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Case of study of Local Action Group Levoča: Leader Axis in Slovakia

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Introduction

Our group, the Levoca Party, spent the month of August learning about the LEADER program and the self-evaluation technique. We used what we learned to evaluate the Local Action Group (LAG) Levoca, located in the Preso district of Slovakia. We wanted to know if the LAG was successfully working to meet the needs of all of the people in the region within the regulations of the LEADER program. We analyzed the strategy for the Levoca region, looking at the strategic framework SWOT, the problem analysis, strategic framework action plan, financial plan, monitoring and evaluation, and projects. In addition to looking at the paperwork behind the construction of the LAG we visited the managers of the Levoca LAG and visited three villages in the Levoca region. We saw three implemented projects, met LAG members, and spent five days asking questions and listening to different perspectives on the Levoca LAG. After gathering enough information, we worked together and performed a institutional analysis and finally came up with recommendations for ways to improve the LAG. We all enjoyed working with everyone involved in this project and benefited from the hands on experience; we hope that our comments will help the Levoca LAG to continue to grow and be successful.

Situation Analysis

Environment

Concerning the environmental characteristics of the territory different aspects can be underlined. Levoca territory presents an attractive landscape with a clean environment and picturesque scenery. The natural heritage of the territory is rich with exceptionally varied and valuable spots. Different nature reserves and protected areas cover the territory. A number of small rivers run through the district, the larger of which is Levočský stream. A substantial part of the territory is located in mountainous and foothill areas with different altitudes from 300 to 900 meters. The highest point reaches its peak at 1.289 meters. This attractive landscape is also joined by an important historical and cultural heritage (UNESCO) which is unfortunately unused and not well valued for tourism.

This land is 59% agricultural, with 31.2% covered by permanent grassland, meadow, and pasture, and 27% is arable land. The 41% non-agricultural land remaining is mainly forest (33.9%). Developed land is situated on 3.4% of county area. Water areas occupy 0.5% of the district and other 2.8% land area in the district of Levoča.

Social

The Levoca region has a population of 31.017 (2007). The nationalities are 87,07% Slovak, 11,20% Roma, and 0,64% Czech. The two main religions are Roman Catholic Church and Greek - Catholic. According to the Statistical Office, the population the period 2003 to 2007 did not change significantly. The population in villages of the area is gradually declining but this region does not have problems with emigration. The largest group of the Levoca district is people with primary education. However the traditional skills of the population represent a huge human potential.

In health and educational infrastructure, the territory has a total of 20 primary schools, 16 medical centres with teams of professional ambulance and 5 pharmacies. Regarding the state of the roads, there are long stretches along the territory with precarious status or even needing urgent attention. One of the most remarkable of these is the absence of a highway passing through the territory. This is vital to improve the economic development through the use of both the industry and the benefits from the tourism sector. The District of Levoca has established and currently operates 79 community organizations.

Economic

The Levoca LAG is made up of 31 villages in the Preso region in the Levoca region. The territory has 33 villages. One village did not join because culturally it

belongs to another district. The second village was involved in the formation of the LAG but at the last minute decided not to join because the mayor did not want to pay dues. The LAG is made of 67 members, with 49.25% in the public sector, 34.32% in the private sector, and 16.48% in the private sector.

Compared to 2006, employment decreased by 149 persons. In 2007, the largest sector employing the population was education with 30.8%, followed by health care and social assistance with 24.3%, and finally the other community, social and personal services 14.8%. In 2007 3,564 people were employed, which was 149 less than in 2006. The average nominal monthly wage was CZK 15 472, which was 4,674 less than CZK national average.

SWOT

The SWOT analysis is well organized into four categories: tourism, material/cultural/natural resources, human resources, and economic resources. The information within the categories is well linked and properly organized and the main emphasis is developing the rural tourism industry. The SWOT is integrated; the problems addressed concern the entire region, not specific parts of the territory. It was written from twenty-nine meetings that took place in the individual villages in order to encourage participation from the whole population of the territory and is a good example of the bottom up approach. The only problem with this SWOT is that after reading it one does not have a clear picture of the current economic situation, specifically in which sectors the population is working.

Key Problems

After looking through the SWOT analysis, it is clear to see the link between the SWOT and the four main problems presented in the Problem Analysis. All of the most common issues presented in the weaknesses and threats portion of the SWOT are summed up quite well in the four key problems, and because the SWOT is very well integrated, we feel that the problem analysis is reflective of the whole region. It does not appear to be specific to one or a few regions.

For each key problem there is one priority followed by a number of solution proposals. The priorities very accurately describe what needs to be done to help minimize or eliminate the problems. These are very well formulated because they address the problems in a very clear and succinct manner – it is not difficult to see where these priorities come from or why they are paired with their respective problems. The solution proposals are also very well formulated and they all appear to be very good ways to fulfill the priorities. We also felt that the listed solution proposals for each individual priority were very complete.

One of the strongest aspects of the problem analysis was the fact that it was designed using a very bottom up approach. Because the SWOT was created using information from the individual villages, the problem analysis is inherently reflective of the collective opinions of the individuals and groups participating in these village meetings. Also, meetings of 5 expert working groups – groups of public sector representatives (mayors), tourism business, other businesses, NGO's and civil sector representatives – were all participating in the formation of the problem analysis.

Furthermore, the methodology used for coming up with the most important problems allows for a high level of involvement by the participants. All participating members wrote down the three problems that each thought was the most important.

These problems were all collected and grouped according to similarities. In order to get through the large number of submissions, problems were considered on the basis of which were “wanted, needed, and achievable given the limited financial allocations”. After this was done, the problems were compared using the pair-vise matrix, where pairs of problems were discussed individually, asking the question: “which problem, if solved, would help most to develop the area in an efficient, effective, and sustainable way?” By using this technique, a hierarchy of problems was created.

Solution proposals were also formed with an extensive bottom up approach. In the meetings, participants brainstormed ways to solve the problems that were selected as the four key priorities. We thought that this was the good way to formulate the solutions, because the citizens know better than anyone else how to solve their problems, so we felt that this was the most effective use of the bottom up approach in the problem analysis.

Another strong point that we found within the problem analysis was that the problem solving was synergistic. By this we mean that solutions for the problems were not necessarily specific to their respective problems, and that there could potentially be spillover effects with the solutions. For example, if efforts were taken to improve the civic infrastructure, which is priority 4, it would also help to develop the tourism support system, which is priority 1. Improving the tourism industry and its support systems can help to create more jobs, which is priority 2. This possibility of spillover means that problems can be solved efficiently and effectively.

Strategic Framework

Concerning the strategic framework, the first approach with the vision is very positive. The vision is clear and inspiring and gives a broad and complete “vision” of what they expect for their territory. Moreover the vision concerns all inhabitants of the area: “*We are citizens of the Levoca region which live in the area that: [...]*”. The strategic objective gets from the vision the fully expressed wished change. The four selected priorities permit first to fulfill the strategic objective and at the same time they are able to contribute to the wished change effectively, efficiently and in a sustainable manor. Each priority is covered sufficiently by its own specific objective, which itself is well fulfilled by different measures. Thus from the vision till the measures the intervention logic is clearly set by the strategic framework with a clear link between vision, strategic objective, strategic priorities and measures.

As the SWOT analysis and the problem analysis are well linked, the strategic framework is also well integrated to the general logic. In fact, selected objectives and measures are well justified by the situation analysis and the SWOT. Moreover the specific objectives relates to the problem analysis as they address the different key problems evoked.

The strategic framework was done by Levoca LAG with a significant innovative approach. In fact, this innovative way of presenting try first of all to includes all people all the territory. For example they use the “we” in different part of the strategic framework, “*We will not leave unused our sources*”. This approach permits also to involve people so that they feel responsible for the improvement of their territory. It underlines once again the bottom-up approach used to construct the integrated strategy. Another interesting point is the way all priorities exposed in the strategy are interlinked.

To conclude on the strategic framework it is possible to assume that the approach, in other term the expression of the strategic objective and the specific objectives, is SMART (simplicity, measurable, achievable, realistic, timing).

Action plan

In this document is found the logical link in connection with Axis 4 (Leader), it means, intervention process between strategic objective and specific objective.

The selected measures by the MAS LEV are justified in line with the SWOT analysis. Actually, all activities proposed fulfilled measures and specific objective, namely, exists clear interlink proposed measures and eligible activities, these attached to particular specific objectives. Similarly, solution proposals in the problem analysis fit with activities proposed in this part of the document.

In the SWOT analysis appears a lack of road infrastructure, this objective is too ambitious because the road infrastructure budget is too expensive for Leader, so this objective isn't in the activities proposed. Also, villages are allowed to request Axis 3 for transport infrastructure.

In the other hand, it is identified that maximum money allocated for one beneficiary is not too much money, so could be better and possible to facilitate more smaller projects with a major number of beneficiaries instead of a few large ones. This point is situated in the measure 4.1 and measure 4.2, although these measures contribute to objective achievement. This achieves the solidarity principle that the LAG managers use to govern and manage the LAG.

In conclusion, it appears a clear and good link from SWOT analysis to strategic framework and activities fulfill measures, so, like it is mentioned before, activities permit the achievement of objective and it is time enough until 2015 for all activities including the infrastructure building.

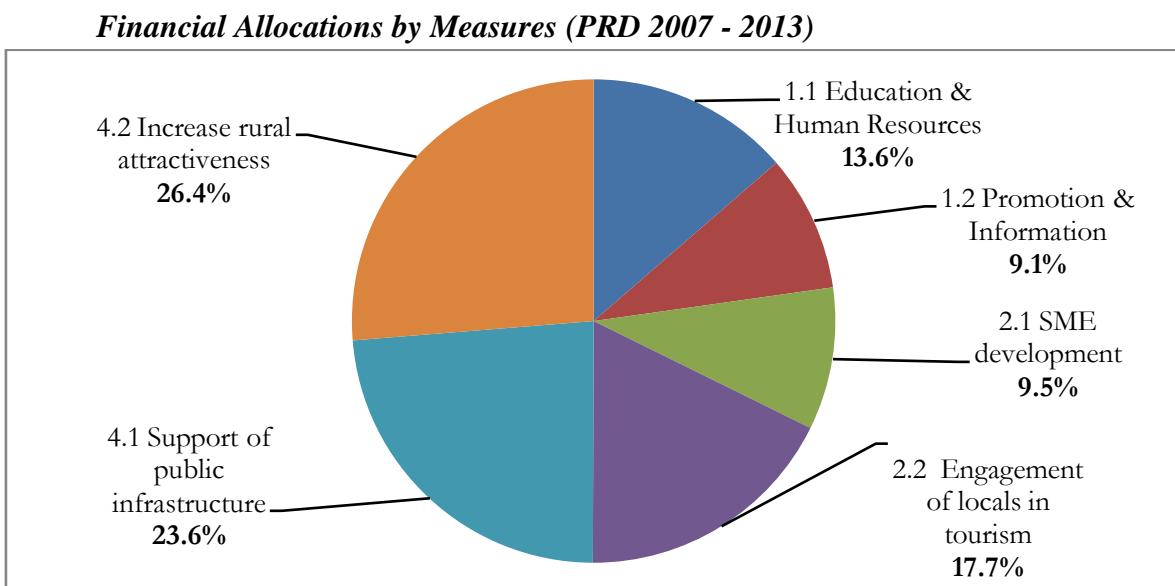
Financial Plan

In the review of the financial plan of the Levoca Local Action Group (LAG), the present study sought to understand how well the plan has been able to properly report on the sources of finance for the project, the allocations and the appropriateness of the allocations towards the attainments of the strategic objectives of the project. In so doing, the study also report on how well local financial resources are mobilized, especially in the context of the co-financing requirements and in giving meaning to building partnership with private investment in the territory.

The review found a well-structured, detailed outline of the sources of finance for the project. Given the wide array of stakeholders involved in the project, such level of disaggregation of fiscal sources is very commendable. In particular, such transparency in detailing the different sources of finance, among other measures for the utilization of the same, are crucial for building confidence and trust. They also enable independent assessment of the financing scheme for the project.

A total sum of 2,295 million euros is budgeted for allocation to the different activities of the project. This amount is contributed by three sources; the government of the Slovak Republic (SR) (18 percent), the European Union (EPFRV) (73 percent) and co-financing from local investors (9 percent). This excludes finances for the administration of the LAG.

It is observed that all six measures financed by the project are clearly derived from the Strategic Framework and the Action Plan of the project (as outlined in the sections above). The figure below outlines the distribution of these financial sources according to these supported measures.



Source: Annex No. 5

All the measures are matched with specific activities that clearly focus on delivering the expected outcomes. In relation to co-financing, a key question is whether the arrangement achieved was appropriate, especially in terms of the capability of local investors to mobilize the needed finance. As this was linked to measures 2.1 and 2.2 (SME development and engaging locals in the provision of more and improved accommodation services, respectively), it was observed that sufficient incentive and goodwill existed for such expectations to materialize. The threshold of fifty percent co-financing is therefore judged appropriate and feasible.

Additionally, the spread of the resources over the activities and across the territory showed good balance and equity, without losing focus on feasibility. On these, it was also observed that while about 50 percent of the resources have been devoted to measures 4.1 and 4.2, the capital-intensity of the activities of these two measures, relative to the others, clearly justified this distributional bias. Also, the fact that the activities are debated and chosen by stakeholders in a participatory manner (and in consultation with the Management of the LAG) assured sufficiency in coverage of key activities and interests of all 31-member villages.

Thus, the participatory approach to the development and presentation of the financial plan shows strong transparency. By so doing, the plan has achieved sufficient targeting of the set objectives and priorities of the key stakeholders, has achieved excellent spread over the activities and a sense of equitable distribution over the territory. Indeed, its linkage with the Strategic Framework, the Action Plan and the overall intervention logic is not in doubt.

Monitoring and Evaluation

From the analysis of the monitoring and evaluation framework of Levoca the Impact Indicators are well selected and visible for all parts of strategic objective. Moreover, the impact and result Indicators are well set up, enabling the strategic and specific objectives to be measured. However, the specific objectives are divided in two parts for the monitoring, 8 instead of 4 in the strategic framework. The number of participants of long learning is an output instead of result indicator. It was also seen that the number of agrotourism provider is repeated as output indicator. This could be measured by using certificate to know the quality.

It was realized that the additional output indicators are properly set in carrying out the specific activities. The indicators were seen to be well addressed and can be carried out easily by using empirical data e.g. number of facilities. It was further seen that the extent of the use of new knowledge achieved from the partner's cooperation in the management of rural development is hard to measure. However, a more precise

indicator could be found, even if it is difficult to measure. It was also realized that emigration and immigration indicators could be more useful than migration balance.

From the M&E framework, there is an evident that the setting baselines, targets and means of verification of data collection are properly elaborated and the self evaluation mechanism is explicitly specified in the M&E framework. In spite of this, gaps were identified in the structure of the framework such that the target values were too optimistic to be fulfilled in the period.

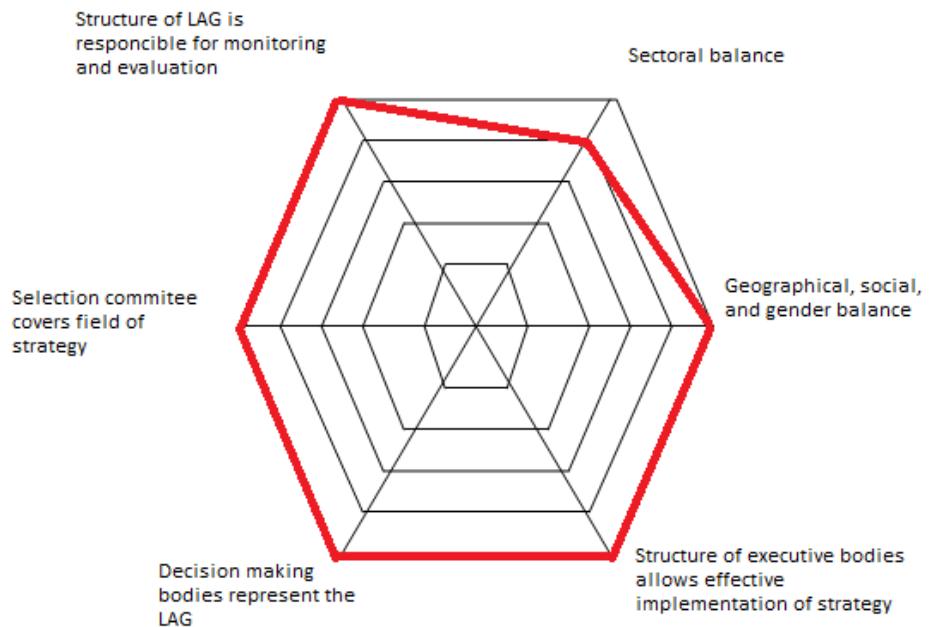
Projects

There are two rounds of project submission for Levoca and the projects from the private sector will not be submitted until September. Currently the majority of the projects come from one place, with 25 projects from measure 4.1, support infrastructure for improved (rural) quality of life. There are 10 projects from measure 4.2, increase attractiveness of the rural environment. There is one project each from measures 1.1, support educational and human resource development and 1.2, increase quality of promotion and information.

Five projects have been implemented so far and only one has been refused. One innovative measure the LAG has created is a regulation that each project must be linked to a social event in order to create community awareness and excitement. We visited three of the projects, a playground, a sports center, and a leisure center for youth. The playground's success can be seen in its use; we were told that the children and families are using it so much that sometimes they have to be told to leave. (waiting on answer from barbora to include second project) The youth center was built using unemployed Roma people from a neighboring village (this village did not have a Roma population), which worked towards the goal of integrating the Roma population and creating employment for them, at least temporarily. The citizens that use the center are responsible for keeping it clean and so far it has been quite popular. So far the projects have been successful in that they were implemented as planned and are being used by the general population and the projects chosen clearly support the goals and objectives of the strategy.

Institutional Analysis

Organizational Structure



The partnership is composed equally by representatives of public, private and civic sector

The partnership is composed equally by representatives of public, private and civic sector, but even though they meet the qualification for less than 50% public sector they could be more equally represented by 33 % each, because the civil sector is under represented at 16%. The criterion is therefore rated quite highly by the Study Team.

The partnership reflects a balanced geographical, social and gender representation

The balanced representation by gender we found a bigger representation of men (40 men and 27 women) but the most of the men are coming from the public sector. Even though it is not very balanced equally it is not bad.

Geographically, representation is very good with all 31 villages represented. Small villages are also represented by the microregion institution. Levoca, the biggest town has got also the biggest representation. The criterion is therefore rated highly.

The structure of executive bodies MAS allows the effective implementation of the strategy (particularly the project cycle)

The structure of executive bodies MAS allows the effective implementation of the strategy. It is again a balanced representation of sectors public sector, civic sector, and private sector because they decided to maintain the proportions even though there is

no rule forcing them to. The representation of the tourism sector is also important because it is the main focus of the strategy. The criterion is therefore rated highly.

Decision-making bodies represent structure of MAS

LAG is well represented by the decision making body, as it is set up by the statute, so we rate it highly.

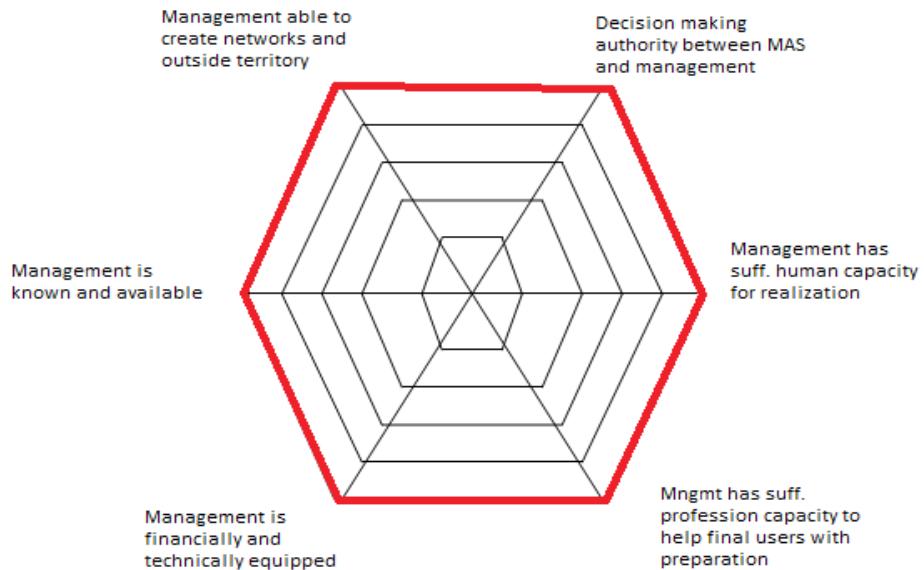
The selection committee covers fields of strategy

We feel that it is well done. On one hand, there are 4 public, 3 civic, and 2 private sector member so they have a broad vision of the territory and can see how projects fit into the territory; also it is CPK included. On the other hand, they have external members when they needs a specialist. The criterion is therefore rated highly.

MAS structure allows effective monitoring and evaluation of implementation

Even though it is too early to judge, the LAG organizational structure has a monitoring committee, representatively divided, who performs monitoring and evaluation. So the criterion is therefore rated highly.

Management



Decision-making authority between MAS and management are effectively divided

The duties are well defined and well divided between the MAS and Management, so it is difficult to find overlapping or confusions between both bodies. Therefore, the criterion is therefore rated highly.

Management has sufficient human capacity for realization of the strategy

The LAG has shown its capacity working in the CPK before and being the most successful LAG in the region. Also they have been involved from the real beginning of the program. The criterion it is in therefore rated highly.

Management has sufficient professional capacity to help the final users of the strategy with the project preparation

Management has the capacity because is made up of people all with economic backgrounds and different specializations. Also they were doing the job before in the CPK and they were successful. Actually they are helping the people who come into the office with consultations and/or other resources for their projects every day. The criterion is also rated highly.

Management is well technically and financially equipped for its activity

It is a little more than 400,000 € for 5 years, about 80,000 a year- 20% of this goes to education and training, the other 80% goes to operating. However they have the same budget as other LAG's that only have 4-6 villages. There are 6 people working when most have 2-3 but it is a positive point that they diversified the financial sources to employ 3 extra people with other money. The criterion is therefore rated highly.

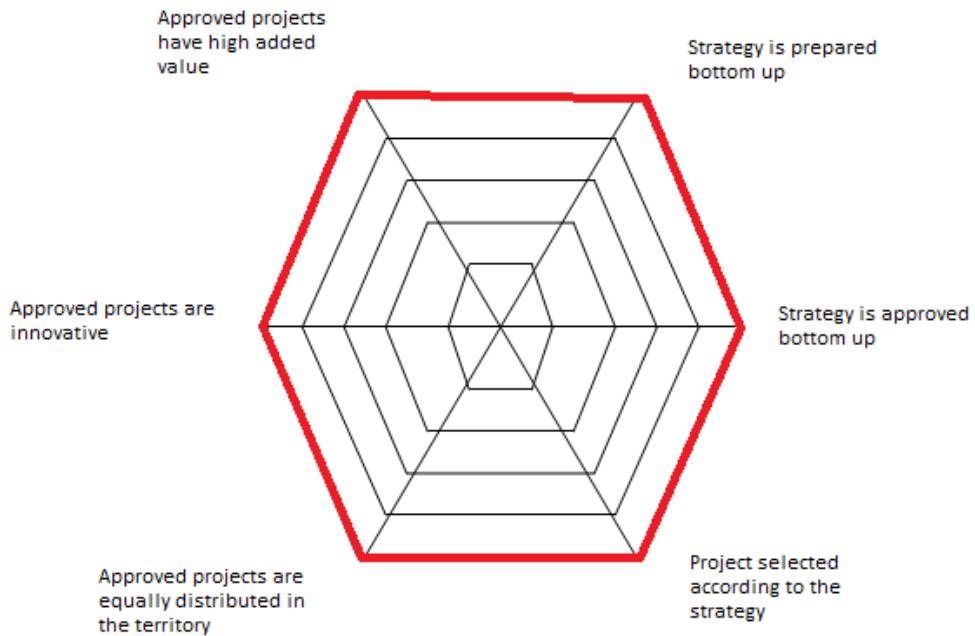
Management is known and available in the territory

They all are travelling a lot into the villages and have public meetings to make themselves known. It looks like they have done an great effort in this sense, even as they admit there is still work to do to be fully known. On the other hand, they are quite available for consultations from the public. The criterion is therefore rated highly.

Management has the ability to create contacts and networks among stakeholders within and outside the MAS

Outside the territory of the LAG they have created relationships with other LAGS and also with in other countries (Poland, Estonia, Czech Republic). Also, within the MAS they have covered all their territories among many stakeholders. This point is also rated highly.

Deciding about Strategy and Projects



Strategy and priorities are developed and approved using the bottom up principle.

This topic has been discussed thoroughly throughout the report, and we feel that this is one of the strongest points of the institutional analysis. The entire program for Levoca was designed using a very bottom up approach, so it is safe to say that these two topics deserve a rating of 5.

Projects are selected and approved according to the agreed strategy and priority

It is very easy to see the linkages between the projects and the rest of the framework. They are clearly traceable all the way up through the SWOT, so we gave ranked this as a 5 as well.

Approved projects are equally distributed in the territory

There are projects from every village except for five of them, but those five villages are currently preparing project proposals and will be submitting them soon. There is not one particular territory implementing many projects. In fact, this was one of the goals of the LAG when it came to financial allocation. The goal was to implement at least one small project in each village instead of a few large projects in only a select few villages. We ranked this is a 5.

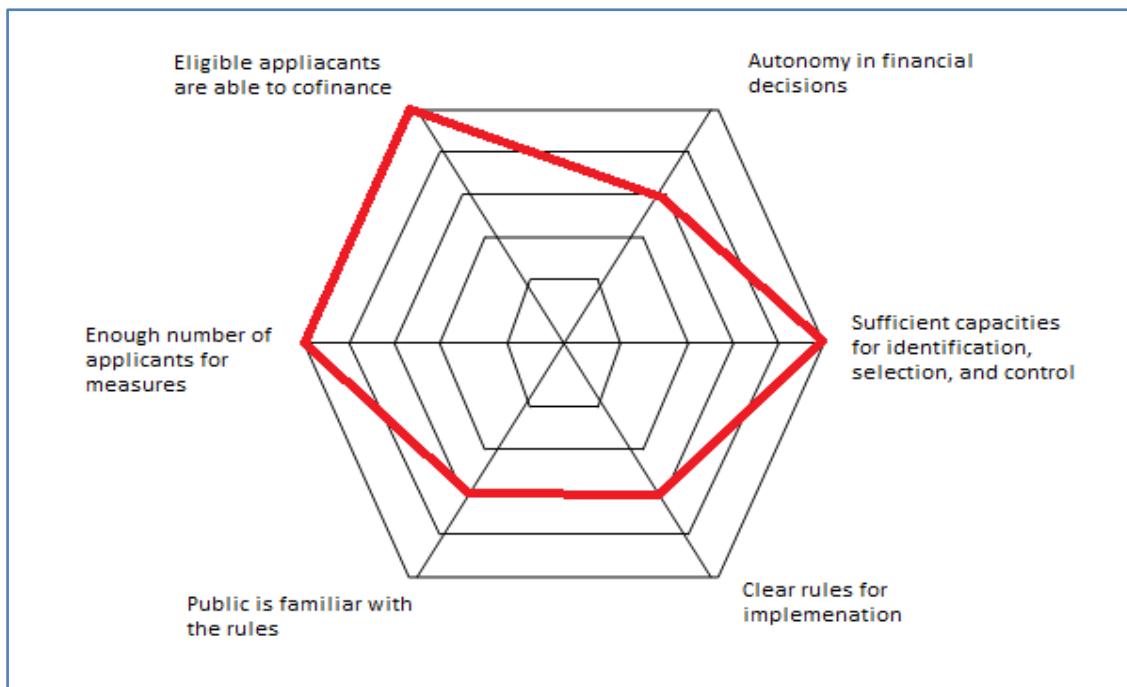
Approved projects are innovative

For each new project that is complete, the villages hold public events to inform people about the new projects and to involve them. We feel that this approach is a very innovative approach to spreading the word about these new projects. Furthermore, we felt that, despite the fact that some of these projects are not incredibly innovative in design, they are innovative for the specific area, which was more important. For example, building a playground for children is not that innovative of an idea, but it is new for some areas where these facilities do not exist, so we ranked this as a 5.

Approved projects have a high added value

After talking with the LAG managers about some of these projects, we agreed that they have a very high added value. For example, we were told that in one village, a playground was constructed for children, and every night they have to ask the children to leave because they simply do not want to go. This is a great example of how the children are getting a lot of pleasure out of their playground, and we feel that this proves that these projects are certainly adding value. This topic also gets a 5.

Strategy and Project Implementation



The attainment of the co-financing requirement

The Levoca region does not have any problem with mobilizing resources to meet the co-financing requirements. Discussions with the relevant stakeholders and

Management of the LAG reveal that this requirement has been met. It therefore constitutes no problem to the strategy or its implementation in the region. The criterion is therefore rated highly by the Study Team.

Autonomy in financial decisions by the LAG

The evaluation reveals that whereas the LAG enjoy considerable autonomy in deciding on the application of monies received, this autonomy is curtailed considerably by rules imposed by the EU LEADER program framework. The LAG is therefore only able to support activities for as long as those activities are permitted within the framework of LEADER program. This is considered to be a major hindrance as many instances of top-priority projects have had to be replaced by other projects to achieve conformity with the rules. In such instances, innovation and indigenous solutions have had to give way to respect for rules. This criterion is therefore rated lowly.

Sufficiency of the number of applicants for the different measures

This criterion is rated highly because all measures received at least an application within the region. In all instances, the Management of the LAG provided technical support in ensuring the applicants are able to respond adequately for each of the measures. The quality of the applications was therefore high and very successful.

The capacity of the LAG in identifying, selecting and control project implementation

The LAG shows significant capacity, especially demonstrated by the longstanding, successful performance of the working partnership even preceding the LEADER program and also the highly successful projects implemented so far. This criterion is consequently rated highly.

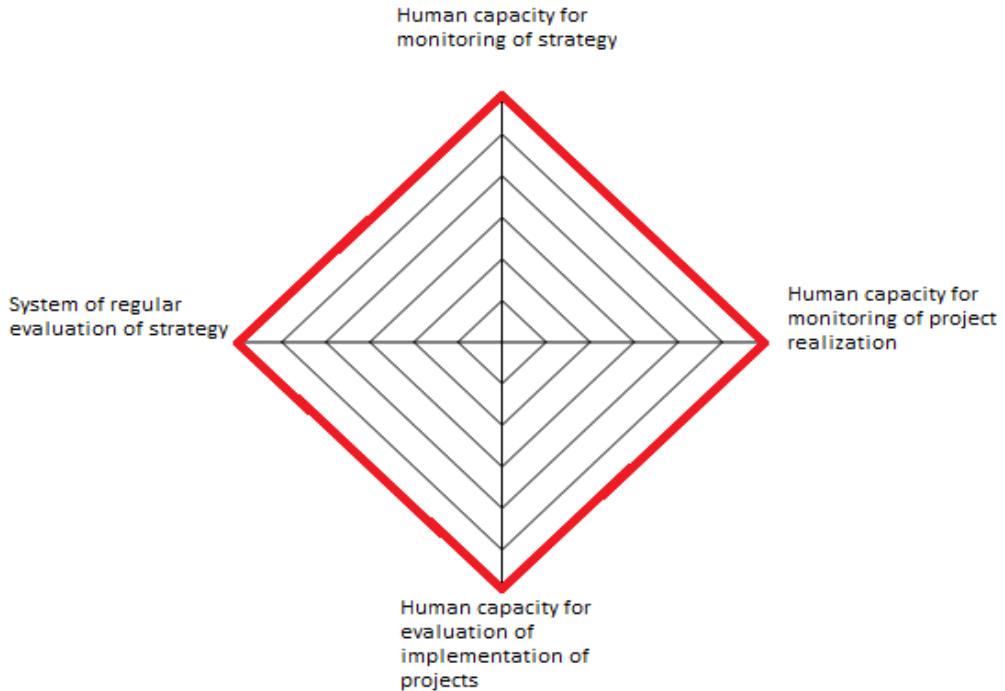
Familiarity of the general public with the LEADER rules

A lot of rules exist on the LEADER and its implementation. These rules also keep changing. It is therefore inconceivable that the general public will be perfectly familiar with the rules of the LEADER. Nonetheless, the backstopping and consultancy services provided by the LAG to the general public and persons especially interested in the program ensures that interested people/entities have a regular local contact for information and further details on the practicalities of the LEADER rules. This criterion is therefore rated as moderate.

Existence of clear rules for implementation of projects

Similar to the earlier criterion, the constant change in the rules of implementation implies that difficulties arise in the public consistently staying updated on the rules. Nonetheless, the LAG remains an important source for remedying this information gap. The criterion is therefore also rated moderately.

Monitoring and Evaluation



Human Capacity for Monitoring of Strategy and Project Implementation and Realization

Management LAG has sufficient human capacity for monitoring of strategy and project realization because there are enough staffs for monitoring. Additionally, people in the management have very good professional experience in project preparing and implementation with CPK, they are well trained and graduated from University.

Human Capacity for Evaluation of Implementation of Projects

There are five members in the monitoring committee, it is easy to identify that this committee is capable of to make a correct evaluation. Moreover, LAG Levoca has 9 consultancies for project on a daily basis, however they haven't implemented many projects yet.

System of Regular Evaluation of Strategy

LAG Levoca has a system of regular evaluations for fulfilling the strategy that is discuss weekly by the management. It is an excellent point regular meeting of executive body to see how strategy is implemented, what the process is, controlling cash flow, writing progress reports. On the other hand, executive body is maybe not so useful because they are just until the end of the year, changing each 3 years.

Recommendations

With Levoca being such a successful LAG, it is difficult to give many recommendations for ways of improving it. We have stated throughout the report only a few problems that we saw with the LAG. One of the main issues was the lack of specificity with the monitoring indicators. We thought that some of the indicators were too broad to be measured with the data source listed. These are discussed in the above section regarding the monitoring and evaluation framework.

We felt that the LAG in general seemed to be very focused on developing and improving tourism. We realize that tourism is one of main economic activities of the region, but we thought that such a heavy reliance on tourism was slightly risky. Tourism is typically a very seasonal industry, which could cause some economic hardships for some of the people who rely on the tourism industry to make a living. Furthermore, this sector is very susceptible to economic crises. During times of economic downturns, tourism is one area that is significantly hampered, and with such a heavy reliance on this sector, it could be quite dangerous to have such a dependence on the industry. We felt that it would be a good idea to diversify away from tourism a little, maybe into other areas such as production of traditional crafts or good specific to the area.

Another suggestion we had would be to try to focus more on non-traditional accommodations for tourists. While the measures allow for various types of accommodations, usually up to 50 beds, we thought that projects such as campsites could accommodate many more people, with a substantially smaller investment. These areas could also double as places of interest for tourists, since camping is an activity that could attract visitors.

During our stay in Levoca, we felt that it was necessary to have a translator with us to show us around. We were fortunate enough to have someone who was able to do this, however, that would not be the case for most tourists, and if the tourists are foreigners, this could seriously affect their desire to visit the area. Therefore, we thought that it would be wise to include translations into English, or other common languages, of information about events, tourist sites, and places of interest.

We discussed the fact that so many of the projects that were being planned or implemented were infrastructure based, either for tourism, civic services, or accommodations. However, we felt that activities were underrepresented. We feel that local activities that involve many members from the villages could also be good ways to not only improve the lives of residents but also attract tourists and increase involvement and participation.

We think that preparing summer camps for children is an activity that, with few economical resources, could improve many objectives of the strategy. Joining children

of the territory for a couple of weeks will create social nets that are really important for the future of the territory. Knowing each other, they will have more awareness of the differences and similarities of their villages and territory gain appreciation for the territory. The experience that the children take home will help with territorial cohesion and environmental awareness.

The final point we wanted to make was that there was little cooperation with farmers. There are little or no projects that are attractive to farmers, and consequently, very few farmers are interested in getting involved with the LAG. We felt that it was not good to exclude this group to the extent that they are currently being excluded, and that more projects should be oriented towards the farming sector.