the framework, the methodology and the objectives of the project. Documentation does not have to be less than in a formal procedure but are more focusing on methodology and results. A risk with informal procedures is that the documentation is neglected, which complicates the control mechanism for the financier. Generally, the formal procedure is more commonly used, much do to traditions based on hard support.

All three of the projects in focus in this evaluation have been accomplished with focus on soft content. The projects in Russia both focus on content such as education and training instead of hard content such as technical and direct financial support. Interviewees from both sides have stressed the importance of not adding hard content at these initial stages. People need to mature in the sense that a long-term strategy is understood on how to make use of such support. The Pryazha project, which has been going on for a longer period of time, has used small financial contributions and some material support (tools, computers, fabrics, etc.) These means have been provided to strongly committed individuals who have been able to show how this support is to be used in a longer perspective. The manager of the youth centre in Essoila is one example that was mentioned earlier. The small-scale contributions have in many cases been of crucial importance in supporting good initiatives.

Differences between the projects are observed in the procedures. They have all had a different degree of formality with Pryazha emphasising a bit more on informal procedures and Arkhangelsk on formal procedures. Starting with the Pryazha project, the implementation strategy has been described as process-oriented meaning that a number of small projects have been started and then the effects of those are followed before identifying the practical needs for further action. A process-oriented strategy was seen as a requirement in order to receive a strong support from the target group. Thus, activities have developed over time and in co-operation with the villagers. However, studying the applications and the frames of the project it still has been presented as following the formal procedure.

The Arkhangelsk project on the other hand initially put more effort on a detailed project description. A detailed and well-documented pre-study was also carried out. The initial project description has been followed up and further developed during the time of implementation. The project management is used to working in projects and the working method is to plan activities ahead. Discussions are also held with the Russian counter parts when deciding on activities to be carried out.

Kodukant started on a more informal basis. In the initial phase, project management together with people in the villages formed their own projects and activities. The only prerequisite for activities

was that they should comply with the general idea of the Kodukant project. Today, Kodukant is moving in a direction of more formalised procedures.

It should be stated that a formal procedure is often desirable from Sida. With a tradition in support of projects often directed to large technical support schemes, this is also quite natural. However, projects having their emphasis on social content are much more dependent on strong support from grass-root levels and therefore need a more process oriented procedure. It is important that Sida takes this in to consideration during analyses of project applications and approvals and also when the following-up of projects are studied. As was stated earlier, a process-oriented method does not need to imply less documentation and planning but rather a different focus in these activities. Instead of for instance focusing on how many people should be involved in certain training, focus should instead be on the methods and instruments to be used and what results are to be expected. This has also to do with the formulation of project goals. It is often difficult to divide goals, strategies and plans in project descriptions. The descriptions of the two Russian projects are no exceptions. A well-defined goal, strategy and plan can to a great extent simplify the implementation of a project. However, this is a comprehensive issue that demands an analysis of its own.

The differences in degree of formality can also be seen in the amount of documentation. The Pryazha project has produced a minimum of documentation whereas the project in Arkhangelsk has delivered extensive materials on activities made and action plans for the coming periods. Irrespectively of procedures there is a need for more guidelines on the content and extent of documentation. Needless to say, documentation is a necessary and important part of project management and following up. However, it is important that neither too much nor too little time is spent on documentation as this time instead could be focusing on implementation of the project activities. Primarily, the purpose of the documentation shall be clear to all parties. The purpose can be to control how the resources are used and to follow up on results as well as to facilitate an exchange of experience between similar projects.

It is equally important that clear guidelines are provided to the project managers in order to obtain some level of consistency in the documentation procedures. Valuable practical implementation efforts may be lost if too much time is spent on documentation while insufficient documentation will make follow-up work and exchange of experiences more difficult.

3.2 Brief Economic Analysis

It must initially be noted that it is difficult, to make an analysis of cost effectiveness in relation to results regarding rural development projects in general, since they deal with social issues that are not easily measurable in quantitative terms. However, a few general observations can be made.

During the three-year period, the Pryazha project has managed to spread the project concept over the whole district. Since the autumn of 1999, all 13 village-administrations are actively participating in the project. The project manager has been half-time employed by the project, some experts have been used as consultants and in addition a large number of people in the Swedish twin-villages have participated on a voluntary basis in the project. The final account for Pryazha shows that travel costs have been relatively low. This is partly explained by the fact that the Swedish participants often have contributed with their own money for transportation and accommodation and have not been paid per diems. Another contributing factor is that the Pryazha administration has covered practically all project expenses in the field, in Karelia.

In total, the Pryazha project has used a sum of about 1,8 million SEK during the three-year period of which half the sum, or about 900,000 SEK, was spend during the first 1,5 years. The Kodukant

project also included much voluntary work and the total budget reached a sum of about 2,5 million SEK for a period of four years. The first 1,5 years about 600,000 SEK was used. The Arkhangelsk project has in comparison to this been relatively costly. For the first 1,5 years, a total sum of 3,4 million SEK has been used. This figure is more than three times as high as in the Pryazha project and more than five times the sum of Kodukant. Naturally, costs have increased since the time of the Kodukant project and also since the first part of the Pryazha project. Another reason for the higher budget in Arkhangelsk is the longer geographical distances, which increases travel costs to the pilot districts in Arkhangelsk. The fact that three districts and one extra village administration (Upper Kitsa in Vinogradovskiy district) are included and that the project has had one full time and one part time employed (75 per cent) is also explaining the higher amounts.

So far only 9 out of 32 village administrations are currently taking active part in the project from Primorskiy and Ustianskiy districts. Factors such as distances and insufficient infrastructure may partly explain this limited coverage. Another way of explaining it is the broad scope of the project both in terms of geographic focus and action plans. Covering all three districts (four including Vinogradovskiy) and both the democratic process and rural development at all three levels – county, district and village –implies a heavy work-load. To reach a higher level of efficiency, there are reasons to believe that a limitation of the project scope both in terms of number of districts and areas of project activities is necessary.

4. Conclusions

Features of a Project Model

On the basis of our findings, a number of important conclusions can be drawn that hopefully can be of assistance in the implementation of future projects with similar objectives to those studied in this report. The conclusions concern the choice of project approach, content, procedures and project management but also address some concrete issues to consider in future projects regarding organisation, selection of districts, etc. These issues can together form the basis for a rural development model in transition countries.

Project approach

From the three projects studied in this evaluation it can be observed that both entrepreneurial and system approaches are needed, however in different phases. To make a change on a long-term basis the entrepreneurial skill is not sufficient since the situations in Russia and Estonia require changes not only on the grass-root level but also on the system level. By the results so far achieved in the three projects it can be stated that a high degree of entrepreneur- and process-orientation is efficient in the initial phase. Gradually, a more system-oriented approach can be applied in order to influence the political system and support schemes. In this way, system changes emerge from needs evoked by activities on the grass-root level.

Early results are another advantageous outcome of the entrepreneurial approach in order to develop faith and confidence in the project and the project management.

Thus, the perspectives should change over time. In the course of time, when the system matures, it is however important to return to the entrepreneurial perspective. Rural development must be seen as a dialectic process between entrepreneurial grass-root-action and structural changes.

Project content and procedures

Rural development generally addresses soft issues such as encouraging people, networking, etc. With such a focus, great importance must be attached to informal procedures and the project management's ability to manage such processes. Rural development implies action on local and village levels. As the results of Kodukant in Estonia and the Pryazha project in Karelia have shown, strong support among villagers at grass-root level is one important success factor. This support has partly been achieved due to a process-oriented strategy where the increased knowledge of the villagers and their specific prerequisites gradually has been taken into consideration in the action plans.

Undoubtedly project documentation is of great importance. At the same time it is an element that should not take time that otherwise could be spent on implementation in the field. A balance is necessary in order to use project time efficiently. Thus, it is important that the purpose of documentation is obvious to all parties involved. An observation made in this study is that this purpose could be explained more distinctly. Future projects would also benefit from more explicit guidelines on how the reporting should be carried out and what needs to be included. Not least for the project manager, clear guidelines are helpful so that he or she knows what is expected and how much time needs to be allocated for documentation.

Increased focus on small-scale activities and process-orientation in managing rural projects implies that Sida must adapt a more informal steering procedure. Such a procedure means navigation from operational results towards methodology, preferably measured through indicators. In turn this puts responsibility on Sida to carefully select project managers who can be trusted to successfully handle such working conditions. Indicators that could be used in the projects studied herein are e.g. number of villages involved in the project, number of people involved, number of activities (with concrete examples), etc.

Project management

The projects have shown that the promotion of small-scale activities is based on practical knowledge on how to make best of the qualities and opportunities of the particular region. It is highly recommendable that a person who is to lead such a project not only has general experience of project management and knowledge about the situation in the region. He or she should also have vocational experience from fields of relevance for the region of concern. In Russian rural areas, practical knowledge of agriculture is for instance often useful.

Project organisation and division of responsibility

The two Russian projects have solved the organisational matters in the field differently. To ensure strong local support and adequate resources for carrying out all the practical work, it is our belief that a contact person at district level is necessary. The continuous contacts with villages, village administrations and district are a substantial working load and not an assignment that a person at high official level has sufficient spare time for. As far as possible, the contact persons should have sufficient knowledge of English to be able to have direct contact with the Swedish project management. It is recommendable that the local authorities pay for such contact person. This is important in order to ensure the commitment from local level and sustainable support for development initiatives after the project is finalised. It is also desirable that persons on local level do not get financially dependent on the project.

Foreign exchange as eye-opener and driving force

All three projects are based on the exchange of knowledge and ideas between Swedish and Russian or Estonian regions. This exchange has shown to be very fruitful and has worked as an important

eye-opener, especially for the Russians who during the visits, seminars and training activities have learned how things can be made in other ways than they are used to. Especially the visits to Sweden have inspired people to start working in new directions in their home villages. From the Swedish examples they have learned that it is possible to make a change and that they can do it themselves also by starting with the existing limited resources. Contacts with the outside world have also been important, for instance by inspiring people to learn English and to help them get a more positive attitude towards foreigners.

Selection of districts

An important feature in both Arkhangelsk and Pryazha is the selection of pilot districts to participate in the projects. Both projects have emphasised on the importance of personal commitment and interest in issues related to the objectives of the projects. It is necessary that the local leaders have the same understanding of the background and aims of the project. In this way the support for the project is secured. Naturally, the distinctive features of the district in terms of geographical location and industrial or agricultural base should also be addressed and suit the project objectives.

Exchange of Experiences

As financing organisation and responsible part for following-up projects, Sida can benefit from an exchange of experience between projects with similar objectives. A conclusion from this study is that the three projects could benefit greatly from exchanging experiences. To make sure that such an exchange takes place, this should be made compulsory in the contract for the project; at least, there should be an exchange of experiences at the end of each project period. Time for such activities should be budgeted for in each project approved by Sida. The form in which this exchange can take place should be discussed with project managers. Arranging a seminar is one way of doing it, visiting each other at site is another.

Continuation of Project Support

Pryazha

This study concludes that there are reasons to continue the project in Karelia. The reasons are mainly based on the results obtained so far and the general interest and commitment on regional level of enlarging the project.

Although, the experiences from Pryazha certainly will help the formation of similar development projects in neighbouring districts, the initial steps of development would greatly benefit from outside support. Especially if the help would come from Hammarström who already has an established reputation in the area. Support from outside is necessary to ensure that the process continues in the same direction and that enough knowledge on rural development is spread in the region to ensure a long-term continuation. Even though the support and interest is great on both local and regional levels, work still remains before a firm basis ensuring a sustainable rural development in Karelia is in place.

Following the arguments above, a continuation should focus on spreading the results to other districts within the Republic of Karelia but also to deepen the activities on development of small-scale businesses. The deepening of the activities could for instance focus on training and exchange of competence between local SMEs and companies in twin villages in Västerbotten County. The geographical enlargement of the project should be made in accordance with the joint opinion of the contracting partners. As it seems, the general opinion is that the project at a primary stage should be extended towards the neighbouring districts of Ollonets and Pittkeranta.

The aim with such a continuation should be to build the basis for a long-term rural development in the region. Thus, actions to influence the structures and systems in the whole region are important to include. According to the plan of the project management, system changes are to be made primarily via influence from new NGOs. Organisations such as business associations and local agricultural advisors (equivalent to Hushållningsällskapet) are examples of NGOs that could play an important role. To form the basis for a democratic society, which is the most important factor for ensuring long term economic stability, it is not only the political system that has to change but also the structures and systems on other levels of society. In rural areas such as Karelia the non-governmental sector is still sparsely developed. This factor can easily be overlooked in projects supporting rural development.

Since the model for rural development is already established in Pryazha and a local “working force” is now initiated in the project scope, a platform for spreading the experiences is in place. Thus, the future project management may not need to be as comprehensive as in Pryazha. Although the next step would involve three districts, a follow-up project may still not need to exceed three years. In order to cover this increased geographical area there might be a need for additional personnel resources on the Swedish side. From Karelian side it is important that a contact person is appointed in each of the new districts.

In the latter stage of the project, efforts should be made to involve the republic level. Their role in supporting projects and communicating the results to other districts, will be even more important as the project grows. In ensuring the sustainability of the project people at the regional level have to be prepared for actions needed as a consequence of the development taking place at grass-root level. A visit to Estonia, to learn more about the role of government in the Kodukant project, is one example of initiatives that could be included in a continuation of the Pryazha project. On a long-term basis it would also be desirable if the region could take the initiative of spreading their results to other parts of Russia. In this way, the movement in Pryazha, could have an impact on the development of rural areas in Russia in general.

Arkhangelsk

The support for the project from the Russian counterparts is strong and the project needs more time to show results. With consideration taken to the below addressed issues, it is recommendable that the project is supported by a second period of 1,5 years.

There are a few issues that should be taken into consideration for a continuation of the project. It is recommendable that the main efforts during the remaining period focus on the mobilisation of resources at village level. More concrete action, not only through education and training, could prove efficient, i. e. the start of activities in the smallest scale on village level can give fast rise to a wide public interest to co-operate through village assemblies or similar. This second stage in the project should focus on concrete actions and implementation of the ideas and ambitions that were brought forward during the first stage. This implies that individuals at village level should receive a more central role in the coming activities. A stronger direct link between the project management and the villages should be developed. A pressure from underneath is also a necessary first step towards a stronger influence on local level and development of local democracy. The focus on village level is also important in order to spread the work and initiatives to other village administrations.

Due to the limited time left it is recommendable for the project management to confer on the possibilities of continuing the support in all districts. Without a contact person in Shenkurskiy from the Swedish part, it is necessary to consider whether the remaining personnel resources are suffi-

cient to continue covering this district. In this context it is also important to consider the fact that a possible exclusion of one district can be regarded as a failure and a disappointment from the counterpart. Thus, such a decision should be made after thoroughly discussing the situation with the Russian parts. Other alternatives should also be examined. It is for instance possible that even though no direct support is possible at sight in all districts, they could be offered participation in seminars and other joint arrangements.

Project management should initially also state their ambition regarding the number of administrations to be involved within the districts: Is the focus to involve as many as possible or only a few more? This decision will affect the working method. In order to ensure sustainability with regard to both rural development and democratisation it is desirable that as many village administrations as possible become involved in the project. Only through widespread support for the project concept a sufficient critical mass can be obtained that will both inspire others to follow and form a necessary pressure enhancing the democratisation process.

It is also important to continue the work with the village assemblies. A goal could be that by the time the project period is ended, concrete activities are performed in all of the currently existing assemblies. Experiences from these successful villages will function as inspiration for other villages and districts to continue work in the same direction.

Lessons Learned

On the basis of the analyses and evaluations presented in this report there are some points to which special attention should be drawn. In reference to the more extensive previous conclusions the main lessons learned are briefly listed below. In the set-up of new projects with similar objectives and scope these lessons can hopefully be of assistance.

Different approaches in different stages. The entrepreneurial approach, meaning a strong emphasis on development at grass-root level through small-scale activities, should be in focus in the initial stages of the project. Early visible results are of crucial importance, particularly in Russia. The system approach, concentrating on influencing the structure for regional co-operation and rural development, is an important follow-up once the grass-root activities are maturing. The system approach is necessary to ensure a continuation of the project and a sustainable rural development.

Mutual responsibility and co-financing. In order to secure sustainability and effectiveness of a project, it is desirable that the receiving party also allocates resources, both in terms of financing and personnel, to support the project – thereby showing adequate commitment and ensuring long-term sustainability of the initiatives.

Project management. To manage rural development projects a combination of skills is required. Firstly, theoretical knowledge about the country/region of concern, secondly specific knowledge of the issues addressed in the project and finally experience on how to reach the project goals through practical implementation.

Strong commitment at early stage. To overcome a common sceptic attitude towards projects in general it is important after the initial discussions with the recipient to quickly return with a gesture conveying confidence in the continuation of the project.

Non-technical support. At an initial stage, rural development is not helped through technical support – it often functions as a reminder of the past and does not support the development of independence and empowerment of people. The project participants must be convinced that successful development is obtained through their own efforts based on the existing assets of their villages.

Twin village-relations. Foreign visits and twin village-relations open new perspectives for people in the rural areas. Visits to Sweden, showing examples of successful development projects, have had a significant positive effect not least in terms of boosted inspiration.

Project documentation. Documentation produced by the two “Russian” projects has differed greatly in terms of content and proportion. More distinct guidelines regarding project documentation should be worked out by Sida.

Internal project feedback. For the sake of future development projects, Sida should ensure exchange of experiences between projects with similar objectives working under similar conditions.

Appendix I

List of People Interviewed

Sweden

Anna Ekberg, Sida, Project Co-ordinator
Anders Hedlund, Sida, Head of Department
Staffan Bond, Head of the Swedish Kodukant team
Ulf Bojö, Sida, former project evaluator

Inez Backlund, County Administration, Östersund
Valery Lemesov, Uppsala

Christina Hammarström, Umeå, Project Manager in Karelia, Hushållningssällskapet
Maud Olofsson, Hushållningssällskapet
Valentina Henriksson, Interpreter and assistant during visits in Karelia
Emil Nilsson, Taveljö (Twin Village to Essoila),
Lennart Gunnarsson, Hällnäs (Twin Village to Svyatozero)
Sylvia Eriksson, Municipality of Vindeln
Inger Dahlgren, Umeå

Karelia

Pavel Mityaev, Local Project Co-ordinator, Pryazha District
Andrei Spiridonov, Foreign Ministry Department in Petrozavodsk
Andrei Kuleshov, Ministry of Foreign Relations, Republic of Karelia
Alexander Sherbakov, Head of Pryazha District Administration
Vera Ivanova, Head of Culture Department, Pryazha District Administration
Natalia Zhilina, Head of Local Tourist Agency, Pryazha
Anatoly Payusov, Head of Essoila Village Administration
Vera Makkoeva, School teacher, Essoila
Ludmila Testova, Secondary School Teacher, Essoila
Valery Petrov, Medical Superintendent, Essoila Hospital
Valentina Yuzvyuk, Head of Teremok Kindergarten, Essoila
Anatoly Vassilev, Manager of Syamozerie Tourist Ethnography Center
Zinaida Burakova, Head of Svyatozero Village Administration
Zinaida Matikainen, Principle of School, Svyatozero
Ibraghim Oumarev, Manager of Youth Club, Svyatozero
Titiana Nikitina, Head of Culture House, representative of “Russian Song Choir”, Svyatozero
Mikael Feshin, Manager of Indoor Bandy team, Svyatozero
Oxana Oulich, Manager of Fur Goods Shop, Svyatozero
Valentina Koupreyeva, Tourist Service Administrator, Svyatozero

Arkhangelsk

Viktor Zadkov, Local Project Co-ordinator, Arkhangelsk Regional Administration
Tamara Rumiantseva, Vice Governor of Arkhangelsk County Administration
Nikolai Falileev, Chief of Public Law Directorate, Arkhangelsk
Ludmila Eliseeva, Secretary of Village Assembly Union, Arkhangelsk

Elena Kudriashova, Head of Gender Research Institute at Pomor University, Arkhangelsk
Natalia Koukarenko, Head of Gender Research Project
Elisaveta Soboleva, Deputy Mayor, Responsible for Social Issues and Local Development, Ustianskiy District
Lydia Butorina, Head of Culture Department, Ustinasky District
Ljubov Dier, Head of Labour and Migration issues, Ustinasky District
Petr Golinko, Private Wood House Constructing Company, Ustianskiy District
Elena Drjomina, Clothes design and production, Oktyabrsky, Ustianskiy District
Viktor Ozigin, Head of Shangali Selsoviet Administration, Shangali, Ustianskiy District
Zinaida Ozigina, Head of Bestuzevo Selsoviet Administration, Bestuzevo, Ustianskiy District
Vasily Malachov, Village Monitor (Head of village), Kononovskaya, Ustianskiy Distrikt
Vassilina Shumova, School Principle and Library Superintendent, Nizjneorskaya, Ustianskiy Distrikt
Nadezjda Rosheva, Primorsky District Administration
Galina Tsyb, Project Manager, Primorsky District Administration
Anna Michailovna, Head of Initiative Group for Promotion of Small Scale Commercial Activities in Laiski Dok, Primorsky District
Alexei Brigonets, Member of Initiative Group Promotion of Small Scale Commercial Activities in Laiski Dok, Primorsky District in Laiski Dok, Primorsky District
Nikolai Suchanov, Head of Initiative Group for Cattle and Goat Breeding in Ljavla, Primorsky District

Estonia

Kaja Kaur, Head of Kodukant in Estonia
Mikk Sarv, Former Head of Kodukant in Estonia
Kurt Blomqvist, County Administration, Viljandi
Ene Padrik, Deputy Head of the Regional Development, Estonian Ministry of Internal Affairs
Mari Kallas, Head of Rural Policy Bureau, Estonian Ministry of Agriculture

Appendix II

List of Documentation

The documentation studied during the evaluation has consisted of:

- a) Pre-study reports from Arkhangelsk county and Pryazha district.
- b) The Kodukant report from February 1995, “Development Projects in Estonia”.
- c) Interim reports from the Arkhangelsk and Pryazha projects.
- d) Statements of local project activists in Arkhangelsk and Pryazha district.
- e) Result summaries provided by villages in Pryazha district.
- f) Impressions and analyses from lecturers having participated in the project.
- g) Articles from local newspapers in Sweden and Russia relating to the project.
- h) Project budget plans.

Appendix III

The Initial Project Group in the Arkhangelsk Project

Inez Backlund, Östersund

Christer Eklöf, Stockholm

Valerij Lemesov, Luleå (now Uppsala)

Engvar Arvidsson, Knaften

Marianne Bull, Göteborg

Gleb Tjurin, Arkhangelsk

Elena Kudriashova

One project manager/local initiator from each of the three districts

2001-02-14

TERMS OF REFERENCE FOR THE EVALUATION OF SIDA'S SUPPORT TO THE PROJECTS OF RURAL DEVELOPMENT IN ARCHANGELSK AND KARELIA IN RUSSIA AND KODUKANT IN ESTONIA

1 Background

In the transition from communism and planned economy towards a market economy in the former Soviet Union, many small rural communities have been severely affected with unemployment, social problems and a distorted demographic situation as a result. Hopelessness and lack of development make young people decide to leave the countryside hoping to find better opportunities in the cities. This in turn strengthens the downward trend.

The problems of rural development in Sweden has some similarities with the current difficulties on the Estonian/Russian countryside. Taking this into consideration, many Swedish municipalities, regions and organisations could contribute with their experiences to strengthen rural development and local democracy on the Estonian/Russian countryside.

Three rural projects will be studied in connection to this evaluation; the already completed Kodukant project in Estonia and two ongoing projects in Russia.

1.1 Kodukant

Kodukant (= countryside, at home) is a rural development programme in Estonia, that was initiated in 1992. Sidas contribution finished at the end of 1996. The programme has considerable similarities with the now ongoing rural development programmes in Archangelsk oblast and the Republic of Karelia. The overall objective of the Kodukant project was to create a foundation for regional development and to transfer know-how and experience from Swedish mobilization of rural resources. The project had three particular objectives: 1. stimulation of local democracy and entrepreneurship and 2. to develop supporting structures and 3. promote co-operation at all levels. The situation and opportunities of women were given special attention. In many respects the project were inspired by the Swedish campaign "*Hela Sverige ska leva*" ("Let all of Sweden live").

BITS¹ decided to finance the first phase of the project, which focused on the county of Rapala, in 1992 (SEK 409 000) and a second phase, with focus on the counties of Viljandi and Võru, in 1994 (EST 0652, SEK 985 000). The project was implemented by the *ALA-group* at the *Swedish University of Agricultural Sciences in Uppsala* in co-operation with the *Swedish Association of Local Authorities, SALA*, the *Swedish National Rural Development Agency* and the popular national movement "*Hela Sverige ska leva*".

¹ Beredningen för Internationellt Tekniskt Samarbete

In 1995 BITS decided to finance a third phase of the project (EST 1231, SEK 996 000) including the development of a development centre for women in Võru. The aim was to create alternative job opportunities and to stimulate social self-development of women. In 1996 Sida made a supplementary decision to the third phase (ÖST 154/96, SEK 97 300).

During the fall and winter of 1994/95 EuroFutures carried out an evaluation of the project Kodukant in Estonia. According to the evaluation, Kodukant has resulted in many positive outcomes. However, the difficulty to assess concrete results in a project that has more the character of a process, than a separate project with a specific objective, is underlined. The purpose of the follow-up of this project is to find out what has actually happened after the evaluation as well as to create a framework for the further evaluation of the projects in Russia.

1.2 Pryazha, Karelia

In 1997 an agreement between the Rural Economy and Agriculture Societies in Västerbotten (Hushållningssällskapet) and the Karelian County Administration Board was concluded, aiming at improvement of local development in the Municipality of Pryazha in the Republic of Karelia. Sida decided to support the project by the contribution of SEK 2 101 000 (RUS 4607, 4611 and ÖST 344/97).

The purpose of this project was to develop villages within the Pryazha district. An important issue was to show how people could organize themselves using their own knowledge, experience and personal resources to create new jobs, to start businesses and to improve the conditions of the Karelian countryside. Swedish villages from Västerbotten County with relevant experiences were taking part of the project. Experiences from the Kodukant project in Estonia were taken into consideration. The role of women was emphasized by focusing on specific activities such as food production, tourism and handicraft. Also the role of youth was emphasized.

The project started in October 1997 and was to be carried out over three years. It is to be finished by October 2000. The two neighbouring districts of Ollonets and Pittkeranta in Karelia have expressed interest in participating in a continuation of the project and formal requests have been submitted to Sida.

1.3 Arkhangelsk

“Local Partnership and Democracy Development in Arkhangelsk oblast” is the most recent among the three projects to be evaluated here. It was initiated in 1999 upon an agreement between Arkhangelsk County Administration and Jämtland County Administration.

The overall objective is to vitalize and reinforce democracy at the local level and to underpin rural development in Arkhangelsk county by concentrating on the districts of Ustyanskiy, Shenkurskiy and Primorskiy as well as the village of Upper Kitsa in Vinogradovskiy. Swedish as well as Russian historical traditions were taken into consideration in a search for new forms of local democracy applicable in a specific North-Russian context.

More specific objectives of the project are to support new forms of cooperation by, for example, the establishment of village and/or county associations and to create local networks, as well as initiating projects to support small scale business and cooperatives. To enlighten the role of both women and men in initiating local initiatives is another objective. A gender study is also included in the project.

“Local Partnership and Democracy Development in Arkhangelsk oblast started in June 1999 and is planned to be carried out over three years upon condition of an evaluation at midterm. The contribution of Sida is SEK 3 351 000 (ÖST 311/99).

2 Purpose and Scope of the Evaluation

The purpose of the evaluation is to acquire knowledge about the relevance, effects, impact, cost-effectiveness and sustainability of the Swedish support so far and to point out future development possibilities as well as lessons to be learned. As an earlier evaluation has been carried out of the Kodukant project in Estonia by EuroFutures, it is estimated that they have acquired considerable knowledge regarding both this project and the relevant questions.

The project in Pryazha is at the moment being completed and the third project, in Arkhangelsk, is running in its midterm. Thus, it will now be possible to evaluate similar projects of rural development in three different stages. In addition, in both Pryazha and Arkhangelsk, the parties have expressed interest in a continuation of the projects and the findings of this evaluation will be of great importance for their future cooperation.

3 The Assignment

The evaluation shall cover the following issues:

- A. Whether and to what extent the objectives and goals of the projects have been achieved.
- B. Reasons for low or high achievement of goals.
- C. Relevance: The relevance of the project approach, goals and services carried out by the consultants in relation to the needs in the area of rural development.
- D. Efficiency of the project implementation. The fulfilment of roles and responsibilities of the parties involved.
- E. Cost effectiveness: Could the same results have been achieved with fewer resources?
- F. The effects for both men and women in planning and implementation of the projects.
- G. Lessons to be learned for future projects.
- H. Relevance and sustainability of future cooperation/project proposals

4 Methodology, Evaluation Team and Time Schedule

4.1 Methodology

To collect the required material, the Consultant will review relevant project related documentation at Sida. Field visits shall take place in the villages in Archangelsk oblast and in Pryazha district in the republic of Karelia and in Tallinn, Estonia, where meetings shall be held and interviews made, with relevant parties. In addition, the Consultant shall have meetings/carry out interviews with the Swedish parties. Respective Area Manager at Sida will inform the counterparts of the forth-coming evaluation.

4.2 Evaluation team

The Consultant chosen, EuroFutures has experience from several evaluation projects. The evaluation team from EuroFutures consists of Dan Hjalmarsson (project leader), Camilla Gramner and Paul Dixelius.

Dan Hjalmarsson, PhD, Senior Consultant, EuroFutures. President EuroFutures Kontorsservice AB. Mr Hjalmarsson wrote his Doctoral thesis on Program Theory for Public Business Advisory Service and has recognised expertise and long experience of working in the fields of regional development and SME's. He is one of Sweden's leading policy advisors for schemes to advise and support SMEs and has worked for many years with analysing and reforming the Regional Development Funds.

In 1993 he was responsible for writing a governmental report on a Strategy for Small businesses (SOU 1993:70, in Swedish). He has frequently been engaged in small business and regional policy projects by the ministry of Trade and Industry and the National Board for Industrial and Technical Development (NUTEK). He has also been working as an advisor and evaluator at the municipal and regional level. Among other activities the European Commission has assigned Mr Hjalmarsson and EuroFutures the responsibility to undertake the mid-term evaluation of the EU's Objective 2 Structural Funds (for the Northern parts of Sweden).

Camilla Gramner, Consultant and partner, EuroFutures where she has been employed since 1996. Her major fields of work are regional development, IT in public administration, evaluations as well as municipal and regional public relations. Ms Gramner has several years of experience in socio-economic analysis at local, regional as well as national level and has been involved in several evaluations of local projects and EU-related programs. She also has experience from international projects with emphasis on the Baltic Sea Region.

Paul Dixelius, Consultant, EuroFutures where he deals mainly with international projects. Mr Dixelius has a wide professional experience from Russia and the former Soviet Union and has been involved in many evaluations and analyses at EuroFutures concerning the Baltic States, Russia and Poland.

4.3 Time schedule

The evaluation shall consist of four parts:

Part 1: Preparations and interviews with the Swedish parties

Approximate time: November 2000, 6 days

Part 2: Follow-up and visit to Tallinn

Revisit and follow-up in Tallinn with the purpose of carrying out interviews with a sample of representatives from the projects and organisations involved in the evaluation of 1995. The results of these interviews will then be gathered and used as a framework for the further evaluation.

Approximate time: November 2000, 1 day

Part 3: Visits to Pryazja and Arkhangelsk

All written documentation (including reports and eventual new project proposals) regarding the projects shall be studied and thereafter visits shall be made in Pryazja and in two of the districts in Arkhangelsk oblast. Interviews shall be made with project managers and other relevant persons engaged in the projects. The aim is to get a scope of what has actually been achieved in the different projects and how, as well as of the participants assessments of the “carrying through” of the projects. A specific aim is to evaluate the possibilities for the fulfilment of the projects objectives in the future.

Approximate time: November-December 2000, 18 days

Part 4: Analysis and reporting

Approximate time: December 2000 - January 2001, 6 days

5 Reporting

After the visits to Russia and Estonia, the Consultant will submit a first draft report to the Russian, Estonian and Swedish counterparts for a review. After having received the counterparts' comments, 5 copies of the draft reports will be submitted to Sida. Within two weeks after receiving Sida's comments on the draft report, a final version in 5 copies (and on discette) shall be submitted to Sida. The evaluation report shall be written in Word 6.0 for Windows (or compatible format) and should be presented in a way that enables publication without further editing. Subject to decision by Sida, the report will be published and distributed as a publication within Sida evaluation series.

The draft report, written in English, shall be submitted to Sida on **January, 8, 2001**. A final version shall be sent to Sida, not later than **January 29, 2001**. The reports should be outlined in accordance with Sida Evaluation Report – A Standardised Format (see Annex A).

The following enclosures shall be attached to the final report:

- **Terms of Reference**
- **List of persons interviewed (Swedish and foreign parties)**
- **List of documentation**

6(6)

The evaluation assignment includes the production of a Newsletter following the guidelines in *Sida Evaluation Newsletter – Guidelines for Evaluation Managers and Consultants* (see Annex B) and also the completion of *Sida Evaluation Data Worksheet* (see Annex C). The separate summary and completed Data Work Sheet shall be submitted to Sida along with the final report.

6. LIST OF PROJECTS TO BE EVALUATED

Estonia:

EST 1231

ÖST 154/96

Russia:

RUS 4607, 4611

ÖST 344/97

ÖST 311/99

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SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
S-105 25 Stockholm, Sweden
Tel: +46 (0)8-698 50 00. Fax: +46 (0)8-20 88 64
Telegram: sida stockholm. Postgiro: 1 56 34-9
E-mail: info@sida.se. Homepage: <http://www.sida.se>