



European Network for
Rural Development

EN

PROJECTS BROCHURE

The European Agricultural
Fund for Rural Development

SUPPORTING RURAL BUSINESS



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European Network for Rural Development

The European Network for Rural Development (ENRD) is the hub that connects rural development stakeholders throughout the European Union (EU). The ENRD contributes to the effective implementation of Member States' Rural Development Programmes (RDPs) by generating and sharing knowledge, as well as through facilitating information exchange and cooperation across rural Europe.

Each Member State has established a National Rural Network (NRN) that brings together the organisations and administrations involved in rural development. At EU level, the ENRD supports the networking of these NRNs, national administrations and European organisations.

Find out more on the *ENRD website* (<https://enrd.ec.europa.eu>)

The European Agricultural Fund for Rural Development (EAFRD)

The EAFRD Project Examples brochure forms part of a series of ENRD publications that help encourage information exchange. Each edition of the brochure features different types of projects that have received RDP co-finance from the EAFRD.

Past editions of the EAFRD Projects Brochure can be downloaded from the publications section of the ENRD website.⁽¹⁾ The ENRD collection of good projects and practices⁽²⁾ contains many additional examples of EAFRD assistance to rural development initiatives.

(1) https://enrd.ec.europa.eu/publications_en

(2) https://enrd.ec.europa.eu/projects-practice_en

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Introduction

This edition of the EAFRD Projects Brochure is on the theme of ‘Supporting Rural Business’. The title reflects an interpretation that focuses not only on supporting individual rural businesses, but on helping to create the kind of enabling environment that can allow businesses to be set up, to develop and to prosper in rural areas.

Supporting rural business usually means providing strategic interventions that can increase the likelihood of successful, self-sustaining economic activities in rural areas. In practice, this can cover investment in the digital and physical infrastructure needed for rural businesses to prosper as well as targeted investments, support and advice that can put individual businesses on a financially more sustainable footing.

Rural business is at the heart of rural development, with community and social vitality relying on the availability of local economic activity and local jobs. Supporting rural business is not just a key priority of EU Rural Development policy, it can also make a valuable contribution to the overall jobs and growth objectives of the EU by tapping into the significant growth potential in many rural areas.

The Rural Development Programmes (RDPs) support rural business through a number of Measures. Some of the most relevant are: knowledge transfer and information actions (Measure 1); advisory services (Measure 2); investments in physical assets (Measure 4); farm and business development (Measure 6); basic services and village renewal (Measure 7); Cooperation (Measure 16); and LEADER (Measure 19).

The projects presented in this publication aim to reflect some of this breadth of possible approaches either to improving the business environment in rural areas, or supporting specific rural businesses.

Six categories of rural business support

This brochure is structured into six sections reflecting some of the main areas of opportunity presented by the RDPs for supporting rural business:

1. Agricultural advisory services

The RDPs offer specific opportunities to set up agricultural and forestry advisory services and to train advisors to help rural stakeholders. An important subset of projects has focused on advisory and business support specifically to the agri-food sector.

2. Rural business advice

The RDPs can help fund advisory and business-support activities targeting general business development to diverse forms of rural business, including for diversification outside agriculture. This can range from traditional business advice to the development of skills. Some approaches target specific groups, such as women or young people.



3. Supportive infrastructure

Investments supported by the RDPs can help deliver the infrastructure that rural areas require to provide an accessible and interesting environment for business. This can take a wide range of forms, from investments in basic services and upgrading of local roads to the provision of internet access and appropriate work spaces.

4. Agri-food business investment

The agri-food sector remains crucial for many rural economies across Europe. EAFRD-supported projects have helped agri-food businesses to develop, grow or become more competitive through targeted investment support.

5. Investment in rural diversification

Rural businesses are increasingly developing in a broad range of economic sectors. EAFRD support is available to such businesses, which can help create more economically diverse and sustainable rural areas.

6. Investment in social enterprise

There is both a great need and significant potential to transform the delivery of products and services in rural areas. EAFRD support through the RDPs can be crucial to enabling social enterprises to get off the ground in providing services ranging from shops to healthcare and from transport to childcare.

Each section of this publication starts with a one-page overview of the sub-topic and possible approaches to 'supporting rural business'. This is followed by two short case studies of EAFRD projects, which aim to provide different practical illustrations of good practice.

We hope this brochure contributes to better awareness of the breadth of possibilities and emerging trends in the use of the RDPs to support businesses in a range of rural contexts.

We trust that the examples will inspire similar initiatives, building on some of the practices and approaches presented. The ENRD Contact Point will continue to be interested to hear about emerging and innovative approaches to be shared and discussed within the network.

The ENRD Contact Point Team

1. Agricultural advisory services

An important subset of projects has focused on advisory and business support specifically to the agri-food sector. These efforts can inspire producers and processors with new ideas, help them develop effective business plans and guide them through implementation challenges.

Advisors and trainers can help improve core agri-food business activities, offering or directing entrepreneurs to the specific technical skills and expertise they may need. They can also build the confidence of people to undertake new and more diverse activities in other economic sectors (e.g. tourism).

A key recommendation emerging from the examples presented here is that, to be effective, support should not be a one-off activity just to inspire start-ups. Successful approaches retain a link with the business over time to accompany them in implementing their business plan, accessing finance, overcoming obstacles and tapping into the expert skills and advice they need.

The RDPs offer specific opportunities to set up agricultural and forestry advisory services, train advisors and help rural stakeholders to benefit from the use of advisory services through the Measures on advisory services (M2) and knowledge transfer (M1). LEADER projects (M19) also support this kind of activity.

Group-based support

One type of approach supported by the RDPs is to bring producers together in order to explore new opportunities and growth potential in a common setting or forum.

Farmers can benefit from sharing ideas and concerns and potentially building a peer-support network or even new ideas for cooperation. At the same time, advisors have the opportunity to reach a number of producers in the same session, thus reducing the costs per head.

A useful lesson from the group-based support presented here is that, without being too exclusive, it is nevertheless important to work with farmers who are willing and able to discuss their business ideas with others and who are open-minded about exploring ways to develop and evolve their existing practices.

The case study on p.5 presents an innovative example from Flanders (Belgium), which delivers business support during a day-long bus tour.

One-to-one mentoring

A contrasting approach that has also been successfully supported by the RDPs is a one-to-one mentoring service.

This can have the advantage of a more personalised and tailored service, which responds quickly and effectively to an individual business' evolving circumstances and needs.

One-to-one approaches can also be more appropriate for producers or processors who are less comfortable sharing their business ideas or potentially sensitive information in a group setting.

See p.7 for details of an approach in Wales (UK) that provides individualised agri-food business support from innovative concept to delivery.



All-day bus tour inspires farmers in Flanders, Belgium

The 'Academy on Tour' initiative has demonstrated an innovative approach to business support for agri-food producers and processors. The project helped participants to develop product or business plans to expand or diversify their farm businesses by exposing them to inspiring ideas, expert advice and peer support during a day-long bus tour.

The 'Academy on Tour' concept was developed by the Innovation Support Centre (*Innovatiesteunpunt*), an advisory service in Flanders, Belgium. Its ambition was to combine the sharing of best practices across borders with access to expert advice and peer support.

The idea was to conduct day-long study visits on an 'executive bus' suitable for on-board work. As well as the required multi-media facilities, the bus is equipped with six 4-seater table seats and a 'lounge' area to enable group work as the bus travels along.

"It was a little difficult to convince farmers to participate in the first tour. But after [that], we had to screen farmers because of the sheer demand."

Patrick Pasgang

Project coordinator, *Innovatiesteunpunt*

The aim is that by the time the bus arrives home, each participating farm has a business plan mapped out or a product development plan ready for implementation.

A total of 12 pairs of farmers and 7-10 advisors are taken on each tour. Participating in pairs is seen as

helpful to ensure there is a shared plan rather than one person having to convince their colleagues of an idea when they get home.

Networking on the road

Each tour travels outside of Belgium and is organised around a specific topic. The first 'Academy on Tour' was a day trip to the UK on food innovation. It visited UK supermarkets for inspiration on product development, branding and packaging. It also visited farm entrepreneurs to discuss their practices.

This first trip involved farmers leaving their homes at five in the morning and returning at one o'clock the following morning. It was an intensive day, but delivered excellent results in terms of inspiration, knowledge development and network building.

"The participants spend all day together; we use 100% of the available time. As a result, many participants are still in contact and continue to work together."

Patrick Pasgang

Innovatiesteunpunt



Participating farmers enjoy study visits, peer networking and exchange with experts on the full-day bus tour.

Trips begin with the farmers introducing themselves to the group and outlining their business, challenges and ideas. There is opportunity for questions and short presentations from the participating experts who can include designers, business developers, marketers, accountants and legal experts.

The pairs can then book in for individual or small-group sessions with the available experts to discuss specific questions or ideas as the bus continues its journey.

Preparation is key

It is crucial to select the participants who are likely to benefit and contribute the most. This was achieved by having interested farmers complete an online questionnaire that asked about their profile, interests and ideas. The farmers need to be willing to discuss their business ideas openly with others.

It is also important that the experts be selected for their range of knowledge and skills, open-mindedness and motivation. They need to be ready to provide advice, offer a sounding board for ideas and stimulate new thoughts on all the business ideas discussed throughout the day.

Good preparation also involves deciding on a specific topic to give a clear focus to the day and researching appropriate and inspiring places to visit.

“Make sure you have a specific goal and a follow-up. Otherwise participants will start again their daily work and problems, and the idea/business concept will never reach the discussion table at home.”

Patrick Pasgang
Innovatiesteunpunt

Effective follow-up

It is important to understand that the tour is not the end of the process, but rather a kind of ‘supercharged beginning’. *Innovatiesteunpunt* follows up with each set of participants through ongoing support and advice in implementing their plans. It helps them develop pilot projects and write funding applications as required.

The total cost of the project is €45 000, which comprises €15 000 for the tour itself and a further €30 000 for follow-up support and advice to participating farmers over many months.

Funding through LEADER was used to pay half the cost of the day-long tour, which meant that farmers could participate at no cost to themselves. *Innovatiesteunpunt* covered the costs of the follow-up work with subsidies from the regional government.

The organisers conduct an evaluation of the tour on the same day and then a follow-up evaluation after six months to investigate satisfaction with the results and to identify any additional support needs.

One participant has already introduced three new products from a concept that was developed during the bus trip, while other business plans are in the process of being implemented. As this is farming and agriculture, many ideas will take time to come to fruition, but the processes are underway and there is clearer focus to the business support that *Innovatiesteunpunt* can provide.

“We have come up with a new product which we’ve christened ‘de Rode van Morkhoven’ (Morkhoven Red) and we have something else in the pipeline. We are also now working with other artisan producers from the ‘Handmade in Belgium’ label.”

Linda Van den Bulck
Saffron farmer and ‘Academy on Tour’ participant

A key strength of this project concept is that it is highly transferable and could be applied to a range of issues, challenges and locations. Patrick Pasgang concludes: “The key is finding the right experts for this kind of trip, and if this is achieved, you can try anything.”

The tour concept has been a real success and extremely popular. People – including provincial governments in Belgium – have asked Patrick and his team about organising tours on a range of topics.

Subsequent tours have already taken place with different types of funding support. These have included one to the Netherlands on multifunctional agriculture funded under LEADER and one to France on marine products with funding from Interreg.

Project Name	Academy on Tour
Type of Beneficiary	Agricultural Advisory Service
Period	2014-2016
Funding	Total cost: €45 000 EAFRD contribution: €7 500 National / regional contribution: €18 750 Private source: €18 750
RDP Measure	M19 (2014-2020) – LEADER/CLLD
Further info	www.innovatiesteunpunt.be
Contact	patrick.pasgang@innovatiesteunpunt.be

One-to-one business mentoring in Wales, UK

The 'Cywain Agriculture' initiative provides individualised business support to agri-food producers and processors all the way from innovative concept to delivery. It builds skills and confidence, leading to more sustainable businesses.

A need for continuous business support

Wales has long had schemes working with farmers to generate innovative ideas. However, there was a relative lack of follow-up support to turn these ideas into profitable businesses.

Back in 2008, 'Menter a Busnes' – which describes itself as "Wales' leading independent economic development company" – sought to fill this gap by developing the 'Cywain Agriculture' project.

'Cywain Agriculture' uses six development managers to support producers and processors to develop new products and new markets, based on an understanding of the entire supply chain.

They work to build skills and confidence within the supported businesses and to foster collaboration where appropriate.

The development managers – some of whom work on a part-time basis – are geographically spread, but supported by a centralised administrative team.

"The approach builds client confidence in their products and business abilities, which in turn has led to more sustainable businesses."

'Cywain Agriculture' Independent Evaluation
Rural Development Company Ltd, UK

A new mentoring service

The development managers support clients to define an action plan with agreed roles, responsibilities and outputs. When appropriate, they connect clients to an expert mentor to guide them in the development of their products and/or markets.

The mentoring support is bespoke to each business, potentially covering business or marketing plans, graphic or website design, branding, manufacturing processes etc.

Project monitoring found that the mentoring benefitted 64 groups and 751 primary producers, directly leading to the development of 511 new products or markets.

An independent evaluation calculated that for the period 2013–2015, it created 96 jobs (47 full-time and 49 part-time) and safeguarded 180 jobs (107 full-time and 73 part-time).



© Cywain Agriculture

Cywain's mentors support producers and processors of Welsh primary goods.

"The key strengths of 'Cywain Agriculture' lie in the breadth and interconnectedness of its services providing an almost unique 'one-stop-shop' approach."

'Cywain Agriculture' Independent Evaluation
Rural Development Company Ltd, UK

Since 2013, clients need to contribute 25 % of the costs of the mentoring programme. This is seen as a useful way to focus support on those most determined to create profitable businesses. Additional funding was secured in 2014 to continue and expand this successful approach.

Project Name	Cywain Agriculture
Type of Beneficiary	Economic Development Company
Period	2009-2014
Funding	Total cost: ~€2 700 000 EAFRD contribution: ~€1 800 000 National / regional contribution: ~€900 000
RDP Measure	M124 (2007-2013) – Cooperation for development of new products, processes and technologies
Further info	www.menterabusnes.co.uk/en/cywain
Contact	myrddin.davies@menterabusnes.co.uk

2. Rural business advice

The RDPs can help fund advisory and business-support activities targeting general business development to diverse forms of rural business, including for diversification outside agriculture. This can range from traditional business advice to the development of skills. Some approaches target specific groups, such as women or young people.

Advisors and trainers can be crucial in encouraging and enabling rural diversification by increasing awareness of entrepreneurial opportunities, directing people to relevant support and increasing the confidence and skills of potential entrepreneurs.

Improving digital skills

A lack of digital skills within rural populations can be just as significant a barrier to business development as a lack of internet access itself. The two aspects should be seen as going hand-in-hand in terms of enabling rural communities to take advantage of the business potential of digital technologies.

Digital skills can be promoted through 'traditional' classroom-based teaching programmes. There are also, however, various ways of increasing business-related digital skills and digital confidence through online activities.

Such activities are not aimed at people with no experience of the internet, but rather those who may not have the knowledge or confidence to transform their existing use of computers and the internet for personal use into a business venture based on digital possibilities.

See p.9 for details of an initiative that used regular online sessions to develop digital business skills and networks in rural Ireland.

Inclusive entrepreneurship

Other useful approaches can be more focused on reaching out to groups who face additional barriers to becoming rural entrepreneurs. This can be because they face (unintentional) discrimination in access to support or finance, but it can also be because they do not believe that entrepreneurship is a realistic option for them.

Young people are one such group who have benefitted from targeted support programmes. For example, the Junior Agri Academy in rural Wales inspires young people aged between 16 and 19 to consider a rewarding and interesting career within the food and farming industry.

Women are already at the forefront of a range of entrepreneurial initiatives in rural areas and farm diversification. However, there is still more unfulfilled entrepreneurial potential that can be targeted.

See p.11 for a Swedish project that delivered a targeted programme to improve the business skills and confidence of participating women.



Digital business networking in rural Ireland

The 'Digital Clare' project developed digital skills and awareness amongst businesses, organisations and individuals in the predominantly rural County Clare. Through regular online networking sessions, it has created new connections and an ongoing online community exploring new business opportunities in the area.

Clare Local Development Company (CLDC) realised that a lack of digital skills and awareness were holding back business and community activities in County Clare, Ireland.

Through an open tender, CLDC procured the services of a digital media expert, who developed a suite of digital training activities tailored to the needs of the community.

To find and attract participants, CLDC invited clients from across their existing programmes, including its database of over 5 000 individuals, businesses and organisations. Once the initial events were organised, local media and word of mouth helped to spread awareness of the initiative.

Training and events

During the first phase of the project, the digital expert developed and delivered 28 digital training courses. These sessions covered an array of related topics, including setting up profiles on popular social media platforms, creating and managing social media content and using photo-sharing platforms.

She conducted 60 hours of one-to-one mentoring with over 90 business owners and community-group representatives on how to develop their digital skills and activities. In addition, she facilitated eight face-to-face networking sessions for people engaging in the project's activities.

"Don't let poor broadband connectivity in an area be an excuse for not developing digital capacity among local stakeholders."

Agnes O'Shaughnessy
Local Development Officer,
Clare Local Development Company (CLDC)

Community buildings and local hotels offered their venues free of charge. The marketing/PR activities were also undertaken at zero cost, using existing networks and contacts. The only financial cost of the project was the digital expert's rate of €50 per hour.

Although the digital expert continued to provide classroom-based training, face-to-face networking and online training courses during the second phase of the project, focus shifted to the creation of a sustainable digital community.



© Digital Clare

An online business community has developed through regular Twitter chats using #DigitalClare.

© Digital Clare



'Digital Clare' has provided low-cost marketing opportunities for diverse local entrepreneurs.

A new digital community

The digital expert created regular Tuesday night Twitter chats using #DigitalClare. These online sessions brought together people from all across the community with interest in developing digital skills or opportunities. On the first evening, #DigitalClare trended in Ireland for 24 hours and reached 3.5 million people.

"A wide variety of people engaged with the project, representing many different businesses, local interest groups, age groups and backgrounds."

Agnes O'Shaugnessy
CLDC

More than 20 weekly Twitter sessions were coordinated by the expert during the initial phase of the project. After that, they were able to continue without the need for any facilitation.

By early 2017, more than 50 of these events had taken place and #DigitalClare has become a well-recognised name locally for digital innovation and networking.

This connection building has translated into low-cost marketing opportunities and increased transactions for diverse local businesses. Numerous companies said they derived new business contracts, whilst community groups have also reported an increase in local connectivity and volunteering for a variety of causes.

Other activities to support the creation of a self-sufficient network of people who could champion the project going forward included a successful launch event attended by 180 people who had supported and/or got involved with the 'Digital Clare' project and representing a broad cross-section of the community.

"When 'Digital Clare' first set up, I had just started my own business. I attended the launch night and was impressed with the buzz it created... I have had a significant number of client referrals through the network."

Martina Neylon

Owner of 'Miword' and 'Digital Clare' participant

In addition, a closed Facebook group was set up to help coordinate further activities. This group now has 688 members and is used to promote events and provide a safe space for participants to ask questions and collaborate with like-minded individuals within the community.

The bond and sense of shared engagement that was formed around the project helped build an enduring digital community which remains active today.

A set of 'Digital Clare champions' will be seeking to develop new activities with support from CLDC. It is hoped that this will initiate a number of additional projects to continue the good work already accomplished.

"There is a core group of active members who have kept the network active, but will require support. In developing the LEADER Local Development Strategy (LDS), we have identified the network as requiring soft supports."

Gloria Callinan
LEADER Coordinator

Project name	Digital Clare
Type of Beneficiary	Local Action Group (Clare Local Development Company)
Period	2014-2017
Funding	Total cost: €32 000 EAFRD contribution: €14 400 National contribution: €17 600
RDP Measure	LEADER/M331 (2007-2013) – Training and information for economic actors
Further info	www.cldc.ie/home/digital-clare
Contact	info@cldc.ie

Tailored business support to women in rural Sweden

The 'Business Development for Women' project delivered a targeted training programme for women to develop a business plan for a new or existing rural business idea. It used a mix of theory and examples from real cases to improve the business knowledge, skills and confidence of the participating women.

The local farmers' association *LRF Mälardalen* sought to develop a tailored business support package for women in rural areas in order to both promote the principle of gender equality and better harness the innovation capacity of women to the advantage of the local area.

"My experience is that women often come with a different perspective and, therefore, find alternative solutions and new development opportunities."

Helena Isakson
Project Manager, *LRF Mälardalen*



© LRF Mälardalen

The project helped Anna Kalvebrand, a local cheesemaker, strengthen her business plan.

Support for developing a business plan

Project coordinator Helena Isakson had already worked as a business development advisor. She put together a programme and course materials aimed at guiding female participants through the development of a business plan.

In six separate training workshops, participants were given new tools and models that could help them plan their business better to increase profitability and take their ideas to the next level.

In total, 60 women participated, receiving a mix of theoretical information and practical exercises related to real cases.

"I was proud that there were so many women who wanted to take part in the training and that so many were satisfied with the knowledge they gained."

Helena Isakson
LRF Mälardalen

Positive results

As many as 50 participants successfully developed a business plan which was approved by external consultants. This gave them an excellent basis on which to implement their ideas, as well as to approach banks, potential partners or relevant authorities.

Participants consistently rated the training they received highly and many recommended the programme to friends and acquaintances. They also benefitted from peer support and networking through the creation of a Facebook group.

"I learned a lot during those days. Maybe I would have learned the lessons sooner or later anyway, but I am quite sure that everything would have taken much longer."

Anna Kalvebrand
Cheesemaker and project trainee

An important insight from the training was that whilst developing a business plan is one of the best tools available, many of the women have further training needs in terms of accountancy and leadership and could benefit from further individual coaching to increase their business confidence.

Project name	Business Development for Women
Type of Beneficiary	Farmers' Association
Period	2012-2015
Funding	Total cost: € 94 000 EAFRD contribution: € 42 000 National contribution: € 42 000 Private contribution: € 10 000
RDP Measure	M331 (2007-2013) – Training and information for economic actors
Further info	www.lrf.se/mitt-lrf/regioner/malardalen
Contact	Helena.Isakson@lrf.se

3.Supportive infrastructure

Investments supported by the Rural Development Programmes can help deliver the infrastructure that rural areas require to provide an accessible and interesting environment for business. This can take a wide range of forms, from investment in basic services or upgrading of local roads, to the provision of internet access and appropriate work spaces.

Rural businesses can suffer from relative isolation and a lack of adequate infrastructure to support them in developing their activities.

At the same time, the availability of cheaper land in rural areas compared to cities and the growth of digital technologies offer significant potential gains from providing the required infrastructure.

RDP support can be used to make the infrastructure investments needed to facilitate local economic activity – for example under basic services and village renewal (Measure 7).

Equally, many Local Action Groups have used LEADER funding over the years to support investments in local infrastructure. These projects are often driven by passionate individuals or groups within the community.

Provision of internet access

In the 21st century, creating a truly supportive environment for rural businesses requires the provision of fast and reliable internet access. Overcoming the digital divide experienced by many rural areas is essential – through whatever technology is most appropriate for an area.

In many cases, private telecommunications companies and national broadband investment programmes do not see the business case for investing in broadband internet infrastructure for isolated rural villages.

However, an increasing number of rural communities are showing how local action and community buy-in can deliver economically and technologically sustainable solutions.

See p.13 for details of a community-led LEADER project in Finland that installed its own fibre-optic broadband network.

Professional work spaces

Many rural businesses can benefit from the local availability of professional work spaces.

For some rural businesses this can mean having a professional space available without having to invest in their own business premises. In other cases, it can mean a more effective space for working than at home or avoiding a long commute to office spaces in an urban area.

Shared professional workspaces can also take on a kind of 'hub' role, bringing local businesses together, supporting networking and enabling a range of additional business activities to emerge.

See p.15 for an Austrian project that has transformed an old country inn into a shared community and work space.



© Village Optical Fibre Network Cooperative of North-Western Kuhmo

A local fibre-optic network in Kuhmo, Finland

The initiative 'Village Optical Fibre Network Cooperative of North-Western Kuhmo' used community engagement to put in local fibre-optic infrastructure and help deliver an affordable and fast internet service in a sparsely populated area.

A digital divide in rural Finland

Kuhmo is a sparsely populated municipality in the region of Kainuu in the east of Finland, where many local residents and business have not had access to broadband internet access.

This is because telecommunications companies had not found it commercially attractive to invest in fibre-optic broadband internet infrastructure in their locality.

A national 'Broadband for All' programme had provided support to commercial network operators to construct new cable lines to reach out to additional parts of the country. However, this did not overcome market barriers in some areas; in other cases, distant villages received new cables, but only a few residents could afford to link to them.

"In a small country like Finland, in sparsely populated countryside, often one company determines the conditions for network construction, prices etc. The Kuhmo Cooperative case illustrates that this does not need to be the case."

Petri Rinne

Finnish Rural Development expert

A local champion

Philip Donner is a local resident in the village of Iivantiira in Kuhmo municipality who was convinced through his personal and professional experiences of the digital potential for rural areas in Finland.

Meanwhile, he was aware of the possibility of community-constructed fibre broadband connectivity from the first pilot broadband network built in the Kuhmo neighbourhood of Hietalahti in 2007.

"Knowledgeable individuals, local champions I could say, like Philip Donner are extremely important for sparsely populated countryside."

Pirjo Heikkinen

Manager, Living Kainuu LAG

Philip Donner was a driving force behind the creation in 2013 of a local internet cooperative in north-western Kuhmo. This responded to a policy change in Finland which meant that such bottom-up approaches could also receive funding support to help bridge the digital divide experienced in many rural areas.



© Village Optical Fibre Network Cooperative of North-Western Kuhmo

Members of the community volunteered their time and machinery to install the local broadband cable network.

A community-based process

The 'Village Optical Fibre Network Cooperative of North-Western Kuhmo' started by seeking the commitment and buy-in of the local community. They went household by household and organised village and neighbourhood gatherings. They explained and discussed the benefits of the information society and opportunities of fast internet connections.

With the commitment of local people, the investment was made in the construction of a fibre-optic network. In practice, most of the construction work consisted of earthworks.

"Building optical fibre networks is not rocket science."

Philip Donner
Project coordinator

RDP support to the project was 74% of the total costs, without which the investment would not have been possible. However, the contribution of time and machinery by local people was also crucial.

As well as the use of tractors and excavators, the project benefitted from 36 000 hours of voluntary work at the construction phase. The cooperative calculates the value of the voluntary contributions at over € 350 000. This helped make it a much more cost-effective investment than would have been possible by a purely commercial operator.

In total, the cooperative was able to install 165 kilometres of fibre-optic cable. This created a local network, which could be connected to the main national broadband network.

Fast affordable connection

Simultaneously to the construction phase, the cooperative negotiated with different telecommunications companies about providing the internet service to the resulting network. Eventually, a big national operator, TeliaSonera, was chosen and the north-western Kuhmo network was connected in the autumn of 2015.

The network provides very fast data transfer speeds of 110 Mbps for upload and download over the internet and an even faster equivalent figure of 1 Gbps over the Intranet (within the local network). The network covers the seven villages of Hietaperä, Härmänkylä, Iivantiira, Kuusamonkylä, Härmänkylä, Koskenmäki and Ylä-Vieksi.

"Building the trust and commitment of the community was the key success factor. The cooperative started from the neighbourhoods and villagers themselves – and the result was then based on their needs, with hundreds of customers and very cost-effective implementation."

Petri Rinne
Finnish Rural Development expert

Thanks to the early community engagement, more than 200 of the 270 households in the project area signed up to the service. This, together with the local ownership of the physical cable network, means that each household benefits from the relatively low monthly fee of € 28 per household.

Further steps forward

The cooperative is proud of having been able to change the thinking and attitude of the involved public authorities and private companies towards the feasibility and value of internet service provision in sparsely populated rural areas. There is now a much stronger working relationship and ongoing areas of collaboration between these bodies.

The villagers also learned that bottom-up initiatives and taking the future in their own hands can really make a difference and increased their confidence to do more.

"Based on villagers' own initiative and thinking 'outside the box' they now have better and more cost-effective internet services than average Finns or our urban residents do."

Petri Rinne
Finnish Rural Development expert

Since the project ended in 2015, the cooperative has been maintaining and further expanding its network. The new RDP (2014-2020) is supporting the extension to Vieksinjoki-Katerma village and a similar investment in Juttua-Hiekkala village through the LAG 'Living Kainuu LEADER'.

Project Name	Village Optical Fibre Network Cooperative of North-Western Kuhmo
Type of Beneficiary	Local Cooperative
Period	2013-2015
Funding	Total cost: € 1 884 000 EAFRD contribution: € 627 372 National contribution: € 766 788 Private contribution: € 489 840
RDP Measure	M321 (2007-2013) – Basic services
Further info	www.nettinoste.fi
Contact	pdonner@znak.fi

A new facility for small businesses in Upper Austria

The 'Gasthof Bräu' project has received funding via the LEADER Measure to help restore an old country inn in order to provide professional working spaces in Munderfing town centre. As part of overall restoration work, the EAFRD has been used to support purchase of the required technical equipment to enable modern business use.

A new local vision

Munderfing is a municipality in the state of Upper Austria with a population of around 3 000. Around 95 % of its territory is used for agriculture and forestry.

At the heart of the town centre stands the old country inn 'Gasthof Bräu'. Once an important place for social and economic community life, it had been mostly empty and unused for 40 years.

In 2015, the municipality organised a participatory process to generate ideas and a vision for the future prospects of the municipality.

Representatives of various stakeholder groups identified a strong need for local event facilities and work spaces. Revitalisation of the old Gasthof Bräu was identified as a key project that could have a positive impact on the small rural town.

EAFRD-supported renovations

The project has involved complete renovation of the building. Walls, ceilings, floors and doors have had to be repaired or replaced. A new heating system and furnishings have also been installed.

"With the revitalisation of the 'Bräu', we are killing two birds with one stone. The empty building is being used again and the municipality is now offering a service to potential businesses."

Erwin Moser
Chief Officer, Munderfing Municipality

Renovation included creation of a new internal layout. The new facilities include small meeting rooms, co-working spaces and a large hall equipped with a partition wall to make it adaptable for various uses.

Support under the LEADER Measure has been used specifically for the purchase of furnishings and equipment to enable professional business use. This included a beamer, sound system, loudspeaker, projection screen and seating.

The municipality already started holding events in the Bräu even before the renovation work was complete. It was quickly evident that the building's restoration introduces great benefits and opportunities for the community as well as for the wider region.



© Gasthof Bräu

The project is turning the old country inn into a new business and community centre.

"Offering seminar rooms is a big step to revitalise the town centre, which was dying out as businesses moved to other areas. Now more people can use this facility and help to create a buzz."

Rebekka Reichinger
Office worker

The project shows how restoration and modernisation of existing village infrastructure can provide valuable connections between history/traditions and modern social, cultural and business needs.

Project Name	Gasthof Bräu
Type of Beneficiary	Municipality
Period	2016-2018
Funding	Total cost: € 150 000 RDP contribution (including EAFRD co-finance): € 90 000 Private contribution: € 60 000
RDP Measure	M19 (2014-2020) – LEADER/CLLD
Further info	www.munderfing.at
Contact	erwin.moser@munderfing.ooe.gv.at

4. Investment in the agri-food sector

The agri-food sector remains crucial for many rural economies across Europe. EAFRD-supported projects have helped agri-food businesses to develop, grow or become more competitive through targeted investment support.

Supporting farm businesses is a key priority of the Rural Development Programmes (RDPs), notably through investments in physical assets (Measure 4) and farm and business development (Measure 6).

Such investments can help farms to modernise their processes or diversify their activities, enabling them to survive in the modern economy by becoming more competitive and resilient.

Farm modernisation

One area of relatively common support by the RDPs is for farm modernisation. Through targeted investments in the right equipment and machinery, farms can significantly improve their efficiency, including by reducing their running costs and/or increasing their output.

Farm modernisation investments can also be used to increase product quality, use resources more efficiently and, subject to certain support conditions, to meet modern hygiene and animal welfare standards.

For example, a project in Romania saw investment in a vegetable farm that increased production, created employment and made it easier for the company to adapt to EU standards.⁽¹⁾

In certain situations, one-off investments can be enough to transform the business outlook of the farm and ensure the long-term viability of the business.

See p.19 for details of how RDP support for farm modernisation has enabled a new growth strategy on a small dairy farm in Slovakia.

(1) http://enrd.ec.europa.eu/projects-practice/modernisation-vegetable-farm-romania_en

Farm diversification

Agri-food businesses can obtain RDP support to diversify production or add value to their existing produce.

A particularly useful form of support can be investment in the machinery and equipment needed for farms to process their primary products on site. Such investments can significantly increase the profitability of a farm and open up new types of market access.

A project in Scotland (UK) saw EAFRD investment in a new brewery building that increased the production capacity of the business four-fold and facilitated a significant improvement in quality.⁽²⁾

See p.17 for an example of the EAFRD supporting a Greek cooperative to create an automated production line for a new product.

Many farms are also increasingly turning to the RDPs to support investment in non-agri-food business activities (see following section).

(2) www.ruralnetwork.scot/case-studies/fyne-ales-new-brewery



Creating a new supply chain in rural Greece

A group of motivated individuals founded a collective company to develop a new 100% natural pomegranate juice product in the regions of Attiki, Arcadia and Ilia. They used EAFRD funding to support investment in a brand new and completely automated production line.

A new product idea

A group of rural stakeholders in Greece saw a business opportunity from the cultivation and processing of pomegranates in place of the usual cultivation of olive trees.

The aim was to produce a 100% natural juice, offering a higher quality alternative to the powder and juice-concentrate products already available on the market and at competitive prices.

They identified that through joint and coordinated action they could benefit from economies of scale and ensure quality all along the supply chain. This approach would enable the producers not only to add value to their production, but to ensure that they retain more of this added value for themselves.

They formed a collective company 'Alfios Pomegranate' in 2011 with 69 founding 'producer shareholders'. The founding shareholders were of all ages and different professions. Although all had cultivated land, only 30% were professional farmers.

Individual producer-shareholders cultivate pomegranate trees on their private properties, which they supply to the collective company. All producers follow the same agreed quality requirements.

"Alfios Pomegranate SA is a social self-managed investment with high added value."

Paraskevas Paraskevopoulos
President of the management board,
Alfios Pomegranate SA

After cultivation, the collective company takes care of the storage, processing, marketing and branding of the 100% natural pomegranate juice.

Working together enabled the producers to seek common advice and take joint technical decisions on the quality of the fruit produced and the promotion of end products. In 2014, the company's first certified 100% natural pomegranate juice reached the market.

Accessing investment finance

The company's medium-term business plan included the installation of a complete and fully automated production line. This aimed to deliver the capacity to ensure sufficient scale and quality of production.

The company researched appropriate manufacturing technologies and the necessary equipment to meet their requirements. They also investigated possible sources of investment support, before deciding to apply to their Local Action Group (Development Agency of Olympia).



© Alfios Pomegranate SA

The cooperative not only managed the production and processing of a new pomegranate juice, but also the branding and marketing.

To generate the required 'match funding', Alfios had to ask its shareholders for an extra financial commitment to increase the company's capital. Without this the investment would not have been approved.

"I am proud of the shareholders of 'Alfios Pomegranate' and their common work and will. The approval of the project for finance under LEADER increased their confidence in the project's success."

Paraskevas Paraskevopoulos
Alfios Pomegranate SA

A new production line

The company created a 'project team' composed of several shareholder-producers of different professions. They oversaw the realisation of the project, including the first crucial stage of identifying and leasing suitable premises for the production line.

The project funding was used to purchase the necessary machinery for the juice-processing unit and install it in the leased premises.

The new automated system covered all stages of processing including: washing; selection; peeling; separating the fruit pulp; transfer to the fermentation and pasteurisation unit; and, finally, bottling.

The technical standards of the processing unit were developed in close cooperation with the supplier. Together they also trained the personnel in the use of the equipment for a period of six months. A quality assurance system ISO 22000:2005 was put in place.

Accessing new markets

The automated juice unit became fully operational in January 2016. The system guarantees use of only the best quality fruits, totally mechanical processing and direct on-site bottling. This ensures delivery of a 100% natural juice without preservatives, sweeteners or flavourings.

Around three tonnes of raw materials can be processed by the unit per hour giving an annual production capacity of an estimated 822 000 litres of juice. The bottling capacity is around 10 000 bottles per day – into 250ml and 1 000ml glass bottles.

During the first year of automated production, 110 000 bottles of juice were produced, and 95 000 bottles sold – an impressive 86%. Alfios expects to increase its turnover in 2017, aiming to produce and sell 300 000 bottles.

To secure sales of the juice, Alfios established a distribution network with 700 selling points in Athens and 200 in the Peloponnese. Although it intends to expand its distribution to include major retailers, this marketing strategy protects the company from reliance on retail chains that push for very low prices.

As well as capitalising on the economies of scale that can be realised when producers cooperate on a large scale, the project has proved that fruit producers can work well together to deliver added value even in an area without a tradition of collaboration.

The project also shows the potential long-term value of initial investment support from the RDP. In 2016, just five years after its foundation, Alfios Pomegranate has increased its number of producer-shareholders from 69 to 235.

Together, they grow more than 163 000 pomegranate trees across a total surface of 2 000 acres across the Peloponnese and Attiki. They currently produce 650 tonnes of fruit per year, with the ambition being to reach a production of 5 000 tonnes per year.

"Alfios Pomegranate has made further investments in the plant, buying additional equipment and machinery to further promote the quality of the end product, enlarge the packaging means and increase the life-cycle of the pomegranate juice."

Paraskevas Paraskevopoulos
Alfios Pomegranate SA

Project name	Pomegranate Juice Production Unit
Type of Beneficiary	Producers' cooperative
Period	2014-2017
Funding	Total cost: €470 613 EAFRD contribution: €223 541 National contribution: €11 765 Private contribution: €235 307
RDP Measure	M123 (2007-2013) – Adding value to agricultural and forestry products
Further info	www.alfeiosrodi.gr
Contact	info@alfeiosrodi.gr

Urgent modernisation of a dairy farm in Slovakia

The EAFRD has provided crucial investment support to a relatively small cooperative farm in Slovakia with outdated facilities. The support has kept the farm viable and started a process of becoming a medium-sized farm focused on the quality of its production, diversification and public image.

An urgent need of modernisation

Paňovce farm covers 770ha in south-east Slovakia. Created as a state-owned cooperative in 1952, it became independent in 1994.

Over time, the agricultural cooperative – which has 30 employees – became increasingly concerned about the poor condition of its ageing facilities.

The farm was struggling with: poor ventilation and insulation in the cowshed; an electrical system in disrepair; and an obsolete feeding system. The future of milk production on the farm was under threat.

The cooperative successfully applied for RDP investment support to upgrade and modernise its old cowshed to improve hygiene and welfare standards.

EAFRD-supported investment

A crucial planning stage involved practical and technical investigations, including a useful study visit to a similar cooperative with more modern facilities.

However, once the modernisation work started, the cowshed was found to be structurally unsound. The beneficiary discussed the situation in several meetings with the Paying Agency in Slovakia which agreed to support construction of a totally new cowshed.

Despite the complications and delays, the cooperative was able to remove the old infrastructure and build the new cowshed to the original timeframe. This was thanks to more intensive construction work and regular control visits by cooperative representatives.

“We seek to become a medium-sized fully functional agricultural farm with a broad offer of various quality agri-products.”

Stanislav Rákoš
Chairman, Paňovce cooperative

The new cowshed is equipped with four rows of resting boxes with space for 160 dairy cows. Windows in the roof provide more light, whilst adjustable plastic sidewalls and ventilation blowers ensure proper airing.

The cooperative is proud of the improved animal welfare and lower health risks to workers on the farm, as well as its reduced environmental impact. It also benefits from higher quality raw milk production.



© Paňovce farm

Modern facilities are essential to the long-term viability of dairy farming in Slovakia.

This progress has only made it strive to do more. It has developed a follow-up project to invest in milk processing and has created a modern webpage, promotional video, mobile milk service and farm shop.

“The modernisation of the cowshed helped us to keep the dairy production on the farm. Yet this is only the beginning – we have new ‘shoes’ but we need to modernise also the rest of the farm.”

Pavol Rybár
Director/CEO, Paňovce cooperative

Project name	Modernising dairy production on the Slovakian cooperative Paňovce
Type of Beneficiary	Agricultural cooperative
Period	2014-2015
Funding	Total cost: € 483 073 EAFRD contribution: € 181 152 National contribution: € 60 384 Private contribution: € 241 537
RDP Measure	M121 (2007-2013) – Modernisation of agricultural holdings
Further info	www.pdpanovce.sk
Contact	rakos@vskmineral.sk

5. Investment in rural diversification

Rural businesses are increasingly developing in a broad range of economic sectors. EAFRD support is available to such businesses, which can help create more economically diverse and sustainable rural areas.

Rural businesses can develop in very diverse sectors of activity. The local opportunities will usually depend on the specific characteristics of the territory.

Targeted investments in areas of local opportunity can create jobs, increase spending power and create sustainable economic growth in rural areas.

One growth area in recent years has been rural tourism, with businesses having the opportunity to take advantage of an increasingly urbanised and relatively affluent population wishing to visit the countryside for space and relaxation.

In other cases, cheap land prices or natural assets can create the potential to profitably invest in high-tech bioeconomy or renewable energy infrastructure.

Farm diversification

There are increasing opportunities for farms to diversify outside of the agri-food sector and the RDPs can provide crucial support to such endeavours.

These opportunities can be as basic as making existing rooms available to visitors and enabling them to join in farm activities. However, they can also require significant investment in completely new facilities for hugely varied on-farm activities.

See p.21 for the story of a young Dutch farmer who used EAFRD investment support to create an on-farm child daycare facility.

In another example from the Netherlands, one RDP-supported project has enabled a working farm to develop an onsite spa, creating a new attraction for tourists.⁽¹⁾

(1) http://enrd.ec.europa.eu/projects-practice/boerderij-spa-%E2%80%93-farm-spa_en

Business investment

Entrepreneurs can access start-up aid for rural businesses through the RDPs. There is also support available for investment in the development of existing activities or products.

The range of activities that can be supported is limited only by the number of good ideas. Supported projects have included a business specialising in stunt shows on motorbikes and snowmobiles in Finland⁽²⁾ and an entrepreneur in Austria aiming to turn old shipping containers into affordable living spaces.⁽³⁾

RDP support of diverse rural businesses can also involve investment in the modernisation of equipment and machinery to remain competitive.

See p.23 for details of the EAFRD providing investment support for the purchase of specialist machinery by a metalworks company in Hungary.

(2) www.maaseutu.fi/en/practical-insights/international-cooperation/Pages/Dreams-come-true-with-passion-and-hard-work.aspx

(3) www.livingcontainer.at



© Het Hazendonkje

An on-farm child day-care centre in the Netherlands

The successful agricultural day-care centre ‘Het Hazendonkje’ shows just one of the ways in which enterprising farmers are using EAFRD support to diversify economic activities on their farms and generate both jobs and growth in rural areas.

An innovative idea

Matthijs Baan is a young farmer with a modern and entrepreneurial approach. Together with his father, he runs a family farm in Molenaarsgraaf – a village in Alblasterwaard in the Dutch province of South Holland.

“Farmers need to develop their businesses. Some farmers enlarge their farming scale, but in Alblasterwaard this is not an option. The future is in a multifunctional agriculture which serves social, environmental and consumer needs.”

Marieke Kok

Dutch Rural Development expert

Matthijs was inspired by the concept of an agricultural day-care centre. The idea was to enable young children to experience rural life, while providing an important source of revenue for the farm.

He started the work of converting an old barn into a day-care centre. However, he was convinced that the full concept required additional outdoor facilities in order to achieve the mission of enabling children to experience rural activities with animals and gardening.

An RDP-supported investment

To begin with, Matthijs could not find finance to support investment in his idea. Thankfully, he was able to access funding through the Dutch RDP to support design and construction of a high-quality outdoor playground.

The playground was inspired both by the needs of the day-care centre and the existing farm. It was constructed with high-quality materials and, as much as possible, natural products and materials were used.

Matthijs preferred working with local suppliers and business partners in the realisation of the necessary works, thus providing a further boost to the local economy and local employment.

“We try to get our work done in the area, so we are very glad that Het Hazendonkje selected our company for the realisation of the project. We see the result of our work every day and our people are proud of it.”

A. Mourik

Construction contractor for the playground



© Het Hazendonkje

‘Het Hazendonkje’ shows an innovative approach to both strengthening farm viability through diversification and providing a vital rural service.

A concept with multiple benefits

With hard and steady work, the outdoor playground was ready for the opening of the day-care centre. This ensured that Matthijs could present a fully realised concept to the public.

“I am very enthusiastic about the convergence of working with young children together with enjoying and experiencing farm life.”

R. Heikoop
Teamleader, Het Hazendonkje

The outdoor playground – which is used by the children every day – is challenging and stimulating and enables the young children to truly experience rural life and farming activities.

The centre continues to build on this in developing additional pedagogic farming and gardening activities for the children.

The day-care centre provides the farmer with an important and reliable source of revenue to complement the income from ongoing farming activities. Significantly, it has also created 23 jobs, with many of these being enjoyed by local women.

The facility provides many other benefits, including making it easier for parents in the catchment area to return to work – with particular potential to support the labour-market participation of women.

It also helps both children and their parents – particularly from larger towns in the area – to improve their understanding of rural life, nature and farming.

“What a great day care centre.”

“Our girls had a wonderful time again this week! They came home with straw on their clothes, lovely!”

Parent feedback
Comments posted on Facebook

on-farm rural business ventures, diversifying from a total reliance on agriculture. Matthijs Baan often shares his experiences of taking “Het Hazendonkje from idea to successful business” with other potential entrepreneurs.

A lesson from his experience is that if an entrepreneur is convinced of a concept, has the courage to realise an idea and is persistent, this can lead to impressive results.

Matthijs highlights the importance of thinking ‘outside the box’, finding your niche and involving the right people early on. Another message for others is to be ready with entrepreneurial ideas before any specific call for projects comes out.

“An entrepreneur cannot control the timing of the availability of funding, you have to be ready for unexpected opportunities.”

Matthijs Baan
Farmer and entrepreneur

Project name	Het Hazendonkje Agricultural Day-care Centre
Type of Beneficiary	Farmer
Period	2012
Funding	Total cost: € 123 000 EAFRD contribution: € 46 000 National contribution: € 46 000 Private contribution: € 31 000
RDP Measure	M311 (2007-2013) – Diversification into non-agricultural activities
Further info	www.hethazendonkje.nl
Contact	molenaarsgraaf@hethazendonkje.nl

Future growth and inspiration

The RDP investment has generated a completely self-sustaining on-farm business venture, which no longer requires any public support. It has also successfully demonstrated a model with further development potential.

In 2016, Matthijs successfully expanded his operation, opening the second location of ‘Het Hazendonkje’ in Schelluinen – about 20 km from Molenaarsgraaf. The outdoor playground was realised on exactly the same concept as the original location. The feasibility of a third location near Rotterdam was already being examined in early 2017.

Furthermore, ‘Het Hazendonkje’ is a particularly inspiring example of a business start-up that can encourage others to develop smart and competitive

Modernisation of a family metalworks business in rural Hungary

The Tóth Metalware Producer Partnership – a small metalworks company in north-east Hungary – used RDP support through LEADER to modernise its operations by investing in new machinery. It has succeeded in expanding its customer base, introducing new products and employing more staff.

Tóth is a small family-run company that makes precision-machined parts such as automobile and machine components, tools and roller chains.

Investment in new, large-scale machinery was deemed essential if the company was to keep its customers happy and produce new products for the market.

More modern machinery

The company first secured RDP funding for the purchase of machinery in 2010. This was under the LEADER Measure 413, which promotes job creation and economic diversification.

This helped pay for two state-of-the-art computer numerical controlled (CNC) lathes, which were rapidly replacing older production lathes in the sector.

The machines – purchased after consideration of two price quotes – quickly allowed Tóth to broaden its product range of high-quality finished products.

A second phase of RDP investment followed in 2013. A customer was faced with a shortage of tools, which provided Tóth with an opportunity to replace the original supplier if it could make the tools.

Funding was quickly secured from the Local Action Group for the purchase of a CNC milling machine to do the job. To complete the improvements, Tóth also paid for a heat-treatment furnace and welding equipment.

“The company is a good example of diligence, where market expectations, quality and affordable price [are] jointly present.”

István Eged
President, Észak Hevesi 33 Association (LAG)

More revenue, more jobs

Tóth is now able to deliver high-quality, precision workmanship to a growing customer base which includes clients in Germany and Sweden.

Company turnover increased more than five-fold in the period 2009-2016, up to nearly €900 000 (from 52.7 million HUF in 2009 to 279.7 million HUF in 2016).

Crucially for the local economy, from having just one employee in 2009, the company employed 19 people in 2017. The new employees include a mix of highly



© Tóth Metalware

Targeted investments have provided scope for continued company growth.

experienced professionals and semi-skilled workers from disadvantaged neighbouring villages.

Furthermore, Tóth has built on its EAFRD investments to make further beneficial modernisations – including purchase of a CNC slant bed lathe and a CNC coordinate measuring machine – with support from other European Structural and Investment Funds.

Project	Supporting a Small Metalwork Producer
Type of Beneficiary	Rural Business (SME)
Period	2010-2012 and 2013
Project financing	Combined total cost of two LEADER projects: € 156 301 EAFRD contribution: € 75 279 National contribution: € 18 820 Private contribution: € 62 202
RDP Measure	M413 (2007-2013) – Quality of life/diversification
Further info	www.tothmetal.hu
Contact	info@tothmetal.hu

6. Investment in social enterprise

There is both a great need and significant potential to transform the delivery of products and services in rural areas. EAFRD support through the RDPs can be crucial to enabling social enterprises to get off the ground and provide services from shops to healthcare and from transport to childcare.

Many rural areas have been facing the challenging reality of closing local shops and services, which can exacerbate cycles of decline. Such trends can push more people to leave, while those that remain risk even greater isolation and vulnerability.

However, new trends are emerging which offer the potential to reverse such decline, notably through new forms of community action and possibilities presented by digital technologies.

One form of practical response has been the creation of social enterprises. These are commercial operators providing goods and services in entrepreneurial ways, but whose objectives are social (or environmental). Rather than generating profits for the owners or shareholders, social enterprises reinvest any profits towards their agreed objectives.

Community services

Many social enterprises have developed to provide basic community services, such as shops and services.

In many cases, such social enterprises are able to use local commitment and volunteering to provide a sustainable service that the private sector is no longer willing or able to provide.

RDP finance can be particularly helpful in supporting some of the initial investment costs to enable these initiatives to take off.

See p.27 for the story of a small local community in Germany which came together to deliver its own community shop and café.

Social services

RDPs have also been used successfully to support social enterprises focused more specifically on the most vulnerable members of the community or those with special needs.

See p.25 for details of a social enterprise in Scotland (UK) offering jobs, training and a sense of community to local adults with special needs.

An interesting avenue of development has been the use of animals on farms in the context of rehabilitation services for people with learning difficulties. For example, a project in Austria used RDP support to convert farm facilities into a horse-assisted therapy centre for children and adults with special needs.⁽¹⁾

RDP support has also been used to encourage social enterprises more generally. For example, in Hungary it has supported development of two new resource centres for social enterprises, which were able to promote increased local employment in disadvantaged communities.⁽²⁾

(1) http://enrd.ec.europa.eu/projects-practice/buhubl-horse-assisted-therapy-centre-children_en

(2) http://enrd.ec.europa.eu/projects-practice/across-country_en



Social integration of people with special needs in rural Scotland

The 'Old School Boyndie Visitor Centre and Shop' on the Banff coast in north-east Scotland provides jobs, training and a sense of community to local adults with special needs. It has benefited from funding through LEADER both in its start-up phase and as it has expanded.

A social enterprise approach

Back in the 1990s, entrepreneur Duncan Leece identified a clear need to integrate adults with special needs in the local area of the Banffshire coast in north-east Scotland. He set about planning his vision and launched the Boyndie Trust in 1999.

The goal of the Trust was to provide training and job coaching for adults with special needs, as well as to create new employment in the area and boost local tourism through a new visitor centre.

Mr. Leece took his plan to Aberdeenshire Council and, in 2003, the Council agreed to transfer a semi-derelict Victorian school building to the Boyndie Trust for a nominal price (less than €2).

"I believe Boyndie's success is at least partly because experienced business managers such as myself have seen it as an enjoyable, challenging and different career move."

Duncan Leece
General Manager, Boyndie Trust

Meanwhile, the Trust carried out a community consultation. Residents recognised the opportunities for economic growth and social cohesion that the plans could offer.

"Everybody needs a value, everybody needs a purpose in life, we give that to people, we give them a sense of being part of the community."

Rebecca Thomson
Boyndie job coach

With the premises secured and locals backing the idea, the Trust received LEADER funding to convert the former school building into a specially adapted training and visitor centre.

A former school becomes a new visitor centre

Boyndie quickly succeeded in providing training and jobs to local adults with special needs who had previously found it difficult to secure employment and find their place in the local community.



© Boyndie Trust

Boyndie social enterprise not only provides an attractive visitor centre, but also a vital source of employment and training for local people with special needs.

Meanwhile, the visitor centre became popular, drawing visitors from within a 20-mile radius to its café, garden centre and gift shop.

Key to the project's success was its goal to make every aspect of the daily running of the visitor centre a learning opportunity for the trainees. They learn about the retail side (from packaging to pricing), as well as craft-making, cooking with local produce, growing and selling plants, flower arranging, working behind a reception desk, cleaning and making window displays.

"Boyndie gave me training that I get nowhere else."
Nathan Beattie
 Boyndie trainee

Boyndie outgrows its premises

Duncan Leece soon began to feel that the project was outgrowing its existing building. He applied for a second phase of LEADER funding in 2011 to help meet the further ambitions of the Boyndie Trust.

The funding was used to refit and expand the premises. A workshop was moved into a new building to free up space for a permanent training area. The gift shop was improved, the car park expanded and the garden centre extended.

Two people were hired to develop further commercial and training opportunities, and more adults with special needs found jobs. Overall, at least nine new jobs were created and nine were safeguarded. Moreover, around 60 people were trained.

Overall, the funding helped to build on the centre's existing economic and social benefits, as well as to provide a more attractive visitor centre and shop for tourists.

"The [development] created more skilled individuals, increased tourism, increased revenue generation and, furthermore, created jobs."

Duncan Leece
 Boyndie Trust

Jobs in the gardens, shop and kitchen

On a typical day, around seven or eight people are working in the visitor centre, cooking in the kitchen, serving in the restaurant and shop, crafting products and ensuring the general running and care of the centre.

The centre continues to grow and thrive, adapting to customer needs and expanding to attract new markets.

Mr. Leece makes it his goal to guarantee that Boyndie continues to stay on top of the latest retail trends by meeting customers' expectations and finding new ways to draw in visitors.

Moreover, the social enterprise has stayed true to its core values of finding employment for people who might find it difficult to do so in more traditional jobs not adapted to their needs.

Making social enterprise a success

For Mr. Leece – as a former business manager – the key to achieving the social ambitions of the Trust is to make the social enterprise a financial success and thereby cut dependency on grants or charity.

Clearly, that is what he has managed to accomplish. Even since the end of the funding support through LEADER, Boyndie is still a sustainable, relevant, popular and growing organisation. Today, after more than fifteen years in business, it can rely on self-generated income.

"LEADER is all about legacy and that's very much what we've achieved. There's no question at all that the Banffshire coast has benefitted from LEADER in terms of better facilities, better services and increasing the tourist trade, which in itself brings increased prosperity."

Duncan Leece
 Boyndie Trust

Project name	The Old School Boyndie Visitors' Centre and Shop
Type of Beneficiary	Social Enterprise
Period	2011-2012
Funding	Total cost: € 199 260 EAFRD contribution: € 85 682 National contribution: € 16 233 Private contribution: € 97 345
RDP Measure	M411 (2007-2013) – Competitiveness
Further info	http://www.boyndievisitorcentre.co.uk
Contact	boyndietrust@hotmail.com

A cooperative shop benefits a small village in central Germany

The new cooperative store in Ballstädt is a community-driven initiative providing villagers with access to basic goods and services. The self-sustaining shop and café has also become an important meeting place for the extended community.

Responding to a local need

The village of Ballstädt is located in the district of Gotha, a rather disadvantaged area in Thuringia. With only 700 inhabitants, the village saw its only bakery, shop and privately run restaurant close down in 2014.

The inhabitants of the village were faced with the loss of access to basic goods and services and also the disappearance of valuable meeting places.

The community came together to find a practical solution to meet its needs. They formed a cooperative benefiting from a very active management board of local people with various forms of professional training and experience (retail, finance, IT, etc.).

They accessed LEADER funding to invest in the establishment of their own cooperative store and café.

Small investment, big results

The project restored and converted an existing building in the heart of the village. Located next to a children's day-care centre and doctor's surgery, it made it a convenient meeting place for the community.

Considerable work was needed including: restoration of ceilings and walls; painting and plasterwork; fitting a kitchen; creating outside storage spaces; and installation of ventilation and heating systems.

In addition, a small seated area was created to provide a free space for villagers to socialise.

The cooperative store – which opens six days a week – has increased the access to basic goods and services and therefore the independence of local older people.

“Us older people are overjoyed. Now we don't always have to ask our children [to fetch provisions for us].”

Sieglinde Möller
Local inhabitant, Ballstädt

Serving 70-110 customers every day, the store is financially self-sufficient and provides the equivalent of three full-time jobs. The members of the cooperative are also willing to support voluntarily when business gets very busy.



© The new cooperative store at Ballstädt

The village shop in Ballstädt also provides a vital community meeting place.

The café has also very quickly become the centre of village life during the day. It has encouraged interaction between generations and provided a handy meeting space for local business and craftspeople.

“A feeling of community is growing again between the generations. There is a new feeling of belonging and pride among everyone at the new situation in Ballstädt.”

Horst Dünkel
Mayor of the Municipality of Ballstädt

In 2016, further support of nearly €7 000 was provided under LEADER for a project to install new refrigerated wall cabinets in the cooperative store.

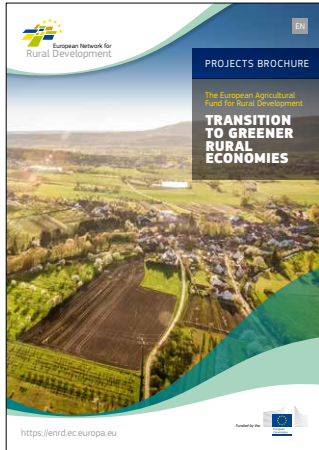
Project name	The new cooperative store at Ballstädt
Type of Beneficiary	Cooperative
Period	2015-2016
Funding	Total cost: € 35 947 RDP contribution (including EAFRD co-finance): € 17 952 Private contribution: € 17 995
RDP Measure	M19 (2014-2020) – LEADER/CLLD
Further info	See Konsum Ballstädt's Facebook page
Contact	steffenbessing@gmail.com

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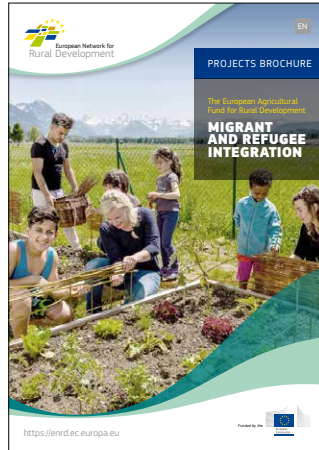
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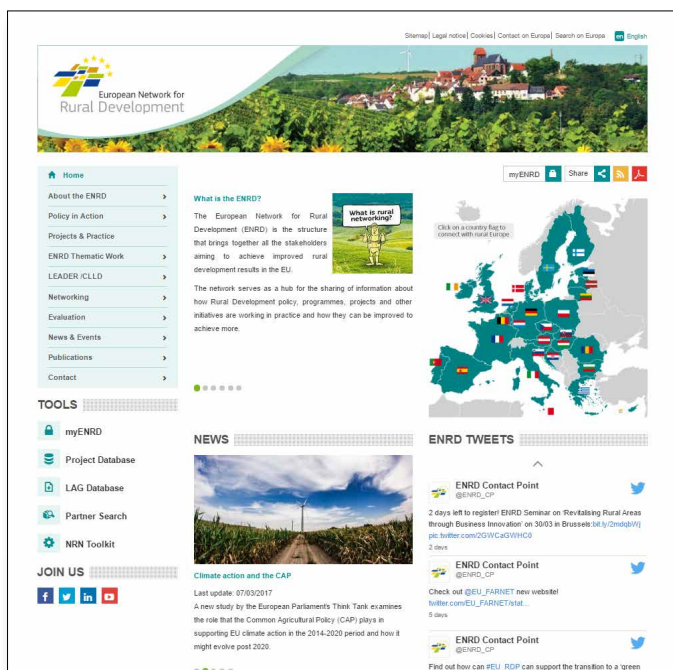
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