

Training material

Project: Causeni Agri-Hub: Community Cooling and Processing
Fruits and Veggies Infrastructure

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Preface

International cooperation between European and non-European communes allows entire communities to benefit from easily-adaptable practices, as well as traditional knowledge and newly gained experiences. The main advantages of best practices exchange are: enhancement of economic growth and stable job creation, both powered by means of supporting the creation of added value of agricultural production. The “Causeni Agri-Hub: Community Cooling and Processing. Fruits and Veggies Infrastructure” project is a perfect example of such initiative; as it aims at introduction of new technologies, modernisation and/or enlargement of already existing enterprises, as well as facilitating the start for new producers. The project enabled various actors, from the public, along with the business and non-government sectors, to work on the sustainable development plan.

To achieve benefits mentioned above, communes must carry out a thorough research, along with intensive analysis of collected data, because only deep understanding of economic development threats and opportunities will allow them to plan activities leading to a stronger economic basis at local and external level.

The first part of the following material is a perfect illustration of the statement presented above, as it contains detailed information on socio-economic background and preconditions of Moldavian commune Causeni. Data presented in this section creates a comprehensive context for the reader to operate within; it provides a thorough understanding of community's needs and how implemented project responds to those.

In the second part of this material sample projects are described: they constitute a base of knowledge and experiences, from which communes facing similar issues can contribute, by adapting akin policies, practices and solutions.

The third part of this material is a collection of valuable examples of concept notes applications, in which the objectives, action plan, target groups, estimated impact as well as the relevance of planned sustainable development action plan is precisely described.

Fourth part is a handy guide for mayors willing to participate in Mayors for economic growth project, that contains guidelines on how to fill the application form - they will make the application process much easier, by minimizing risk of errors, thus enabling more participants to partake in the project.

This publication will allow the applicant to assess the commune strongest and weakest points of the commune and to unleash its full potential for development. Participation in Mayors for economic growth project enables communities to reach the expected impact, so that communities will have a dynamic pace of development and a diversified economy.



Causeni: socio-economic preconditions



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Introduction

Every time when the need for a significant change is born, one must reflect on their current situation, so as to truly justify their actions and monitor the progress. Thorough analysis is especially important in case of sustainable development, which is defined by meeting the needs of the present without compromising the ability of future generations to meet their own needs [Brudtland, 1987].

Careful planning of future actions is especially important in local development, since its purpose is to build the capacity of a defined area to improve its economic future and the quality of life for inhabitants. Local development makes an important contribution to national economic performance and has become more critical with increased global competition, population mobility, technological advances, and consequential spatial differences and imbalances. Effective local development can reduce disparities between poor and rich places, add to the stock of locally generated jobs and firms, increase overall private sector investment, improve the information flows with investors and developers, and increase the coherence and confidence with which local economic strategy is pursued. This can also give rise to better diagnostic assessment of local economic assets and distinctive advantages, and lead to more robust strategy assessment.

In this section readers can find helpful information on how to create a local economic development plan as well as sample content presented using the example of Causeni commune.



M4EG

The Mayor for Economic Growth Project (M4EG) is a new initiative of the European Union that was launched in January 2017 within the Eastern Partnership. The overall aim of the initiative is to support the mayors and local governments of the Eastern Partnership countries to become active facilitators of economic growth and job creation at local level. With the support of the initiative the Local Economic Development Plan (LEDP) cities in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine enjoy sustainable growth.

LEDP is a participatory tool that aims to ensure economic progress, socially equitable, while protecting resources and the environment for future generations. LEDP is based on a relevant analysis of the actual status of the community. This resource analysis of the town reveals the strengths and weaknesses of the locality and its environment, development opportunities and possible threats to be avoided or minimized. It is also important that the defined objectives align with the development perspectives included in the rayonal, regional and national development plans.

The purpose of this program is to equip the local public authority with a document on the planning of economic growth, development of human capital and support for a healthy environment in the town. It is very important to note that the program encourages the creation of local partnerships and networks based on public-private dialogue in order to implement actions to promote growth, development and jobs. It also aims at sharing know-how and best practices to motivate local stakeholders, demonstrate new approaches at work, and sustain local pro-development policies and actions.



What is local economic development?

Local Economic Development (LED) is a process by which public sector, business and civil society work collectively to create better conditions for economic growth and employment generation. Its purpose is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. Local Economic Development that is successful focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive. The term Local in the definition signifies that LED involves building the economic strength of a local area by optimising local resources and capacities; the prime movers or driving forces are economic stakeholders in communities, villages, municipalities and cities singly or collectively; and it is territorial (or area-based) in its approach. Although the focus is local, there are links to national, regional and international levels. The Economic in Local Economic Development drives home the importance of identifying and seizing business opportunities, supporting entrepreneurial initiatives (whether formal or informal, micro or large), facilitating market access and creating a climate conducive to investment and business activity.

The term Development emphasizes that LED is holistic; it does not only cover the economic dimension but also includes social, politico-administrative and cultural aspects. The quality and direction of growth is as important as its quality and size.

Sustainable development is at the heart of LED, which means satisfying the needs of the present generation without sacrificing the future of succeeding ones (LGSP, 2003).

Communities are greatly affected by macro-economic issues of globalization, decentralization and market liberalization. These issues offer opportunities as well as challenges, especially for smaller and poorer localities. Local leaders need to understand the impact these macro-issues may have on micro-economies, or local economic development efforts, as well as what policies and strategies are possible to guide economic development at the local level. The concrete benefits of LED, such as employment and infrastructure, come through local people changing attitudes, mobilizing existing skills, improving networks, thinking differently about problems and using community assets in new ways. LED improves the situation of a community not just economically, but as a strong functioning community itself – capacity building can create jobs, increase income, and enhance infrastructure. LED also builds the capacity of communities to become fundamentally better able to manage change.



LEDP: creation of the plan

A LED Strategic Plan is an overall plan which clarifies the process of building a local foundation for economic development. It provides a general framework for action: how to prioritize, make choices and allocate scarce resources to achieve objectives. It will establish an agenda to develop a local area's economic, physical, social and environmental strengths and also address the challenges it faces.

Develop the LED strategy

This stage is about the LED Core Team and the LEDPAC, in consultation with broader stakeholders, together formulating the LED Strategic Plan. It is important that the different stakeholders, government, non-government and business, balance economic development with environmental and social priorities. Usually, 3-5-10 year time frames for the LED strategy are used so that results can be achieved and measured over a longer period of time. The LED Strategy contains different elements: a common vision, goals and objectives as well as specific programmes and projects aimed at achieving the priority objectives.

Implement the LED strategy

It is when the LED Strategic plan is carried out and the programmes and projects are implemented, guided by their project action plans. Even at this stage stakeholder participation continues to be important. This will enable community ownership and help sustain the gains of the projects. Included here is the development of implementation plans and individual project action plans which will facilitate more efficient and effective use of existing resources both financial and human and help target new resources.

Review the LED strategy

This stage involves monitoring and evaluation activities, reviewing and enhancing by the LED Core Team, LEDPAC and key stakeholders. This is important to quantify outcomes, justify expenditures, determine needed enhancements and develop good practices. It is also a precursor to the whole process starting over again, as LED Creating a Strategic Plan for Local Economic Development: A Guide 12 strategic planning is not a static process. Continuous review and assessment of the strategic plan is done to determine whether adjustments or new shifts need to be made given updated information and a changing environment.



Local economic analysis

Analysis of local economic structure - Causeni commune:

The total agricultural surface of Căușeni represents about 57% of the total area of the locality. An important share of the land is occupied by orchards - about 13.2% and pastureland - 16.3%. The wooded area is insignificant, under 1% of the total, while the vineyards represent about 5%. The inventoried surface of orchards is of about 300 ha. The natural resources in the area are clay and construction sand. Along the town runs a 8.8 km long river - Botna. The town has 2 ponds with a total area of 237 ha, 8 artesian wells and 140 mine wells. A daily average per capita is of about 120 l of water, while the average for the country is of approximately 100 l. Taking into account the socio-economic potential and favorable physic-geographical position, Causeni town is examined as a sub-center for a network of localities. This is conditioned by a number of factors, including:

- diversity of the raw materials located in the adjacent territories that contribute to the development of agricultural production processing industries;
- developed infrastructure of car transport ensuring a good connection with the capital, other rayons and the neighboring countries;
- developed social infrastructure represented by education, culture, sports, services provision;
- equipment for technical support and utilities.

Nowadays, the urban basis of the town is represented by businesses from various sectors of economy. The main one is manufacturing industry, represented in particular by the agro- food industry: winemaking, canning, and flour products, developed on the basis of the local raw material.

The agricultural sector has a significant place in the town's economy and represents the main source of existence for the majority of the population. The winemaking sector has an important share in the industrial development of the town. Causeni is part of the Southern Wine Zone (Cahul), specialized in the production of white and red table wines, dessert wines and juices.



Local economic analysis

Out of the total working-age population, only 26% is employed, that showing a significant reserve of labor resources. As a result of the economic downturn in the last years and the restructuring of the economy sectors, the largest enterprises that form the basis of production of the town are: „Suvorov” Wine Factory, „Orhei VIT” JSC Causeni Branch, „Ecoprod-Rosmol” LLC, „Succes” JSC, „Lis Tex” LLC, COOP „Tighina”, „Kelly Grai” LLC, mini-bakeries, etc. Previously a number of production enterprises were operating on the territory of the town, which are currently in the process of reorganization or have ceased their activity in general: “Fabinlapte” JSC milk factory, “Metalic” JSC, “Horizon” JSC, brick factory, “BTA – 5”, “Agro Meșter” LLC, “Agrosemeni” JSC, “Refrigerator” JSC, a tractors’ brigade, a fish farm and a series of warehouses for keeping agricultural products and construction materials. Also, a number of specialized institutions, transport organizations, communal and storage services and a number of food, clothing, and other manufacturing industries are operating in the town. In recent years, key changes were also made in the structure of the town auto transportation system. Thus, the structures of the auto transport organizations that were subordinated to the state were reorganized into joint stock and limited liability companies. The warehouses, commercial and procurement enterprises are also a significant group of organizations involved in the economic activity of the town. Many of these objectives fulfill the functions of intermediaries in the process of supplying with raw material and commercialization of the finished products. In recent years, the number of employees in the service sphere increased. This type of activities are mainly represented by small companies that provide services to the population in construction and repair, home repair, clothing, commercial and other services. As a result of the appropriate financial and legal support and as part of the improvement of the forms of market management, part of these institutions in the future can expand their activity, thus contributing significantly to the renovation of the town’s economy.



Local economic analysis

In 2016 on the territory of the town the company “Coroplast Harness Technology” LLC started its activity by operating with the economic project: “Assembly of wiring modules for the automotive industry”, and the products are delivered both to the cable producers from Moldova and abroad. The investment of „Coroplast Harness Technology” LLC is estimated at 10 million Euro, which includes the construction and equipment of its own production unit on the territory of the Causeni town subzone. For the first phase of the project, the company plans annual sales of about 22 million Euro. Currently, the company rent on the territory of the town a production hall for circa 600 workers. In parallel, the public authorities of the Causeni town and rayon create the necessary infrastructure and construct the Căușeni free economic subzone, where this company will be the first resident. Taking into account all the conditions and factors, Causeni has favorable premises for continuous socio-economic development and formation of the town’s economy. The main task in the development of the town industry is to restructure and adjust the production enterprises, modernize their technological processes on the basis of the financial and fiscal policy, support the entrepreneurial activity based on small and medium business development, create the optimal conditions for attracting investments, participate in the realization of existing projects and international cooperation programs. The labor force for the next period will be about 10.4 thousand people. In a favourable case the employment of the population will raise up to 60-65% due to the new job creation both in the sphere of production and services that will constitute 40% and 60% of the total number of the employed population. In the sphere of production the priority is given to the agro-industrial complex, which will be developed as a result of modernization, technical re-engineering, implementation of new technologies as well as the attraction of investments. The tourism in the town is poorly developed, but it has a great potential due to the “Assumption of the Virgin Mary” church - an architectural monument built in the 17th - 18th centuries, a unique monument in Eastern Europe, which currently is in reconstruction. There are also more than 50 monuments, the town being part of the national tourist route “On the Wine Route in the Southeastern Moldova”. On the territory of the town activates the “Suvorov-Vin” Wine Factory and several well-known winemakers, who are famous for winning medals at local and international competitions. The town is also bordered by the “Trajan’s Upper Wall”. The development of the tourism in the town will create additional profits in the urban economy, additional jobs, which in turn will contribute to the welfare of the locality’s population.



Local economic analysis

Local Cooperation and Networking

The Causeni local authorities of both levels annually approves local policies to facilitate the creation of new businesses and to develop the existing ones, especially LPA does not stagnate the process of obtaining permissive acts for entrepreneurship and supports the policy of all sectors balanced development. Local and external financial sources are attracted for the development of business infrastructure. The Town Hall provides the methodological support and infrastructure needed to create new businesses. Annually, the local budget project and the amount of local taxes are subject to public debates and consultations with economic agents and other stakeholders.

As well, the Causeni local public administration of both levels creates conditions that are most attractive for the business environment, investing in the local roads renovation, modernizing the street lighting, the water and sewage networks and so on. For example, in 2018 the Causeni Branch of the Balti Free Economic Zone is renovated on an area of 8,5 hectares through the construction of networks, communications, road access and territory arrangements. The total cost is about 19 million lei.

Every year, in close cooperation with the mayoralties of the rayon and over 30-40 local economic agents, the “Wine Day”; festival is organized by the Causeni Town Hall, this festival having an average number of more than a thousand visitors per year. In general, the economic agents participate with enthusiasm in the main events in Causeni.

Causeni Town Hall created the club „Do not waste”, a project supported by the mayoralty and disseminated among the local economic agents, which aims to use rationally and to save all managed resources, modernizing the networks and applying modern management for the sources. A successful example is „Orhei-VIT”, the Causeni branch, which has already managed to reduce: the consumption of natural gas by 56,275 m³ annually; water consumption with 3300 m³ and the waste water volume with 3300 m³ annually; emissions in air of 103.9 tons of CO₂; at the same time about 7 tons of solid waste was recycled, and the volume of auxiliary used materials was also reduced.



Local economic analysis

Business-friendly, Transparent Administration

Causeni Town Hall owns a personal web page www.primaria.causeni.org and is present on the main social networks (Facebook). Both online platforms are used to place for public access the main policies (decisions, orders, announcements, etc.) and to create the best connectivity and obtain feedback from the beneficiaries, including the business environment.

All the policies of local interest are a subject for public debate at first, and after that they are discussed at the local council. The vast majority of the council is represented by the economic gents.

Any interested economic agent may participate in the public procurement of the Town Hall. The tenders are published in the public procurement bulletin and all the procedures are launched electronically, thus providing opportunities for both local and national economic agents.

In Căușeni Town Hall there is an employee who keeps records of the economic agents and offers them all the support in the preparation of documents, such as the issuance of authorizations, etc.

In 2018, the first and second level LPA of Căușeni Town made all possible to organize the meeting of the Cabinet of Ministers in Căușeni. The meeting of the ministers was finalized with a discussion with the business environment of the Căușeni town. The discussion was held on the main issues of the local business environment and the cabinet of ministers offered all the support. Also, there was established a joint plan with the LPA aiming to create conditions and facilitate the development of local business, but also to adjust the national legislation which is imperfect at some points.

Among the main challenges of the business environment there are the lack of qualified specialists, inadequate legislation, limited sales market, raw materials below the standards, etc.



Local economic analysis

Access to finances

The most of the local entrepreneurs launch businesses and keep the existing ones using their own sources from earned abroad, and from several local programs (IFAD, AIPA, Pare 1 + 1, etc.). As an example, we can mention the Pare 1 + 1 program as a source of financing in Causeni.

A part of the national programs, as MACP for example, are imperfect in the opinion of the entrepreneurs because they oblige to pay the credit throughout the entire grant period, even if the entrepreneur could reimburse it earlier. In this case the economic agents consider that these clauses work to their detriment and do not support the program beneficiaries for real. Many of these programs such as Women in Business and others are good and promote gender equality in business and support young people, both financially and methodologically, to create new businesses.

“Pare 1+1” is a program for attracting remittances in Economics aims migrant workers and their 1st degree relatives (children, parents, spouses) who want to start or expand their business in Moldova. It stimulates migrant workers and remittances’ recipients to create and develop businesses supporting the development of their skills in entrepreneurial culture. Under the Program, entrepreneurs can benefit from a grant of up to 300,000 MDL, based on the rule.

6 commercial banks are active in the Causeni rayon. Thanks to this program entrepreneurs from different sectors can benefit from a wide range of credit products, for both circulating assets and investments. Single loans, microcredits, real estate loans and leasing 30000 MDL minimum are offered (amounts depending on the bank).

Credits from international resources are used to increase energetic efficiency, improve the wine branch and empower farmers. Investments in the sector development. Circulating capital. Energy efficiency actions. The re-crediting Requirements in this type of finances credits with grant portions.



Local economic analysis

Land and Infrastructure

Causeni Town Hall offers spaces which are under its management to economic agents. A large part of the space is offered by the private sector. The public sector has land both inside and outside the town that can be allocated for business incubator, industrial parks, technological areas constructions.

Approximately 8,5 hectares of land are allocated to the development of the Free Economic Sub-zone of Căușeni. The LPA supports the development by building networks, communications, access road and landscaping, the free economic zone becoming more viable for Căușeni. Starting with the year 2017 it hosts a car wiring production company and is going to attract new residents, this offer being an attractive one considering the location of Căușeni, the available labor force and other factors.

Currently, businesses can benefit from several offerings from the private environment, for example the trader LLC „Fulsercom” is ready to cooperate and to provide a 1000m² space on the 2nd floor for business in mutually advantageous conditions.

On the territory of the town there is a pond of 3 hectares, located in the immediate vicinity of an asphalt road and bordering a very populated sector of the town. This pond is in public property and if it would be cleaned and the necessary recreational infrastructure created, it has considerable potential for the development of the recreational and fishing sector. On 17, 10, 10/o M. Eminescu Street there is a Service House and a Modern

Commercial Complex that can offer spaces for industrial and commercial activities. More than 20 spaces are available here.

On 59 Alba Iulia Street of the town there is also a wine factory which is not currently exploited. It belongs to the private area, has a surface of 9 ha and several buildings (about 20), and a favorable location. This complex has a enormous potential for practicing production businesses, business incubators, and so others.



Local economic analysis

In the Căușenii Vechi sector, on the Nichifor Doni street, on an area of approximately 2ha, there are deposits belonging to the private sector. These buildings can serve as potential warehouse for potential tenants. This sector of the town has a population of approximately 3,000 inhabitants and is economically weak, but as potential could be very attractive for investment.

The vast majority of companies are located in the industrial area of the town, arranged along the Tighina Street. Here there are more private and state-owned companies that can provide space for more economic activities. Also, along Calea Basarabiei Street, there is construction land that could be used for building shops, shopping centers and others. Currently, these lands belong to the private sector, but are not exploited.

The local public services are developed - the street lighting has a 80% coverage, water network - 92%, sewerage - 40%, natural gas - 98%. The local roads are rehabilitated annually. There is local radio and TV station.

Regulatory and Institutional Framework

In Căușeni town the economic activities are regulated by internal Regulations of the town hall on the economic and trade activity, which stipulates some norms and reciprocal obligations, but the national policy in the field of economy is first and foremost. The Town Hall has reduced permissive documents over time, but still checks that the activities are performed in accordance with the permits and the complementary documents. A part of the economic activities and the location of the trade units are regulated by the approved urban plan. Generally, LPA facilitates the development of the business sector and consults its policies in this area. In the future it will be necessary to create a single information platform for information exchange, communication and consolidation, methodical and type of support. We consider that the association of the business environment is an option that would allow them to defend their common interests, including the entrance on the new markets and promotion of the products.

At the moment, the main means of disseminating business support information are the town hall's website, the meetings organized by the mayoralty.



Local economic analysis

Skills and Human Capital, Inclusiveness

In Causeni town, according to the early 2017 data, the male population constituted 48% and the feminine population - 52%.

Of the total population, 15.9 thousand inhabitants (67%) represent the population able to work. The gender gap starting with 2009 to date is steadily declining for the men category.

The highest share is held by people aged 18-60 years - 59.8%. Causeni is a multinational community: Moldovan / Romanian - 83.4% of the total population, Ukrainians - 5.4%, Russians - 8.6% and Bulgarians - 1.5%. The remaining 1.1% of the population is represented by Gagauz, Jews and other nationalities.

Officially each year the offices of the Causeni labor force register around a thousand unemployed, but a part of the specialists migrate abroad for an indefinite period. The migrants are mostly from the of 20-34 years old age group.

According to the database of the National Agency for Employment in the fall of 2018 in Căușeni there were 94 vacancies. It is planned to create in the future at least 2 thousand jobs by establishing the Causeni sub-zone of the Free Economic Zone Balti. In this context it is necessary to promote dual education within the Causeni Vocational School and to create professions according to the market demand, such as wiring constructions. An important amount of the staff employed in the town is from the rural area. In perspective, it would be necessary to create a job database and market offers together with the business environment. In cooperation with the educational institutions it would be needed to train qualified staff for employment under motivating conditions.



Local economic analysis

External Positioning and Marketing

Căușeni is an important point for investments, especially due to its favorable location – easy to reach other town, having the role of a transition point, and due to the functioning of the railway. The city can also be known as an important tourist attraction due to the

„Assumption of the Virgin” church, which is a historical monument of great value, one of the most enigmatic constructions in the country, unique for its semi-buried construction type and interior frescoes. The exterior appearance, the spatial and planimetric structure, the construction technique, are characteristic of the architectural monuments from the 15th-16th centuries.

The Town Hall promotes its image on its website and facebook page, being involved in the local development projects and being part of local and international associations. At the moment, it has partnerships and twinings with localities from Poland, Romania, Lithuania, cooperating on several domains according the concluded agreements. Since 2014, Căușeni town is part of the „Energy and Climate Mayors Convention” project and promotes a correct policy for managing energy resources by reducing emissions into the atmosphere. So far, Căușeni has implemented and implements several local development projects.

Thus, Căușeni town becomes more and more attractive, the business environment registering a dynamic growth, the infrastructure becoming more and more qualitative and a large part of the migrants returning to Căușeni.



SWOT analysis - definition

SWOT analysis is a technique for assessing the performance, competition, risk, and potential of a business, as well as part of a business such as a product line or division, an industry, or other entity.

Using internal and external data, the technique can guide businesses toward strategies more likely to be successful, and away from those in which they have been, or are likely to be, less successful. Independent SWOT analysts, investors, or competitors can also guide them on whether a company, product line, or industry might be strong or weak and why.

Analysts present a SWOT analysis as a square segmented into four quadrants, each dedicated to an element of SWOT. This visual arrangement provides a quick overview of the company's position. Although all the points under a particular heading may not be of equal importance, they all should represent key insights into the balance of opportunities and threats, advantages and disadvantages, and so forth.

SWOT (strengths, weaknesses, opportunities, and threats) analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. SWOT analysis assesses internal and external factors, as well as current and future potential.

A SWOT analysis is designed to facilitate a realistic, fact-based, data-driven look at the strengths and weaknesses of an organization, initiatives, or within its industry. The organization needs to keep the analysis accurate by avoiding preconceived beliefs or gray areas and instead focusing on real-life contexts. Companies should use it as a guide and not necessarily as a prescription.

Annex 1 contains a table that will be of help to anyone experiencing difficulties with SWOT analysis for their commune.



SWOT analysis - strengths of Causeni

Strengths describe what an organization excels at and what separates it from the competition: a strong brand, loyal customer base, a strong balance sheet, unique technology, and so on. For example, a hedge fund may have developed a proprietary trading strategy that returns market-beating results. It must then decide how to use those results to attract new investors.

- Convenient location to national and international routes (R30 Chişinău, about 78 km), Odessa (100 km), Tiraspol (20 km), Cimişlia (63 km), Comrat and Giurgiulesti free port. Access to the railway crossing Căuşeni and facilitating the products exchange. The town is also crossed by the national highways (R31 Causeni-Tarutino, Ukraine).
- Very well developed trade
- Developed agricultural sector, practiced both at high level and by domestic inhabitants, being one of the safe sources of existence. One of the largest elevators in the republic located on the territory of the town.
- Existence of production factors necessary for the development of industrial raw material processing industries.
- Wine sector with a high production volume and rich experience (the presence of large producers together with the well-known small winemakers)
- Available labor force, about 70% of the town's working population.
- Infrastructure and utilities networks developed
- Manufacturing and food industries
- Accessible prices and spaces for small businesses
- Availability of land and buildings adaptable for business both in private and public sector.
- Experience of associations for the implementation of joint projects and active participation in all local development initiatives
- Chamber of Commerce and Industry, Federation of Farmers, Association of Agricultural Producers and other public associations on the territory of the city, NGOs capable of providing
- support to entrepreneurs
- Experience of the city and rayon in the implementation of investment projects
- Causeni Free Economic Zone
- Cultural heritage of the town. Causeni is known for the existence on its territory of a unique monument Church „Assumption of the Virgin” built in the 17th - 18th centuries, included in the
- world monument register
- First and second level LPA develop local infrastructure, the town is well- equipped and has the potential to open up new business
- Causeni Vocational School



SWOT analysis - opportunities of Causeni

Expansion of the Free Economic Zone

Balti, establishment in 2016 of the Causeni sub-zone, with the first resident that had a rapid growth in only one year. Currently, an infrastructure for the Causeni sub-zone is being developed on a land of about 9ha, which will potentially provide over 2 thousand jobs

- Growing interest of the potential foreign investors for Causeni sub-zone
- Emergence of new branches of the manufacturing industry – e.i. the
- Increasing demographic decline and increasing migration, especially among young people
- Uncertainty about changes in legislation
- Political and economic instability
- Reduced capacity of entrepreneurs to manage businesses
- Financial instability and uncertainty about the investment perspective
- Location of the town in the vicinity of the Security Zone of the Republic of Moldova, which prevents the free automotive sector, automotive wiring, dairy and charcuterie production or the production of electricity in the RES
- Running national funding programs through projects and subsidizing key sectors, preferential funding
- Process of reform in the central and local public administration system and Implementation of automated information systems in the activity of public institutions
- Implementation of practices related to diaspora engagement in solving home issues
- Increasing interest in renewable energy (biomass, wind and photovoltaic) due to the emergence of favorable laws regulating the sector
- Regional Policies on Business Support Infrastructure
- Tourism development. “Assumption of the Virgin Mary” church is being renovated through US support, the possibility of developing tourism through facilities for partial tax exemption and credit for those who invest in agro- tourism facilities and want to create hotel edifices.
- Promoting and supporting ecological farming by developing technologies designed to protect the environment



SWOT analysis: Causeni - weaknesses and threats

Causeni's weaknesses:

- Shady practices in the economy (especially in terms of salaries)
- Lack of areas of the manufacturing industry (eg Dairy or Charcuterie) in the town and rayon
- Taxes and duties, especially locally, non-motivating
- Low access or poor quality of public service
- Low rate of involvement of civil society and the business environment in the decision-making process
- Poor business association (eg Trade, HoReCa)
- Poorly developed entrepreneurial culture
- Poorly developed tourism and its infrastructure (lack of modern hotels, restaurants, etc.)
- Lack of schemes for cooperation and exchange of information between different authorities to optimize business start-up and support procedures
- Professional education of the town focused on the training of less demanded specialties
- Low number of well-paid jobs
- Low quality of the entire business support infrastructure
- Existence of specialized jobs and low offer of specialists in the field
- Migration of the labor force
- Stagnant economic activities with stopped business infrastructure because of faulty management.
- Lack of communication and consolidation platforms for business

Causeni's threats:

- Increasing demographic decline and increasing migration, especially among young people
- Uncertainty about changes in legislation
- Political and economic instability
- Reduced capacity of entrepreneurs to manage businesses
- Financial instability and uncertainty about the investment perspective
- Location of the town in the vicinity of the Security Zone of the Republic of Moldova, which prevents the free business operations on the Transnistrian territories
- Dangers of unpredictable phenomena such as floods, earthquakes, droughts, etc.
- Migration of qualified specialists



Sample project implemented within M4EG



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Republic of Poland



Description of action

The Municipality of Causeni joined the initiative "Mayors for Local Economic Growth" on September 9, 2017. In February 2018, the development of the Economic Dev. Plan of Căușeni 2019-2021 started, with the main goal to stimulate economic growth, business environment development and new jobs creation. As stated in the Strategy, Causeni has favourable premises for continuous socio-economic development of the town's economy; while the main aim leading to the development of the town industry is to restructure and adjust the production enterprises, modernize their technological processes, support the entrepreneurial activity of small and medium businesses, create the optimal conditions for attracting investments, participate in the realization of existing projects and international cooperation programs. In the sphere of production, the priority is given to the agro-industrial complex, including modernization, technical re-engineering, implementation of new technologies as well as the attraction of investments. Thus, shaping the vision and objectives for economic development and extended consultation process was implemented, including 5 meetings and official public hearing with the participation of the business, nonprofit and public sectors.

Main problems identified under the analytical and consultative process of LEDP development are addressed by the presented project: lack of public, accessible agri-infrastructure, such as cooling or processing facilities, along with insufficient business support infrastructure. Moreover, it addresses the problem of poorly developed entrepreneurial culture, along with low capacity and unfavourable environment for creating new entrepreneurship in the agri-sector (addressed by Act. 2, 3 and 6), in particular regarding gender equality and women inclusion: provided by giving preference and incentives for them under project Activities. Limited representation of the NGO and business sector within the region, resulting with weak partnerships for local development and consolidation platforms for business, is addressed by Act. 1 and Act. 4, in a long term responding to crucial limitations for local development, which is high level migration of the labour force, esp. among youth, a decreasing number of specialists across the region, as well as not-incentive local tax schemes.



Description of action

The project's overall objective is to boost economic growth and sustainable job creation in Causeni, MD by supporting the creation of added value and innovation of production as per the LEDP and the AA good governance, economic modernisation agenda, as per SDGs 8, 11,12, 13; in-line with the following specific objectives: SO1. LAs initiated cross sectoral partnership based community enshrined pilot infrastructure and pool of know-how for sustainability of local food system and its added value chains in line with LEDP, M4EG, TALD, New Green Deal; SO2. To prod investments in local comparative advantages to stimulate business development supporting boosting innovation uptake, profitability and resilience of micro-SMEs and IEs, boosting the local economy of small town of Southern Moldova, as per LEDP; SO3. To increase income of local businesses and farmers, via aptly combined access to infrastructure, know-how, customers and market; SO4. To provide LAs, businesses, business association, farmers and CSOs with skills and know-how in innovative, resource efficient and resilient local food systems and its praxis cooperative tool-kits, decoupling growth from high carbon & water footprint, biodiversity loss; SO5. To raise awareness of communities, consumers and markets in South East Moldova of innovatory, resources efficient and resilient local food systems and its trust and cooperative tool-kits, decoupling growth from high carbon & water footprint, biodiversity loss business praxis, in line with M4EG & EU Green New Deal, its Delivery Agenda, and Fit for 55 Roadmap inter alia.

The project contributes to raising local prosperity by fulfilling the main aim of the call, acting for the enhancement of economic growth and job creation. Project closely follows the approach of the M4EG initiative by realizing its main priority as supporting the implementation of municipal project building on approved LEDP. Intervention combines actions addressing the programme's priorities by establishment of Agri-Hub: a shared complex support facility for local farmers, producers and market vendors, facilitating the whole cycle of production, and peer to peer contacts between target stakeholders, answering the SO1 given for LOT1. To achieve these goals, the project foresees inclusion of investments for infrastructure to improve the local business environment and strengthen resilience of local economic models for short food value chains. Moreover, by providing inclusive accessibility to newly purchased equipment will significantly reduce the losses of raw material, through cold storage and adjusted processing facilities, further enabling safe and efficient processing of local products, which will be packed and sold on local and regional markets under certified and attractive, newly established brand: 'Causeni Delights'.



Relevance of the project

Relevance to the needs of the country, region, sector: With a moderate climate and productive farmland, the agriculture sector has an important role in Moldova's economy: it represents 10% of the GDP and employs nearly 35% of the total workforce (WB, 2020). Utilized agricultural area in Moldova states 73% of arable land, placing it among the highest in Eastern Europe. Agriculture sector accounts for 12% of MD GDP, while the utilization of land area for agricultural output varies, with horticultural production accounting for approx. 23% of agricultural output, states MD as a truly emerging market, also-export oriented (90% of local fruit and vegetables are exported), and advantaged by its geographical proximity to larger markets. More than 1 mln tons of fresh fruits and vegetables are yearly produced, with 80% of the production taking place in individual households: however, as usually not processed, it hinders the possible sale expansion and investment potential. Causeni town is known as a sub-centre for a network of surrounding localities, due to - inter alia - diversity of the raw materials located in the adjacent territories. The agricultural sector has a significant place in the town's economy and represents the main source of existence for the majority of the population. The agricultural area represents 56% of the total area of the municipality, while an important share of the land is occupied by orchards - about 13.2%/ 300 ha of the territory for production of fruits and vegetables.

Manufacturing and agriculture are the dominant branches in the district's economy, depending on budget revenues and ensuring socio-economic development. Regions' high potential for production, is mainly by favourable natural conditions, developed public services, quality recognition and competitive advantage in producing, processing and selling soft and stone fruits and vegetables: next to famous grapes, there are: plums, apples, sweet & sour cherries, pears: including those of old traditional sorts, peaches & nectarines, apricots; lettuce, endywia, asparagus, tomatoes, kale, cucumbers, potatoes, beetroots, onions; and based processed products: some of vegetables are even more nutritious after processing - eg. tomatoes.



Relevance of the project

Moldovan grapes deserve separate mention, including wine and table grapes - especially suitable for storing, including valuable, local variety of table grapes "Moldova", which can be kept in the cool storage even till March. Causeni's industrial sector is mainly determined by the vinification branch, which accounts for 87% of the total production volume obtained by the enterprises in the district. However, in recent years the dev. of vegetable growing has been steadily declining. The problem of low income generated from the food production and high dependence of the seasonal prices is severe: in the harvesting time, the average price for 1 kg of grapes is 5 to 10 MDL, after 6 months (average period for storing grapes): 20 to 25 MDL on the local market; while the differences can be even more significant in the wholesale. The same proportions of prices in the high/low season refer to other fruits. The increase of income depends on access of small and micro-farmers to cheap, available cooling infrastructure: currently accessible only for big farmers, reflecting the low access to credits and low cash flow in the agri-small producers sector.

In Moldova, the average monthly income is €350/month and 25% of the workforce has already emigrated looking for a job to other countries: due to that, the business environment is challenged by the lack of qualified specialists; combined with a low employment rate: 26%. The migrants are mostly young, in the age range 20-34 y.o; causing MD economy to depend significantly on emigrants' remittances. Demographic ageing is clearly visible in the population structure. The share of young people till 24 y.o; in the active population keeps declining within next few years. The increasing dependency ratios have important economic and social implications, threatening sustainable growth and the future sustainability of social protection, including pensions. The project directly answers the urgent need to create working places within the region and support self-employment, entrepreneurship and added value creation, complying with the need of diversification, increasing income and lowering the losses in agricultural production. It carries an important social, economic and environmental impact, helping local farmers and producers: esp. young and women entrepreneurs to generate income and improve their wellbeing.



Relevance of the project

A community driven, fair access to the infrastructure and capacity building will be ensured, providing equal access to the cooling and processing equipment for micro entrepreneurs and margin producers. Whole Agri-Hub infrastructure facility, including cool storage and processing room, to be located close to the City Market where all the fruit sales will be moved. Adjustments to provide energy-efficiency of purchased cooling facilities will be ensured for smarter ways of using energy, curbing the operation costs, also via proper management of the facility.. The problem of losses and waste in the food-agri sector is directly addressed by the project. At least 20% of the agri-production protected in the cool storage can not be sold only because the fruits “are not sufficiently appealing”. These fruits, still nutritious and tasty, can be processed, leading to decrease of producers' losses and providing a new, cheap, local product, addressed both to the local and regional markets (eg. juices for public kindergartens led by LA Causeni). Significant problem predefined is the waste of side product. Under the project, valorisation of side products will be ensured, fulfilling the whole cycle of raw products, and maximizing reduction of waste. Grapes, which will not be stored, are processed to juices; while remaining grape seeds can be easily pressed and turned into valuable oil for cooking purposes, perfect for frying due to its high smoking point.

This is the momentum for stimulation the competitive advantage of the fruit and vegetables business cluster, foster its value chains and efficient usage by side products processing, adding to income diversification and enhancing resilience and sustainability of the business support infrastructure and the respective value chains via the technologies and solutions applied, establishment of operation formulas of shared, easy accessible and available, inclusive, fully equipped infrastructure. Thus, to improve and boost the attractiveness of Causeni and the rayon' regional business environment.



Key stakeholders

Key stakeholders:

- **Causeni Municipality' civil servants** will improve their urban management know-how to design, initiate, and deliver the participatory projects, translated into genuinely, need-oriented action. LA will benefit from established dialogue with other stakeholders in a fair and transparent manner, improving its trust among society and connecting with the genuine community-driven needs, enshrined by intense cross-sectoral interaction. Along with management skills on transparency, access to public information, and execution of procedures, procurement provision is in line with the best EU practices, and will be an important influence on this group.
- **The CSO sector** will gain institutional empowerment and gain tangible influence on local politics design and its delivery as the opinion of the public. The project execution will help them gain advocacy and civil monitoring leverages, while being able to develop result-oriented, comprehensive, easy, and cost-effective civil actions.
- **Local NGOs** will finally be connected to both the LA and local business sectors, by participation in consultation phase, as well as due to being legally a part of partnership managing the Facility, which will expand their operational capacities as well as increase their leadership and advocacy skills, giving also more recognition to the voice of the society-driven CSO sector. Its members will increase capacities due to the training programme, thus getting access to knowledge and being exposed to best practices within the Study Tour to the EU.



Key stakeholders

Key stakeholders representing business sector:

- **Local, small, usually family-owned farms, producers and processors,**
- **Small agri-business and entrepreneurs**
- **Green Market Vendors** will gain respectively skills via access to knowledge, exposed through practical approach within the trainings, finally to increase production capacities through diversification and expand of their production as well as connection with retailers resulting from access to modern, agri-technological infrastructure adjusted and facilitated certification, mainstreaming and promotion under trusted, recognizable brand with attractive design. The business sector reps will benefit from shared infrastructure as accessible, inclusive and modern facilities as well as from certifications, established quality brand and food safety measures. Furthermore, mainstreaming of innovative IT solutions (smart energy efficient solutions in the Facility, management & development app) will provide them better access to proactive technologies.

The citizens and communities of MD in particular will gain access to consultation tools: consultations under charrettes, adjusted to local legal and cultural environment, as well benefit from the code of conduct applied by the LA. Community will also benefit from significant development of the region, resulting from development of the business and entrepreneurial sector and increasing region' investment potential.



Classes of activities: Project management

The project consists of two major fully integrated classes of activities: Project Management (PM) as well as Project Merit Activities and Visibility Actions, taken to manage, implement, monitor, and report the project in line with the project goals, roles for the call, and the EU legal framework. The project lifespan will be 30 months. For smooth project implementation, a competent, skilled, and experienced project staff will be hired under **PM1.: Establishment of Project Team. Project management: Project Coordinator** takes part and prepares all project activities, is responsible for preparing Monitoring & Evaluation plan, as well as action plan implementation, intra-project communication, reporting to the donor, monitoring of project staff and also for PM 3.1. Development of intra-communication roles and action plans is previewed along with elaboration of visibility plan, including traditional and social media communication. The Project Coordinator will strictly cooperate with the **Project Financial Manager**, who is responsible for supervision of financial documents and financial reporting in line with the donor's requirements. Both of them set aside 11 days a month on project related duties. **The Project Assistant** supports the Project Coordinator during preparation of the study tour. Will be responsible for preparation and provision of the study tour: specific skills such as experience in international actions, good connections and network to the civil society in EU and excellent language skills to be expected from a person hired for this position in a competitive base. 20 days for preparation + 7 days of execution of the study tour. **Project Interpreter** will facilitate all the international meetings and PM ACT always, when smooth communication EN/RO is needed: his working schedule is related with the duties assigned and described in detail in the budget line justification. The **Project Accountant** will allocate 48 working days only to project related duties: accounting of documents, payroll creation, calculating taxes.

This team will be engaged from among the LAs municipality servants or external candidates in an open competition. The project personnel are remunerated monthly or daily, as described in budget justification. To provide merit activities a team of **MD experts** will be hired, supported by EU experts engaged by a service provider (Heading 5). The tasks will be jointly divided: supervision of local staff and ensuring the implementation of the project; PM2 results will include contracted personnel and project implementation. The establishment/ management of the Agri Hub described under PM4.



Classes of activities: Project management

PM2: Public Procurement includes the preparation and provision of purchases in line with EU/MD laws for public bodies. Supervisor of the whole process will be contracted in MD to provide the purchases and investment process. Supervisor responds for the Terms of Reference (TOR) preparation and supervision of the procurement process, LA answers for TOR implementation and fair process of procurement including tenders preparation and supervision.

To accomplish the program requirements and ensure the fair project implementation, **PM3: Internal Monitoring, External Evaluation & Lessons Learnt Aggregation** is previewed, composed by **PM 3.1: Mid-Term Internal Evaluations** to examine: a) the impact of the establishment of a Processing Hub on the operation of local processors, entrepreneurs, orchardists and the local community; b) operational and organizational feasibility of the project and risk assessment to be provided during an internal staff session (all the staff members engaged) each year of project implementation.

PM 3.2: External evaluation consistent with **PM. 3.2.1. Evaluation of the Local Processors LABs**; to evaluate impact of training programme on its participants and progress of their capacities; its **PM 3.2.2. Aggregation of Lessons Learned** to evaluate solutions used within the project (before the Act. 6); and **PM 3.2.3.: Final External Evaluation of the Project**, will cover DAC criteria (effectiveness, efficiency, impact, relevance and sustainability), will be focused on lessons learned as well as follow-up recommendations. Special focus on evaluation cross cutting issues, like mainstreaming gender, disability and environmental friendliness of the project implementation. The indicators for outputs and outcomes will be examined; where the municipality is responsible for the whole evaluation and monitoring process. External consultancy services to be provided by experienced facilitators each year of project implementation (month 11, 23, 28 of project implementation).

PM 3.3: External Expenditure Verification, which will include 3 reports (external audit) prepared after each year of project implementation (Month 11, 23, 28) provided by an authorized auditor..



Classes of activities: Project merit activities (consultative and analytical phase)

Consultative and analytical phase: **Act. 1. Food Charrette;** via **Act. 1.1 Consultative Event in Causeni:** Oriented public consultations event, held in Causeni (next to the space designed of the AgriHub), 1 full day, open-door, family-friendly (the activities for children to be offered) with catering provided, participatory, consultation event: gathering and engaging all the intervention zone stakeholders: agro-entrepreneurs incl. farmers, producers, processors, green Market vendors, Municipality representatives, local NGO, HORECA sector reps, and local community, incl. women/ mothers with children: at least 500 participants of the event: aiming to bring decision makers and community members together in one place, to give space for dialogue for defining needs of each group, share constraints, propose ideas and conduct consultations in a fair, transparent, participatory process: to consult local products potential, impact of the climate change on the crops, local culinary traditions, potential and sorts of traditional & indigenous crops and their seasonality: cherries in April: *Skeena, Regina, Kordia, Grace Star, Big Star*; and strawberries, while in June: apricots: *Faralia, Spring Blash, Pinkot and Kyoto*; peaches in July. From August to September, exquisite plums, *Stanley, AnnaSpath, Record, Silvia*, while from August to September: varieties of table grapes: *Victoria, Muscat de Hamburg, Codreanca, Apiren Roz*. October and December reserved for famous “Moldova” grapes, while period from October to April, designed to store apple different varieties: *Red Delicious, Jonagold, Golden Delicious, Granny Smith, Renet, Simirenco, Gala*. Event promoted beforehand via PR campaign and will be supported by 2 EU consultancy facilitators and 2 local facilitators, who will provide a charette conclusion after the event. During Event, official charter signing will take place, combined with a press briefing, to ensure mainstreaming, visibility of donor and project’ results and further dissemination to the media. Results of Act. 1.2. and Act. 1.3 to be included into the programme of Act. 2 Local Processor LAB, and identifying specific needs for Agri-Hub facilities infrastructure, to be established under Act. 3.

Act. 1.2. Elaboration of market research on consumers preferences and demands: to define the most demanded products with the highest market value, additionally: value/price assessment to estimate optimal price for the locally processed products; to be conducted during 1st year of implementation;

Act. 1.3. Provision of 3 consultative meetings with AgriHub users: 100 farmers, producers, orchardists, processors: to be consulted on for development of rules of Agri-Hub operational schemes: terms, volumes, quotas, online timetable scheduling by topical Experts, conducted in 6, 16 and 20 month of implementation. Participants input to be further analyzed by the project implementation team (PM1) and internalized before the recruitment launching.



Classes of activities: Project merit activities (consultative and analytical phase)

Know-how and skills enhancement phase: **I. Establishment, Recruitment and Provision of Educational program of Local Processors LABs:** Extended training program: 3 cycles of trainings in Workshop Formula and Study Tour for local producers, processors, entrepreneurs, orchard-owners and farmers, LAs, NGOs and topical agencies. Workshops free of charge; needs-tailored and demand-driven. Trainings delivered by EU & topical MD Experts under 3 cycles of trainings addressed 20 participants per each: 60 participants in total.

II. Recruitment to Local Processors LAB: Participants recruited in open door-formula, preceded by broad promotion and dissemination beforehand for practical training for local farmers, orchard-owners, producers and processors, addressed to farmers and producers, with preference for young and women; addressed mostly to entrepreneurs producing soft and stone fruits and vegetables and having a production area of over 0,5 hectare of orchard or field; also LA and NGO representatives: gender balanced, with given preference for women, local NGO reps, topical associations and agencies. At least 150 participants will be invited to the recruitment process. Recruitment promotion at the main trading points in the city, local NGOs network and in local, traditional media and via social media. Selection based on motivation, willingness to participate in all project activities. Additionally, an incentive scheme to be incorporated: at least 10 best graduates will take part in the study tour to the EU.

III. Cycles of training under Local Processors LAB need-tailored training in workshop formula. 64 h each cycle; drawing on experience of EU and topical experts: 20 participants in each cycle, 60 participants total. Mixed formula embracing both theory and knowledge development with practical workshops & development of practical skills. The experts will train the participants in the following topics: **IV. Cycle 1.: Modern, climate-friendly and efficient agriculture production: techniques & solutions;** **V. Cycle 1, Session 1.** Efficient soil and water management, improvements on irrigation efficiency & water harvesting; training delivered by topical Experts; **VI. Cycle 1, Session 2.** Effective use of resources and land labor equipment and waste management; training delivered by topical Experts; **VII. Cycle 1, Session 3.** Best EU practices and solutions: Diversified & ecological agri-technologies for sustainable production: circular models, usage of pellet, composts; Smart technologies for water & pest management, incl. IT agri-tools e.g. for water management optimisation. Climate change resilient varieties and environmental friendly adjustments in orchards and on-farm; training delivered by EU Experts; **VIII. Cycle 2.: Local products: cultivation, management, processing and co-share approach.**



Classes of activities: Project merit activities (consultative and analytical phase)

IX. Cycle 2. Session 1. Practical guide to seasonality of fruits and vegetables farming and cultivation: farmer almanac for the most efficient production; training delivered by topical Experts; X. Cycle 2. Session 2. Most cost-efficient methods and techniques of food processing: preserving, conservation, flash-freezing; pasteurization, vacuuming; training delivered by topical Experts;

XI. Cycle 3, Session 3. Best EU implementations: New trends for agriculture products: response for emerging opportunities from increased demand for old native & indigenous sorts and varieties of vegetables and fruits to genetically modified crops; training delivered by EU Experts; XII. **Study Tour to EU for best graduates of Local Processors LAB** aiming for exposure on best EU practices on topics covered under LAB training sessions; 7 days tour to EU, 10 participants: selected by the project coordinator and topical experts from best participants with higher potential as successful entrepreneurs will take part in the study tour. The gender balance to be ensured during the recruitment. Each participant needs to complete at least one cycle of training program. To be conducted during the 2nd year of implementation. The study tour will cover the indicative topics mentioned below. The places of visits can change during the final program preparation.

- EU bio certification, traceability of local food products: visit to the Polish Association of Ecological Farmers. Insights into best practices for ecological production and processing, traceability and certification mechanisms. Lublin, Poland.
- Shared production and direct sales: visit to the “Common Space” created by the “Lublin Cooperative” and Food Incubator in Poland. Zakrzów
- Processing incubators: operational schemes & benefits, The Center for Business Promotion and Entrepreneurship in Sandomierz Poland, managing Processing Incubator in Dwikozy;
- Insight into marketing strategies and strategies for the regional development through ecological food products visit to “Eco Lubelszczyzna”: Lublin, Poland.
- Modern design of quality food products. Meeting with experts of Lublin Design Institute: Lublin, Poland.
- Additional value of local food production, trust and recognition: a visit to the Community Council for Entrepreneurship. A joint initiative of local entrepreneurs to boost the promotion of local food products. Lublin, Poland.
- Community Supported Agriculture, bio-certification – LGD “Together for Radomka”. Experience of EU projects and the importance of cooperation between rural entrepreneurs as well as community supported Agriculture. Janiszew, Poland.



Concept note: Examples of content



Ministry
of Foreign Affairs
Republic of Poland



Concept note

This section contains requirements on concept notes contents as well as examples of such content.

Concept note should:

include Page 1 of this document, filled in and submitted as a cover page of the concept note;

include the table of the summary of the action (without any limitation of size)

include the description of the action (not exceeding 2 pages) and the relevance of the action (not exceeding 3 pages), the format for both documents being A4 size with 2 cm margins, Arial 10 font characters and single line spacing;

provide the information requested under the headings below, in the order requested, and in proportion to its relative importance (see the relevant scores in the evaluation grid in the guidelines for applicants);

provide full information (as the evaluation will be based solely on the information provided);

be drafted as clearly as possible to facilitate the evaluation process.

Description of the action: (2 pages maximum)

Give the background to the preparation of the action, in particular on the sector/country/regional context (including key challenges). Mention any specific analysis/study carried out to inform the design (context analysis)

Explain the objectives of the action given in the table in Section 1.1.

Describe the key stakeholder groups, their attitudes towards the action and any consultations held.

Briefly outline intervention logic underpinning the Action, indicating the expected outputs, outcome(s) and impact as well as underlying the main risks and assumptions towards their achievement.

Briefly outline the type of activities proposed, including a description of linkages/relationships between activity clusters

Explain how the Action will mainstream relevant cross-cutting issues such as promotion of human rights, gender equality, democracy, good governance, support to youth, children's rights and indigenous peoples, environmental sustainability and combating HIV/AIDS (if there is a strong prevalence in the target country/region).



Concept notes - requirements

Relevance of the action (max 3 pages)

Relevance to the objectives/sectors/themes/specific priorities of the call for proposals

Please provide **all** the following information:

Describe the relevance of the action to the objective(s) and priority(ies) of the call for proposals.

Describe the relevance of the action to any specific subthemes/sectors/areas and any other specific requirements stated in the guidelines for applicants, e.g. local ownership etc.

Describe which of the expected results referred to in the guidelines for applicants will be addressed.

Relevance to the particular needs and constraints of the target country/countries, region(s) and/or relevant sectors (including synergy with other development initiatives and avoidance of duplication)

Please provide **all** the following information:

State clearly the specific pre-project situation in the target country/countries, region(s) and/or sectors (include quantified data analysis where possible).

Provide a detailed analysis of the problems to be addressed by the action and how they are interrelated at all levels.

Refer to any significant plans undertaken at national, regional and/or local level relevant to the action and describe how the action will relate to such plans.

Where the action is the continuation of a previous action, clearly indicate how it is intended to build on the activities/results of this previous action; refer to the main conclusions and recommendations of any evaluations carried out.

Where the action is part of a larger programme, clearly explain how it fits or is coordinated with that programme or any other planned project. Specify the potential synergies with other initiatives, in particular by the European Commission.

Explain the complementarity with other initiatives supported by the EU and by other donors (Member States & others)



Concept notes - requirements

Describe and define the target groups and final beneficiaries, their needs and constraints, and state how the action will address these needs

Please provide **all** the following information:

- Give a description of each of the target groups and final beneficiaries (quantified where possible), including selection criteria.
- Identify the needs and constraints (including capacity constraints) of each of the target groups and final beneficiaries.
- Demonstrate the relevance of the proposal to the needs and constraints of the target groups and final beneficiaries.
- Explain any participatory process ensuring participation by the target groups and final beneficiaries.

Particular added-value elements

Indicate any specific added-value elements of the action, e.g. the promotion or consolidation of public-private partnerships, innovation and best practice.

Lead applicant, (co-applicants and affiliated entities, if any)

Any change in the addresses, phone numbers, fax numbers or e-mail, must be notified in writing to the Contracting Authority. The Contracting Authority will not be held responsible in the event that it cannot contact an applicant.



Examples of objectives: no.1

Overall objective:

To enhance economic growth and stable job creation in by supporting the creation of added value of agricultural production in the region, foreseen in the Local Development Economic Plan.

Specific objectives:

- To strengthen the cooperation of civil society, entrepreneurs, business associations and LAs in launching cross-sectoral partnership based, local food oriented value chain schemes;
- To invest in local comparative advantages to stimulate business development by supporting the growth of micro/small/in-private use processors and producers; aiming to improve local value chains and strengthening local economies in a sustainable way;
- To increase income of local farmers, processors, producers and vendors, providing shared facilities and equipment, further to support them in reaching to final receivers requiring quality and safety of the products, through accessible sanitary and origin certifications, according to the local law;
- To promote diversification of agricultural activities and to protect the biodiversity of the anthropogenic ecosystems within the region via provision of agri-processing facilities leading to utilization of old crops, traditional orchards and extensive varieties of fruits;
- To provide local farmers, processors, and consumers with the agri-innovation and eco-technologies in agriculture, using non-waste and low-carbon print schemes of food production.
- To increase the investment potential of a region and increase attractiveness of local authorities for diverse sources of finance; by development of infrastructure which increases the tax base of Municipality, providing mutual profit for all stakeholders;
- To support capacity building and know-how transfer for local entrepreneurs and processors; on local products certification, branding, marketing and promotion of ecological products and sustainable agri-technologies for production.



Examples of activities: no.1

Project Merit Activities:

Act. 1. Food Charrette with agro-entrepreneurs: consultations in fair, transparent, participatory process on Agri-Hub operational scheme; as a result: need assessment, included into the program of Act. 2.

Act. 2. Local Processors LABs: Training in Workshop Formula for local producers, processors, entrepreneurs, orchard-owners and farmers: gender balanced, with given preference for women, local NGO reps; topical associations and agencies: Participants recruited in open door-formula, preceded by broad promotion and dissemination beforehand. Workshops free of charge; needs-tailored and demand-driven, based on analysis conducted under Act. 1.; Trainings delivered by EU Experts under 3 sessions/ days of trainings in total, 20 participants in total;

Act. 3. Establishment of community Agri-Hub, incl. adjustment of cool storage warehouse on newly opened Green Market (2021) with regional importance; Agri-Hub to be equipped under Activity with cleaning facilities for fruits and veggies, as well as fruit processing, sorting and packing installation and purchase of packing line available for public use for minor charge and operating non-profit; for market vendors, producers, processors, farmers and micro-entrepreneurs;

Act. 4. Signing of cross-sectoral Agreement on management and maintenance of Agri-Hub facility with local non-profit organisation: local CSO/NGO, representing interests of local producers and processors as main users of purchased and adjusted facilities, with Municipality as the facility owner;

Act. 5. Process of certification of origin for local products being sold under newly established brands; with all appropriate sanitary and other certifications to be ready to sell on local and regional markets: in direct sales, fairs. shops, restaurants, hotels and discount retailers. Agri-Hub products to be marked with QR code for quality mark and product components traceability. After the project ends, established product certification will be held by the NGO/association managing Agri-Hub infrastructure.

Act. 6. Promotional Event in public, open-air, festival formula; at least 300 participants, incl. farmers, producers, processors, green Market vendors, Municipality representatives, local NGO and local community



Examples of objectives: no.2

Overall objective:

To stimulate economic growth within the Municipality and create new workplaces in line with the Local Economic Development Plan for the commune, by boosting agricultural production in the region and promoting its added value.

Specific objectives:

- To increase income of the inhabitants of the community, operating in widely defined agricultural business, providing shared gear and estates, aiming to support them in reaching the customers requiring high quality and confirmed safety of the products through accessible sanitary and origin certification, all with the accordance of the national law;
- To enhance know-how transfer and capacity building for local business owners and food processors;
- To stimulate development of the cooperation of civil society, tycoons, business unions and LAs in starting multi-sectoral partnership based on regional food oriented value chain schemes;
- To deliver local cultivators, processors and buyers with agricultural innovation and environment-friendly machineries in agriculture, using methods of producing food including lowest possible carbon-print and production waste;
- To safeguard biological diversity and to promote divergence of agricultural activities within the region by establishing agri-processing facilities made to utilize the traditional, regional crops, broad variety of fruits and fixed orchards;
- To invest in local relative improvements to enhance business progress by helping with expansion of in-private use/small/micro manufacturers and processors; with intention to improve local value chains and to sustainably improve local economies;
- To enlarge the investment potential of the region and increase attraction of local officials for varied value sources; by advancement of infrastructure which will enlarge the tax base of Municipality, providing all investors with mutual profit;



Examples of activities: no.2

Examples of activities:

ACT 1. Fruits Festival: family event. Consultative components: charette (facilitated, inclusive, non-entry barriers consultative method), to be organized, to address all the local stakeholders including women; as a result: Elaboration of the Fruit Incubator management roles and operational calendar. Identification of knowledge gaps to be addressed under ACT3.

ACT 2. Analysis for Fruits Incubator; Architectural concept of the Fruit incubator. Legal analysis on the required sanitary and technical certificates (rooms, equipment and products stored). Marketing analysis for the regional products (fresh and processed): citrus fruits, feijoa, persimmon + local grapes varieties: tsolikouri and chkhaveri; Elaboration of quality certification requirements to be accomplished by the local producers to gain the Fruits Incubator quality mark.

ACT 3. Establishment and Running of Fruits Incubator Academia: Holistic training program for Incubator facility users, esp. orchard owners, farmers, gardeners, agri-entrepreneurs. Due to gender gap, the preference will be given to women during recruitment to the program

ACT 4. Establishment of joint non-for-profit infrastructure under Fruit Incubator, composed by: 1. Washing and sorting room: facility to wash fruits and vegetables. 2. Flesh-cooling room. 3. Cooling spaces adjusted to different temperatures (different products to get stored: fruits, herbs, etc.). 4. Packing infrastructure including exchangeable boxes for fruits. 5. Processing machine for juices; 6. Bag-in-box and pasteurization equipment. The Incubator and the facility will be operated by the municipality agency after the project ends.

ACT 5. Traceability app and quality mark elaboration. The local producers can apply for a quality mark Local Fruits to be provided by the Incubator/ municipal agency operating the incubator.

ACT 6. Promotion and Follow up. The project will be promoted during open air, family formula Fruits Festival. At least 1000 participants in two editions of the festival during project implementation.



Examples of objectives: no.3

Overall objective:

To support sustainable and inclusive economic development in the region via implementation of municipal pilots building on approved LEDP: Local Economic Development Plan.

The specific objectives:

- To boost local comparative advantages, drawing on existing supply gaps, propelling local entrepreneurship and enhancing its locally created and equitably retained added value in non-metropolitan North Eastern Ukraine.
- To stimulate factors productivity via provision of kick-off production sets and capacities, establishment of processing infrastructure, leveraging new grass-root business opportunities with a clustering and spill-over effect throughout City Council
- To attract internal and external investment and increase the attractiveness of the Municipality and the adjacent areas as the unveiling super food cluster of North Eastern Ukraine.



Estimated outputs of project no.3

- 1 Farmers' Idea Fairs: The Participatory Consultative Meeting: for at least 120 active participants of the consultations, 1000 people to be informed about the project during family events.
- 1 fruit and vegetables producers cooperative: Lykhachove.ua established of at least of 24 founding members
- 1 full-cycle of Super Food Academy for 30 participants (24 to graduate: drop-out risk), including 3 of session 3 days sessions and 24 to take part in study tour to the EU;
- 1 Dry-Freezer and adjoint equipment est. and mainstreamed: the sublimator, along the necessary adjoining line and equipment under brownfield: Washing & Sorting Facilities, Flash Freezing, Micro-cool storage, Dry-freezer line, Packing, est. at the plot within the Industrial Zone of the Municipality;
- 1 Visual identification package of Brand, Logo, Graphics of Packages: Designed and Developed;
- 1 set of design, customized and on-demand packages: customer & market tailored of at least 10 types: designed and produced;
- 10 testing products sets in various customer tailored configuration: retail & wholesale: produced and customer & market-exposed;
- 1 traceability light web/ mob e-tool developed and mainstreamed
- 1 E-shop: est., launched and mainstreamed;
- 1 B2B promotion & contracting action rolled-down: 5 B2B meetings & part in 2 international fairs, including 1 in the EU; At least 2 supply contract signed by the cooperative with the large food businesses;
- 12 Retail promotional events at the supermarkets including in Kyiv & Kharkiv & Odessa;
- 1 Extended Media and Visibility Campaign;
- 1 Lykhachove.ua: Follow the Fruit: Open Orchards Event and Final Conference



Examples of objectives: no.4

The **overall project objective** is to stimulate and boost private sector driven local prosperity in the region by participatory multisectoral business development partnership enshrined in LEDP.

Specific objectives:

- To improve local business environment and quality of business oriented public services in the region via implementation of integrated model entailing CB and HR development of LA staff, establishment of one-stop-shop (front-desk), incubator (start-ups), Business Support Centre (investors)
- Incite LED dialog between LA & business and civil society via establishing Task Force, in charge of implementing, guidance and supervision of LDEP, it's altering and modification in open dialog formula.
- Enhance access to modern know-how and skills, finance and infrastructure for local start-ups and businesses through infrastructure (food-processing workshops, co-working space, green-energy workshop), CB & support programs (fundraising, women and youth focus) under incubator.
- Improve praxis, labour market tailored quality VET via teachers & VET staff trainings, tailoring education and access to shared infrastructure (food processing workshops, green energy workshops);
- Attracting investments to NK by greenfields passportisation and promotion of integrated business offer
- Adaptation and implementation of best EU cross sectoral LED practices.
- The key stakeholders are local entrepreneurs & civil society being consulted in the process, investors and VET staff, LA and NGO represented in the LDEP Task Force with a overwhelm positive attitude. Meanwhile the following deficits were identified in the open dialog process: - lack of capacities in LA to deliver networked and delegated services, despite existing legal base; - limited access to technical & acquis knowledge among the business society; - lack of demo- micro-infrastructure (food processing, green economy) for small entrepreneurs and start-ups; - deficit of effective promotion.



Examples of activities and results: no.4

ACT. 1 Consultation and preparation phase. 1.1. Handover of the premises from the town's resources. 1.2. Project team selection. Elaborating incentive and transparent scheme of rewarding employees.

ACT. 2 Establishment of One Stop Shop front office (public services related to business) and Business Support Centre (for investors) run by the City Hall. Employees trainings+IT infrastructure for on-line services 2.1. Simplifications in the decision-making process (basing on existing public services cards). Identification overlapping of competences/ gaps in administration of different levels. Creation of the system of institutional cooperation in the priority fields: food safety, hospitality and bio-economy. 2.2. Individual customer support (transparency / anti-corruption procedures): incl. pre-investment evaluation (screening) of the worked-out plans, permissions and concessions (e.g. related to food-safety, tourist services, incl. gastronomical ones; fire-fighting, space use, law on monument protection, use and enjoyment of river banks, environmental provisions etc.) - Providing essential information on the investments in the town; - Organising meetings with the Mayor or representatives of substantive departments of City Hall, entrepreneur organisations, etc. - Providing assistance in selecting real property; Supervising document circulation. 2.3. Business Support Centre (unit strategic development) - the passportization of the area, strategic evaluation of investments, cooperation with local and regional government.

ACT. 3 Establishment of non-profit Business Incubator: Formulation of the Incubator's offer. Preferential for Incubator's members: office support (secretariat, accounting, IT); Provision of training and conference space. Access to certified food-processing premises. Access to broadband Internet and ICT (teleconferences, on-line meetings, VOIP). Promotion. Networking. Support in drawing up credit applications by micro entrepreneurs. Consulting services. Recruitment to the Incubator, counselling and expert support in the priority sectors.

ACT. 4 Development of the green field investment offer and it's promotion: Legal services; Passportization of land (10 investment plots) and improvement of infrastructure (access road)

ACT. 5 Development of business on demand educational programmes. Tailoring programmes to the labour market, trainings for teachers and VET professionals. Consultation with Task Force;

ACT. 6 Promotion of the investment offer and project activities.



Project's results: sample descriptions

Description 1: Farmers and micro-entrepreneurs; small processors; individual gardeners and orchardists; local market vendors; local kindergartens/primary schools; LA/Municipality benefiting from improved, community infrastructure; local Associations, CSO/NGO, LAG and agricultural centers; local community and households through income growth and its diversification, reduction of unemployment rate, migration and depopulation processes, boost of attractiveness of the region; local consumers of incubator products: kids from public kindergartens; inter alia. 1 participatory meeting: Food Charette; 1 cross sectoral partnership based Agri-Hub warehouse, established and endowed with cooling and processing facility infrastructure; 20 Farmers, processors and producers selected and trained under Local Processors Lab, and at least 10 of them exposed to EU best practices; 1 brand for local products made within Agri-Hub, established, certified and promoted via dedicated event, further on the local and regional market, sales offline and online, restaurants and hotels; 1 cross sectoral Agreement on management and maintenance of Agri-Hub facility between municipality and local NGO; 1 promotional Event and at least 3000 urban community residents and customers directly informed about the Agri-Hub facility and newly established brand promoting the region;

Description 2: Establishment of the One Stop Shop: the set-up and operational Business Support Centre dealing with public services related to business and investments; Creation of the system of institutional cooperation, focused in food safety, hospitality and bio-economy. Identification of barriers and overlapping competences; Draft of the simplifications in the decision-making process on the basis of the existing public services cards; Creation of Business incubator/ premises + mentoring and support program; Improvement of local investment offer; Establishment of innovative education & launching of labour market tailored programs; Attractive investment offer elaborated and promoted.

Description 3: 1 consultative family meeting for local community: Fruits Festival; 1 cross sectoral partnership based Fruits Incubator equipped with cooling and processing infrastructure; 24 Farmers, processors and producers selected and trained in the Fruits Incubator Academia, from which at least 12 taking part in the study tour to the EU to get familiar with EU best practices in community infrastructure usage; 1 local quality certificate developed to promote and mainstream local food, 1 memorandum of understanding and partnership established regulating the facility usage in the fair, inclusive, effective way; 2 promotional stands in country and international food presentations for local and regional promotion; 2 promotional events Fruits Festivals during project implementation; 1 dissemination conference. Press conferences, promotional campaigns, tours for journalists



Examples of target audience description

Sample target group(s) can include:

- producers, processors, farmers and entrepreneurs, being participants of Local Processors Lab; instilling skills and competences on short value chains schemes, processing, products seasonality, sustainable and ecological friendly agriculture techniques and marketing of new products;
- farmers, orchard owners, small-scale processors and producers of soft fruits, stone fruits, and vegetables, generating low income due to low prices of raw material, limiting their sales to the high season and losing up to 20% of the stored fruits; being permanent users of newly developed cooling, storing, processing and packaging infrastructure;
- micro-scale/for private-use producers, benefiting from shared, public and accessible infrastructure facility for food processing and using it accidentally for own purposes or margin sales;
- market venders and small producers, benefiting from local premises during day-to-day trading by access to modern cooling and processing facilities leading to reduction of raw material losses;
- producers, processors, orchards owners, farmers and market venders benefiting from local facilities, enabling to increase the income and volume of production due to certification, allowing them further to sign B2B contracts with stores, discount retailers, online shops and horeca sector;
- Commune's local authorities: possessing the food processing and cooling infrastructure, complementary to newly established Green Market with regional importance, due to its accessibility and transport connection;
- Local authorities, by developed and fed network and cross-sectoral cooperation; and raised awareness regarding local community needs and constraints;
- Local authorities possessing the Fruits Incubator infrastructure, closing the local gaps in food production and leading to income generation of the local inhabitants, committing to development of local taxes base
- Local authorities benefiting from developed cross-sectoral cooperation and implementation of good practices, based on EU best experience
- Local NGO, gaining skills during educational events and developing cross-sectoral partnership and cooperation
- Children from local and public kindergartens, being consumers of healthy and certified products, locally produced and processed;
- Youth eager to build their career connected to the aspect of sustainable growth
- Participants of promotional event: tasting of local products;



Guidelines for mayors



Ministry
of Foreign Affairs
Republic of Poland



Introduction

This part of material constitutes a guide for mayors willing to partake in this project, that contains valuable tips and learnings of mayors that already have taken part in this project. This section includes a thorough description of eligibility of taken actions and restrictions that concern these. Eligible costs are also described with their respective limitations. The guide also includes ethic clauses and code of conduct of the project. Last, but not least, biggest challenges met in throughout the project's implementation as well as tips from M4EG veterans are presented.

As a part of the foreword to this part of training material, a brief list of most often committed errors, when filling a financial report is also attached:

- Try to keep order in terms of project settlements dates.
- Pay attention to the punctuation marks in excel file, since it can result in errors with the checksum.
- Remember to be precise: mark the versions of budget file properly.

If you would like to receive more information on Mayors for Economic Growth Project visit: <http://elearning.m4eg.eu/en> where you will find an online course designed as a means to support the M4EG Signatories in their work on their Local Economic Development Plans (LEDPs). It is a digitized version of the comprehensive capacity building programme on LEDP development, which was tailor-made for M4EG signatories in line with the M4EG approaches and requirements.

At present the course is only available to representatives of M4EG Signatory municipalities/cities, the training is available in the English, Russian, Armenian, Georgian, Romanian and Ukrainian languages. Please use the language switch in the right top corner of the screen to choose a language. Only a desktop version is available at this time.

The main target audience of the course is Local Economic Development Officers (specialists who are responsible for the local economic development planning processes in their municipalities), who have not had a chance to participate in the M4EG classroom trainings on LEDP elaboration.

The course is providing a deeper insight into the principles behind the [M4EG Concept](#) and the [Guidelines on the structure and contents of the Local Economic Development Plan](#), and provides detailed explanations on the key concepts and the stages of LED planning thorough comprehensive video and audio tutorials, complemented with illustrations, exercises, and control questions. After completing the training and passing the final test, learners will receive a certificate on successful completion of the course.



Eligibility of taken actions

The following types of actions are ineligible: actions concerning solely primarily individual sponsorships for participation in workshops, seminars, conferences and congresses, nor actions concerning solely or primarily individual scholarships for studies or training courses.

Types of activity: Activities eligible under this call are those contributing to the achievement of its specific objectives and providing significant and tangible results for citizens.

Actions addressing **gender equality and/or youth employment and entrepreneurship**, which are intersectional, connected to other initiatives in the territory and enabling a systemic shift, will be considered as bringing a significant added value.

By way of example, indicative activities **for Lot 1 and Lot 2** can include but are not limited to the following:

- **Setting up a municipal one-stop-shop** for business registration, information and available financing sources and providing business advice to start-ups (on things like accounts and markets).
- **Setting up a management centre** providing services such as support to returnees' businesses, provision of legal assistance; a business advisory service and management assistance; a book keeping/accountancy department, etc. or encouraging a private local business consulting company or a business-aware NGO to work in the municipality to deliver these services.
- **Promoting investments** including through encouraging private banks to open in the municipality or local banks to diversify their offer.
- **Promoting innovation & diversification**, not only in terms of innovation technology but also of innovative industries such as the **cultural and creative industry** (e.g. advertising and marketing, architecture, crafts, design, graphics, fashion design, film, TV, video, radio and photography, software and computer services, publishing, museums, galleries and libraries, music, performing and visual arts), development of digital economies, supporting enabling conditions for platform economies, and remote work, tourism and **social economy** (e.g. cooperatives, mutual societies, non-profit associations, foundations and social enterprises).



Eligibility of taken actions (continued)

- **Developing better business linkages and reimagining supply chains in a way that fosters development of local economies or identification of new markets** including through encouraging the creation of "clusters" of companies that co-operate with each other to launch new, better and cheaper products, or initiating forums to consider how local companies can improve the linkages between them.
- **Attracting** new start-up businesses, business inward investment & helping sell more local products or service; **actively promoting the municipality** as a good investment destination; providing investors with free or cheap land, with the right business infrastructure, financial instruments, or through supporting or funding training of the local workforce; once business investors have established their business – developing "after-care" services to ensure the investors stay and invest further in their facilities; marketing local products and services.
- **Creating the local infrastructure for economic growth** i.e. through supporting the clearing and preparation of sites for economic activity/property development; providing a public property database; supporting the development of new business parks and premises to meet business needs; supporting business incubators by providing and managing accommodation for business; supporting the development of infrastructure for businesses such as better, roads and public transport, gas, electricity and telecommunications; supporting the development of infrastructure for local tourism; targeting particular parts of the city for regeneration or growth.
- **Investing in soft infrastructure** i.e. providing job matching services; sensing of emerging opportunities, new skills for the future for young people, promoting youth employment and employability through IT skills training in schools and colleges or by setting up training facilities for vocational training in empty schools or old buildings, etc.
- Identification of new opportunities, foresight of emerging skills demand, or rethinking existing industries in the digital age - supporting transitioning to new (greener and more tech-driven) business models, investments in emerging skills to build tomorrow's economy, testing out multiple learning models; supporting connecting local tech ecosystems with traditional industries to accelerate their transition (i.e. agritech).



Indicative activities (third lot)

Indicative activities for Lot 3 can include but are not limited to the following:

- **Enhancing the financial, environmental, social and/or institutional sustainability** of existing projects i.e. investing in circular economy, leveraging private funding, tapping into and promoting innovative finance; supporting improved legislation, codes of conduct, or methods; enhancing community involvement and advocacy, developing and expanding partnerships, etc.
- **Disseminating and communicating** results of existing projects, so that target audiences and other local authorities in the network can access them, learn from them, adapt them to their own needs and even build on them and take them to the next level; investing in transferability of the experience – i.e. preparation of knowledge products, toolkits, case studies and associated communication products.
- **Multiplying and generalising** results achieved in ongoing projects, by either widening the geographic scope of the projects, expanding into other knowledge/areas and/or exploring commercial potential.
- **Expanding and accelerating** the scope of what has already been achieved by innovation and technology transfer or another forms of continuation of completed projects.

Financial support to third parties: Applicants may not propose financial support to third parties.

Visibility: The applicants must take all necessary steps to publicise the fact that the European Union has financed or co-financed the action. As far as possible, actions that are wholly or partially funded by the European Union must incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for the action, and the EU support for the action in the country or region concerned, as well as the results and the impact of this support. Applicants must comply with the objectives and priorities and guarantee the visibility of EU financing (see the Communication and Visibility Manual for EU external actions specified and [published by the European Commission](#)).

Number of applications and grants per applicants / affiliated entities: The lead applicant may not submit more than one application under this call for proposals, nor may he be awarded more than one grant under this call for proposals. The lead applicant may not also be a co-applicant or an affiliated entity in another application at the same time. A co-applicant/affiliated entity may not be the co-applicant or affiliated entity in more than one application under this call for proposals, nor be awarded more than one grant under this call for proposals.



What are 'eligible costs'?

Only 'eligible costs' can be covered by a grant. The categories of costs that are eligible or non-eligible are indicated below. The budget is both a cost estimate and an overall ceiling for 'eligible costs'. The reimbursement of eligible costs may be based on any or a combination of the following forms: actual costs incurred by the beneficiary(ies) and affiliated entity(ies). The budget may include a contingency reserve not exceeding 5 % of the estimated direct eligible costs. It can only be used with the **prior written authorisation** of the Contracting Authority. The indirect costs incurred in carrying out the action may be eligible for flat-rate funding, but the total must not exceed 7 % of the estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another budget heading in the standard grant contract. The lead applicant may be asked to justify the percentage requested before the grant contract is signed. However, once the flat rate has been fixed in the special conditions of the grant contract, no supporting documents need to be provided. If any of the applicants or affiliated entity(ies) is in receipt of an operating grant financed by the EU, it may not claim indirect costs on its incurred costs within the proposed budget for the action.

Contributions in kind mean the provision of goods or services to beneficiaries or affiliated entities free of charge by a third party. As contributions in kind do not involve any expenditure for beneficiaries or affiliated entities, they are normally not eligible costs. As an exception, contributions in kind may include personnel costs for the work carried out by volunteers under an action or work programme (which are eligible costs). Volunteers' work may comprise up to 50 % of the co-financing. For the purposes of calculating this percentage, contributions in kind in the form of volunteers' work must be based on the unit cost provided by the Contracting Authority. This type of costs must be presented separately from other eligible costs in the estimated budget. The value of the volunteer's work must always be excluded from the calculation of indirect costs. When the estimated costs include volunteers' work, the grant shall not exceed the estimated eligible costs other than the costs for volunteers' work. Other co-financing shall be based on estimates provided by the applicant. Contributions in kind may not be treated as co-financing. However, if the description of the action as proposed includes contributions in kind, the contributions have to be made.

The following costs are not eligible: debts and debt service charges (interest); provisions for losses or potential future liabilities; costs declared by the beneficiary(ies) and financed by another action or work programme receiving a European Union (including through EDF) grant; purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred in accordance with Article 7.5 of the general conditions of the standard grant contract, at the latest at the end of the action; currency exchange losses; credit to third parties and salary costs of the personnel of national administrations.



Ethic clauses and code of conduct

Absence of conflict of interest: The applicant must not be affected by any conflict of interest and must have no equivalent relation in that respect with other applicants or parties involved in the actions. Any attempt by an applicant to obtain confidential information, enter into unlawful agreements with competitors or influence the evaluation committee or the Contracting Authority during the process of examining, clarifying, evaluating and comparing applications will lead to the rejection of its application and may result in administrative penalties according to the Financial Regulation in force.

Respect for human rights as well as environmental legislation and core labour standards: The applicant and its staff must respect human rights. In particular, and in accordance with the applicable act, applicants who have been awarded contracts must comply with the environmental legislation including multilateral environmental agreements, and with the core labour standards as applicable and as defined in the relevant International Labour Organisation conventions (such as the conventions on freedom of association and collective bargaining; elimination of forced and compulsory labour; abolition of child labour).

Anti-corruption and anti-bribery: The applicant shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption. The European Commission reserves the right to suspend or cancel project financing if corrupt practices of any kind are discovered at any stage of the award process or during the execution of a contract and if the Contracting Authority fails to take all appropriate measures to remedy the situation.

Unusual commercial expenses: Applications will be rejected or contracts terminated if it emerges that the award or execution of a contract has given rise to unusual commercial expenses. Such unusual commercial expenses are commissions not mentioned in the main contract or not stemming from a properly concluded contract referring to the main contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a payee who is not clearly identified or commissions paid to a company which has every appearance of being a front company.

Breach of obligations, irregularities or fraud: The Contracting Authority reserves the right to suspend or cancel the procedure, where the award procedure proves to have been subject to substantial breach of obligations, irregularities or fraud. If any substantial breach of obligations, or irregularities or fraud are discovered after the award of the contract, the Contracting Authority may refrain from concluding the contract.



Biggest challenges met by M4EG veterans

The list of the biggest challenges met by the participants of Mayors for Economic Growth Initiative can give the future applicants a glimpse of what to anticipate in this process.

Capacities of Local Public Administrations

Reduced financial capacities (100 % of signatories), because many competencies delegated to the mayoralties do not have financial coverage, especially for public infrastructure. This issues leads to a high dependency of planned actions on grants and other financial sources that are neither stable nor guaranteed.

Reduced institutional capacities (80 % of the signatories). There are no specialists responsible for economic development in the city and villages halls. There is no staff/department to monitor and evaluate the implemented action plans. Usually, this task is assigned to some specialists or deputy-mayors that have more responsibilities in their held position.

About 50 % of the signatories mentioned that they do not have enough capacities to prepare qualitative documentation/applications needed to attract grants for the development of the public infrastructure.

Capacities of entrepreneurs to cooperate

There are two types of cooperation: (i) among the entrepreneurs; and (ii) cooperation of the entrepreneurs with LPA, other public institutions and civic sector. The main reasons that reduce the cooperation capacities are referring to: reluctance of farmers and business people to associate in order to solve some common problems; high rate of agricultural producers operating without legal registration; reduced technical and managerial capacities of entrepreneurs to take risks in order to develop or initiate additional economic activities and to implement new technologies. In some cases, there is also a lack of confidence of business people in the intention and capacities of the LPA to support them.



Biggest challenges met by M4EG veterans

Access to information and statistical data

About 80% of signatories reported challenges related to data collection needed for the analysis of the economic situation in the municipality. Some basic information needed for analysis, such as the number of registered entrepreneurs and detailed information about them (which of them are active, areas of activity, turnover, average salary per enterprise, investments made, etc.), average income per locality, number of jobs per locality either is not available for the LPA or requires a longer period to be obtained. Many data are estimated by the LPA. Most often, the access to information depends rather on the personal relations than on certain regulations.

In the LEDP monitoring process, some data is not collected or calculated in order to estimate the impact on the local economic development. The examples can refer to the number of created jobs as result of some implemented actions, the amount of the investments attracted by creating some infrastructure elements, or the revenues to the local budget from economic activities support by LEDP actions.

Political, legal barriers and the mentality of the public servants from the state institutions

About 40 % of the signatories reported challenges related to political and legislative barriers, too bureaucratic regulations and lengthy procedures on public land delimitation and registration procedures, which prevents attracting interested investors in creating businesses on public lands.

Urban versus rural

The challenges and failures encountered by the signatories while implementing the Local Economic Development Plans also differ depending on the function and typology of the locality – rural or urban. Rural localities established easier the dialogue with the private sector, but the problems are more related to the capacities of farmers, their desire to associate among them. In urban areas, the dialogue with the private sector proves to be more difficult and it needs more diverse and innovative approaches.



Tips from M4EG veterans

Some of the signatories mention one-two lessons learnt which they will take into account for the next planning and implementation period, examples of which include:

- The planned actions should be discussed in advance with the final beneficiaries and verified for feasibility and viability;
- The objectives established in the LEDP must be more concrete and measurable and finally, to contribute to the increase of revenues in the local budget (though taxes from salaries, by increasing the revenues of enterprises, by paying taxes, increasing investments in business infrastructure – real estate taxes). This principle must be followed when prioritizing support measures;
- The planned activities must be more specific to the competencies, capacities and possibilities of the LPA; partners roles must be more clearly defined, especially that of the LPA, when it is in a partnership with other local actors;
- The already initiated activities must be the first to focus on. From the total of activities, should be selected those with higher impact on local economic development and concentrate all the efforts on them;
- The activities should be updated and revised based on conditions and opportunities arose during the implementation;
- A larger participation of the actors in the LED planning and of a wider group of participants in economic development process;
- To plan fewer actions and to focus all the efforts on them for better results. Actions should be designed as concrete project proposals, elaborated together with stakeholders. More local/internal resources are needed; the competitive advantage of the locality should be found; the possibility to provide continuous assistance to entrepreneurs to be identified;
- More emphasis on the dialogue with the private sector. Not only the infrastructure should be developed, but also the leisure and recreational services in order to make the city more attractive and increase the number of inhabitants;
- Larger collaboration with all the local, regional and national actors in order to ensure synergy between efforts on different levels.



Frequently asked questions

Are the commitments spelled out in the Membership Form legally binding for the Mayor (Head of Municipality), who have signed it?

Participation in the M4EG Initiative is voluntary, and the commitments undertaken by the M4EG members are not legally binding. However, delivering on these obligations is necessary to remain the member. With the Local Economic Plan not submitted on time (for Junior Members), or reporting on the Plan implementation long overdue (for Acting Members), the membership in the Initiative will be automatically suspended.

What if some objective external reasons (circumstances) prevent us from submitting the Local Economic Development Plan within the established deadlines?

The Mayors for Economic Growth Secretariat will be working in close contact with the signatories and monitor their progress. The Secretariat has the discretion to make decisions and exceptions about individual cases based on the assessment of the commitment and effort made by the signatory in question, as well as seriousness of the external circumstances preventing success.

Can the M4EG Initiative cover the costs for hiring a qualified expert, who will be responsible for drafting the Local Economic Development Plan for our municipality?

No. It is the principal key point that the Plan has to be developed and owned by the city/municipality itself. External expert support by the M4EG Initiative is possible only for specific topics/issues, which are deemed to of key importance for the territory in question, on which the signatory lacks internal expertise or knowledge.

Does the Economic Development Officer (EDO) have to be a staff member of the local administration, appointed full-time for this Initiative? Can they time-share with other projects/activities?

The M4EG Secretariat has no formal requirements as to the EDO status and the arrangements between EDO and the city/municipality administration. A lot of flexibility is allowed in this respect to reflect the differences in the size and institutional arrangement of signatory administrations.

However, it is required that the EDO is a) mandated and empowered by the Mayor to conduct his/her work within the project; b) ready and able to take part in the Project capacity building events, as well as ready to transfer the received knowledge to the other local stakeholders; c) accessible and responsive to the M4EG Secretariat team communications and requests.



Frequently asked questions

Our municipality has officially joined the Mayors for Economic Growth Initiative. But currently it is undergoing the process of amalgamation (or might face such a prospect in the near future). How will this affect our membership in the M4EG Initiative?

The Secretariat's assumption and expectation is that the M4EG membership status, as well as respective benefits and commitments are automatically taken over by the larger territorial unit and respective administration. In case the new administration does not support staying an M4EG Member, it can withdraw by submitting a written request to the corresponding M4EG Country Coordinator.

How long will it take for the M4EG Secretariat and the World Bank to provide feedback on our Local Economic Development Plan?

The tentatively foreseen timeline for reviewing the Plan and providing feedback is around 2 months. Once the Plan is submitted for review by the Signatory, the corresponding acknowledgement will be officially issued by the Secretariat to mark the start of the review phase.

We don't see how preparing a Local Economic Development Plan can help without the adequate financial resources for its implementation, which is always a challenge.

The Secretariat recognizes the importance of ensuring financial resources to support the Local Economic Development Plan implementation. Therefore, a comprehensive study on existing financing tools and opportunities open to the local administrations in each of the participating countries has been commissioned. The results will be publicly available at the end of 2017.

Should you have any questions, please visit <https://www.m4eg.eu/en/faq/> and use the form provided on this site.



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Ministry
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Republic of Poland



Annex 1: SWOT analysis for LDEP

Sample Template for LDEP SWOT Analysis				
Factor	Internal analysis		External analysis	
	Strenghts	Weaknesses	Opportunities	Threats
Labor Market Skills Wage Rates Availability				
Financial Capital Private capital Public capital				
Access to Markets Proximity or distance to market Proximity to suppliers				
Transportation Access to major highways Access to airports Access to ports				
Sites and facilities Number of sites and size Infrastructure Utilities Telecommunications/ ICT Number of existing structures				



Annex 1: SWOT analysis for LDEP

Sample Template for LDEP SWOT Analysis				
Factor	Internal analysis		External analysis	
	Strenghts	Weaknesses	Opportunities	Threats
Knowledge Resources Research/Development facilities Industry or trade association				
Education and Training Colleges or universities Higher technical training Vocational skills training Business services and Technical Support				
Business Climate Government responsiveness Taxes Regulations and controls Cooperation/assistance with private sector				
Quality of Life Cost of living Culture and recreation Public services (including peace and order) Attractiveness of city Natural resources				

