



**International Link and Services for Local Economic Development Agencies**  
*for a fair, human, sustainable and inclusive development*

**BLAGO - Bettering livelihood of vulnerable and low income communities in Siberia, through enhancement of capabilities and role of grassroots CSOs and groups**

## **Activity Report for the Workshops**

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## I. BACKGROUND

The “BLAGO Project (Bettering Livelihood of vulnerable and low income communities in Siberia, through enhancement of capabilities and role of grassroots CSOs and groups) operates in four territorial areas:

- 1) Irkutsk oblast, including 25 villages from 6 provinces;
- 2) Buryatia Republic, including 3 small rural towns and surrounding areas in Kurumkansk province);
- 3) Altai Republic, including 2 small rural towns and surrounding areas (Majminsk, Ust-Koksinsk,);
- 4) Altai krai, including 9 small rural towns from 6 provinces.

The target groups are involved in broad capacity building activities aimed at improving their skills on a variety of topics, including NGO management, fundraising, lobbying & advocacy, multi-stakeholder policy formulation, execution and monitoring.

The Project seeks to boost the creation of NGOs platforms and the formalization of partnerships between the target governmental and non-governmental subjects, inspired by principles of social partnership and participatory administration.

At this aim capacity building for improving on territorial economic development was requested, in order to increase capacities in preparing territorial development strategies to be included in the above mentioned platforms.

## II. OBJECTIVE

To realise training activities in 2 areas of the Project (in Angarks and Barnaul) on the following topics:

- Theories and practices on local development based on territorial and participatory approaches.
- Identification and valorisation of existing resources (cultural, human, economic) in the target villages of Siberia and organisation of community base services to enhance social protection and economic development.

## III. ACTIVITIES

The activities' agenda is reported in the following table.

*(the contractual worked days in grey)*

13/11	Preparation of the presentations
22/12	Departure
23/11	Arrival to Angarsk
24/11	General introduction to the training session: "Territorial economic sustainable development: Opportunities for more jobs, social inclusion and social enterprises" ( <i>Doc 1</i> )
	Elements for analysing territorial economic development performance, through a conceptual framework, good and bad practices, exercises ( <i>Doc 3</i> )
	Introduction to the ILS LEDA Resco (Resources for Sustainable and Competitive development) Method-1 part for identifying and prioritising competitive and sustainable resources ( <i>Doc 5</i> )
	Organisation and support to the activities of 5 working group for the utilisation of the Resco Method-1 part. ( <i>Doc 7</i> )
25/11	Introduction to the Resco (Resources for Sustainable and Competitive development) Method-2 part for identifying obstacles and their causes for competitive and sustainable development
	Organisation and support to the activities of 5 working group for the utilisation of the Resco Method-2 part
26/11	Presentation and discussion of the results of the working groups in a plenary session
	Introduction to the elaboration of a strategy for overcoming the identified obstacles and their causes
	Elaboration of a strategy for one of the working group case (red-berry), and indications about the inputs for applying the methodology with the local actors: producers, local administrations, and academies, training centres, local NGOs, representatives of regional government.
	Conclusions and discussion on the follow up
27/11	Travel to Barnaul
28/11	General introduction to the training session: "Territorial economic sustainable development: "Opportunities for more jobs, social inclusion and social enterprises" ( <i>Doc 1</i> ), and "Elements for analysing territorial economic development performance, through a conceptual framework, good and bad practices, exercises" ( <i>Doc 3</i> )
	Fine tuning the didactic materials, and the presentations
	Introduction to the ILS LEDA Resco (Resources for Sustainable and Competitive development) Method-1 part for identifying and prioritising competitive and sustainable resources ( <i>Doc 5</i> )
29/11	Organisation and support to the activities of 4 working group for the utilisation of the Resco Method-1 part
	Introduction to the ILS LEDA Resco (Resources for Sustainable and Competitive development) Method-2 part for identifying obstacles and their causes for competitive and sustainable development
	Organisation and support to the activities of 5 working group for the utilisation of the Resco Method-2 part ( <i>Doc 7</i> )
30/11	Presentation and discussion of the results of the working groups in a plenary session
	Introduction to the RESCO method (3 part) for the elaboration of the strategy for sustainable and competitive development, and indications about the inputs for applying the methodology with the local actors: producers, local administrations, academies, training centres, local NGOs, representatives of regional government
	Elaboration of the strategy with one of the working group (medical herbs)
	Conclusions and discussion on the follow up
1/12	Moscow
2/12	Return

#### IV. THE RESULTS

- i. The participants acquired concepts, information, and tools on:
- The importance of the local dimension for providing better opportunities on job and income generation in the framework of sustainable and competitive development.
  - The importance of valorising those resources that have competitive-differential characteristics-advantages.
  - The concepts of competitive advantage and territorial value chains, as base for territorial development strategies.
  - The importance of the combination of economic performance with social equality and environmental sustainability for long-term durable development.
  - The importance of strategies including comprehensive aspects, such as governance, operational strategy, implementation (in the form of territorial comprehensive services), and monitoring.
  - The overall methodology for elaborating sustainable and competitive strategies, including identification of competitive and sustainable local resources, building value chains, analysis of the obstacles and their causes to the full valorisation of the local resources.
- ii. The participants exercised successfully the use of the afore-mentioned tools, through working groups, each one assessing a specific resource.

In particular:

Angarks: Five resources were analysed:

- Red Berries
- Potatoes
- Revitalisation of a traditional village
- Baikal Strawberry
- Baikal Lake Tourism

Barnaul: Four resources were identified

- Ethno-Tourism
- Tourism for elderly people
- Medical Herbs
- Sport Tourism

iii. Very preliminary development strategies were drafted<sup>1</sup>

**Angarsk: Red-berry**

*Competitiveness: it is the unique Baikal healthy and natural red-berry, with a unique taste.*

*Vision: Become the best producer in the world of red-berries, while addressing social equality and environment attention.*

*Objective: To market the Baikal red-berry at international level, and improve employment and social inclusion.*

*Causes of obstacles: Lack of Information, Capital, Governance, and Services.*

*Value chains weaknesses: Lack of equipment, transportation, brand and marketing, product differentiation.*

Preliminary inputs for strategic guidelines:

✓ *Governance*

- *Establish a Red-Berries Baikal Centre, through public-private partnership, with the main aim of promoting and consolidating the traditional knowledge and facilitating the construction of the needed infrastructure (lobbying and fund raising).*
- *Promote and realise the Red Berry fair.*
- *Promote territorial marketing strategies and brand.*

✓ *Information*

- *Establish an info-desk, through which collect all the information regarding legislation, governmental program, market and technological opportunities, disseminate these information to the value chain components, and carry on sensitization campaigns.*

✓ *Capital*

- *Establish a mechanism for facilitating credit to the producers, through a public-private agreement with financial institutions, such as investment funds, guarantee funds, etc.*

*In particular priorities shall be given to transportations, and production.*



<sup>1</sup> Note that the results reported have to be considered as fruit of a desk exercise, and not derived by the appropriate application of the RESCO methodology. Nevertheless they are quite indicative of the learning process and also for a first approximation to the reality.

✓ *Services*

- *Reinforce the support for consolidating production and marketing of the current products, as well as new products, and equipment, business start-up, social enterprises, packaging, and labelling.*
- *Implement territorial and value chain market strategies.*
- *Strengthen business capabilities.*
- *Realise a quality certification.*

**Barnaul: medical herbs**

*Competitiveness: 500 different types of herbs in a unique uncontaminated environment.*

*Vision: To be the region of excellence for the highest variety of medical herbs in a natural environment.*

*Objective: to market the herbs at international level, and improve employment and social inclusion.*

*Causes of obstacles: Lack of capital, governance, services, and knowledge.*

*Value chain weaknesses: Product differentiation and diversification (towards fito-bars, fito-SPA, greenhouses, etc.).*

Preliminary inputs for strategic guidelines:

✓ *Capital*

- *Establish a quota of the enterprises income for creating a fund for infrastructure.*
- *Establish a guarantee fund for providing credit to start up's.*

✓ *Governance*

- *Establish public-private organised territorial partnership (territorial pact, platform management board, etc.) for promoting and supporting the value chain, and in general the green economy and a bio-district.*
- *Realise a prevention management from environmental risks.*

✓ *Services*

- *Establish and improve financial and non-financial services for existing entrepreneurs, for new entrepreneurs, for social enterprises, for workers.*
- *Realise territorial marketing and brand.*
- *Promote and support product differentiation: fito-bars, fito-SPA, greenhouses, dry-herbs, etc.*

✓ *Knowledge*

- *Increase the research on unknown areas where to found new herbs.*

iv. Preliminary project ideas for the BLAGO Project

According to the results of the previous exercises, it is possible provide preliminary project ideas for the BLAGO project, as it follows:

**Angarsk Red-Berries**

- Realise the Red Berry fair.
- Promote new businesses, such as a transportation enterprise, a packaging enterprise, and enterprises using red-berries as raw material.
- Realise a quality certification centre.

**Barnaul medical herbs**

- Promote new businesses, such as greenhouses, and fito-spa.
- Realise research on unknown areas where to found new herbs.

## V. RECOMMENDATIONS FOR FOLLOW UP

The results of the workshop were very satisfactory, and the participants acquired a good background for applying the methodology with the local actors, although a certain accompaniment shall be assured for the full success of the operation, that, in fact, is a action-research.

In order to carry it on, the following recommendations are provided:

- According to the available documentation (reports of the working groups, the local development plans, plus an extra quick research) the consultant could assess the most promising territorial inclinations, and draft a second level-preliminary pilot value chain development strategies, with the main aim of providing coherent project ideas to the BLAGO project, as needed for the next phase.
- The participants to the work-shop shall realise homework through:
  - Finalising the exercises initiated in the workshops, send them to the project management, which will provide to comment and make recommendations.
  - Realising interviews to special local witnesses, according to the realised model (*Doc 9*)
  - Gathering available studies, and/or researches, and/or analysis on territorial development at municipal and/or district, and/or regional level





- Studying the ILS LEDA Instructions to the use of the RESCO methodology” (*Doc 8*)
- Collecting statistical annual data on the local economy, with particular reference to:
  - ✓ Contribution to the local economy at the sub-sectoral level, i.e, the 3<sup>rd</sup> and possibly 4<sup>th</sup> level of the NACE classification <sup>2</sup> (refer to [http://ec.europa.eu/competition/mergers/cases/index/nace\\_all.html](http://ec.europa.eu/competition/mergers/cases/index/nace_all.html))
  - ✓ Employment for the same levels
  - ✓ Quantity of worked land (ha) for agriculture resources
  - ✓ N° of enterprises for manufactured products
  - ✓ N° of tourists and night per tourist
  - ✓ Quantity of production for each resource
  - ✓ Manpower for each resource

*Consultation with Formaper and ILS LEDA could be realised at distance, if needed.*

- c) Identifying the most relevant resources, in terms of economic (contribution to economy), social (N° of workers), and competitive (typicality) development.

*A supervision of Formaper and ILS LEDA of this result is recommended, through one or more meetings at distance.*

- d) Applying the RESCO methodology to these resources.

It is recommended this activity

- is preceded by a refresh of the RESCO methodology, through one or more meetings at distance.
- Is supervised at least in 3 topic moments, after the value chain analysis, after the prioritisation of the causes of the obstacles, and after drafting the development strategies, through exchanges of documents by e mail.

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<sup>2</sup> For example

1 level: Agriculture

2 Level: Crop and animal production, hunting and related service activities

3 level: Animal production



4 level: Raising of dairy cattle, or other cattle and buffaloes, or horses and other equines, or Raising of camels and camelids, or sheep and goats, etc.

## VI. RELEASED DOCUMENTATION

Doc. 1	Territorial economic sustainable development: Theoretical and Conceptual approach, and key elements for providing jobs, social inclusion, and environmental safeguard (presentation PP in English) <a href="http://www.ilsleda.org/usr_files/documents/canzanelli-general_approach.pptx-doc_1_214444.pdf">http://www.ilsleda.org/usr_files/documents/canzanelli-general_approach.pptx-doc_1_214444.pdf</a>
Doc. 2	Territorial economic sustainable development: Theoretical and Conceptual approach, and key elements for providing jobs, social inclusion, and environmental safeguard (presentation PP in Russian)
Doc. 3	Territorial economic sustainable development: Opportunities for social inclusion and enterprises (presentation PP in English) <a href="http://www.ilsleda.org/usr_files/documents/canzanelli-presentation_n_2-opportunitie_222633.pdf">http://www.ilsleda.org/usr_files/documents/canzanelli-presentation_n_2-opportunitie_222633.pdf</a>
Doc. 4	Territorial economic sustainable development: Opportunities for social inclusion and enterprises (presentation PP in Russian)
Doc. 5	How to assess the economic endogenous potential for territorial competitive and sustainable development: The ILS LEDA RESCO methodology (presentation PP in English) <a href="http://www.ilsleda.org/usr_files/documents/canzanelli-presentation_n_3-the_resco_me_256359.pdf">http://www.ilsleda.org/usr_files/documents/canzanelli-presentation_n_3-the_resco_me_256359.pdf</a>
Doc. 6	How to assess the economic endogenous potential, for territorial competitive and sustainable development: The ILS LEDA RESCO methodology (presentation PP in Russian)
Doc. 7	Resco sheets for the working groups
Doc. 8	Instructions for using the RESCO Method
Doc. 9	Model for the interviews to the special witnesses <a href="http://www.ilsleda.org/usr_files/documents/canzanelli-interview_to_a_special_witnes_301072.pdf">http://www.ilsleda.org/usr_files/documents/canzanelli-interview_to_a_special_witnes_301072.pdf</a>