

“Hromada” Credit Union (Hromada) and Alberta Government

FARM Responsive Mechanism Project

**Project: “RURAL DEVELOPMENT ON THE PRINCIPLES OF CREDIT
COOPERATION”**

Final Report Summary

February 2004 – August 2005

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Executive Summary

The CU “Hromada” due to the cooperation with CIDA projects became a powerful finance organization. It has 3180 members, 3.5 millions of assets, 11 representatives in rural areas, 29 employees, of which 25 are women. The CU worked in rural areas since 2001. During this time 3569 loans were given to rural inhabitants for business development, to the sum more than 13 UAH millions (2.6 \$ millions). More than 2500 work places were created. The CU works in 70 villages and 12 rayon’s of Kherson oblast.

Having representatives at the rural level allowed the opportunity to work more effectively and closer to the problems of the CU members and the problems of the villages. The important part of this work was the cooperation with rural communities and rural councils, and implementation of such tasks where credit cooperation provided opportunities for development and therefore positively influenced the social and economic improvement of the village.

The project titled Rural Development on the Principles of Credit Cooperation consisted of 4 components, each of them had its own aim and its own strategic direction. At the same time all components worked in cooperation and were directed at the development of rural communities, through diversification of rural inhabitant’s activities, development of different types of a business, and social and cultural development of children.

Background and Rationale for the Project

The necessary condition of rural crediting is the definition of the problems and needs of the agro-loaners and work organization was directed at solutions. This has influenced village development through credit-cooperation.

The needs of rural inhabitants were identified in this way:

- Forming of the new youth generation in the rural areas that know and are able to use new ways of growing and selling production.
- The development of alternative, not agricultural types of business in rural areas.
- An increase in the level of economic effectiveness of agricultural producers with the help of new knowledge about technologies, agronomy etc.
- Marketing cooperation of the CU members to enable access to new selling markets, to defend rights and interests in the market, timeliness selling of the grown production and timeliness of credit repayment.

The satisfaction of these needs will influence on:

- Social, cultural, and economic development of the rural community. Cooperation of different activities in coalition will in turn soften social strain and provide a solution to the village's problems.
- The education of children to reduce their risk of becoming involved in criminal activity. Involve them in work; teach them how to effectively communicate, and the necessary leadership skills, new technologies of farming and also non agricultural types of business.
- Defending the environment, revival of historical and cultural heritage and involving of children to this process.
- With the help of new types of business this will create new work-places at the rural level and development of the village infrastructure.
- The increase of the rural inhabitants' informational level, which will influence on making well-grounded economic decisions. Stabilization and expansion of production and increase in profitability level of the small agro-producers – members of the CU, which will increase their creditability.
- The creation of strong and firm commercial connections from marketing agricultural production. Increased profitability of rural inhabitants which results in more effective and quality services and wider access to technical equipment, market information and juridical support.

Project Goal and Objectives

The advanced development of credit cooperation and building on its basis 'A model of comprehensive rural development' on the basis of 10 villages (one village in each of 10 rayon's of Kherson oblast) with the purpose of its further replication in neighboring villages.

A. Promotion of 4H children clubs

Goal of the component – education; social, cultural, personal and practical growth of rural children

B. Development of green tourism as alternative business

Goal of the component - develop alternative types of businesses in rural area.

C. Set up of Extension Service

Goal of the component - raise profitability, effectiveness and culture of agriculture production via the introduction and application of effective technologies and knowledge, facilitation of rural dwellers' access to information.

D. Establishment of a marketing cooperative

Goal of the component - raise profitability of agriculture primary producers through effective marketing of their produce.

Anticipated Outcomes and Results Table

A. Promotion of 4H children clubs

Anticipated Outputs and Deliverables	Project Results	Evaluation
The strategy of 4H movement development	Strategy: Self creation of the club by people's will the development of the powerful child organization, which doesn't depend on state financing and is based on Leaders volunteer work, and financial support from partners and coop organizations.	Result achieved
4H club organizational structure is determined	Organizational structure: With insight from the FARM program and the Canadian experience developed a structure with the following positions: President, Vice President, Secretary, Book-keeper (Agronomist, Lawyer are possible, etc.) their functions, their term and selection process are approved at 4h club meetings. 4h structure gives an opportunity to each member to take part in obtaining skills of democratic self-governing.	Result achieved
Increase number of 4H members	The quantity of 4H members increased by 81 children	Result achieved
Increase number of 4H clubs	8 new clubs were opened – in villages of Volynske, Podocalinivka, Nova Zburiyvka, Shevchenko Skadovskiy rayon, in the city of Nova Kahovka, in villages Lvovo, Novomykolaivka, Novosofiivka. In total 4h clubs operate in 17 villages.	Result achieved
Increase number of new projects implemented	8 projects implemented New projects implemented – rabbits breeding, pigs breeding, a garden at the window-sill, skirts. Regulated cooperation with 2 sponsors, seed firms –SAKATA firm,	Result achieved

	Kharkiv city and Tez'ye and Beyo, Kyiv city. Together with the ES of Hromada and marketing coop a success project on pigs breeding was implemented, which gave an opportunity to involve children and their parents.	
Increase number of new leaders, develop current leaders	Originally 9 leaders and increased to 31 Leaders total . 22 additional leaders	Result achieved
Conducting a seminar for leaders and education of leaders	4 oblast seminars for Leaders conducted Education of Leaders was conducted, consultations with the Canadian specialist Miss Edith Zawadiuk, which would help Leaders in quality work with their clubs members.	Result achieved
Exchange of experience among leaders	Leaders and invited guests from interested organization attended. It gave an opportunity for Leaders to improve their knowledge about the 4H movement, and provide a wider world outlook on the movement.	Result achieved
Conducting public events	56 trips conducted , all villages involved in 4H work were visited. The trips' goal – new clubs opening, rewarding with prizes, clubs work photographing, organization and holding of meetings, participation at Achievement's day conduction, new projects implementation, consulting services on current problems.	Result achieved
Publication Activity	4 video clips filmed and shown on TV a total of 17 times. Children from 4 "4H" Clubs were invited to Kherson for shootings of a celebratory concert "Songs for Mummy" devoted to the 8 th of March on TV. On local TV a separate telecast (40 minutes) about the activity of 4H movement	Result achieved

	<p>was shot.</p> <p>Video-clip (15 minutes) about children's work at the camp which was shown at the local TV.</p> <p>Video-clip filmed 15 minutes long about the New Year's meeting of children, which was shown 2 times on local TV.</p> <p>Printed and mailed 14 issues of the newspaper "Bdjilka"</p>	
Spreading of the 4H movement in Ukraine	The Project coordinator took part in various promotion activities and a few with FARM itself see full final report for more detail.	Result achieved

B. Development of green tourism as alternative business

Anticipated Outputs and Deliverables	Project Results	Evaluation
Advertising in mass media	At the urban TV "Scifiya" 7 programs were shown "Kherson region through songs and traditions"(each 20 minutes) and on the local TV channel "Skifija" there was a talk show "Mutual language" (30 minutes)	Result achieved
Guidebook "Traveling across Kherson steppes"	Published a guide book with 5 resort routes "Oberih Khersonshiny" (2000 copies), which influence on information spreading about existed resort routes of RGT at Kherson oblast. The publishing was the first effort directed at rural tourist opportunities.	Result achieved
Tourist Map "Paths to the Horizon"	14 resort routes and 5 festivals are determined at 10 villages of Kherson, 19 tourist sights in all, with operating 'estates' which 1100 tourists visited, 408 tourists visited routes, 270 tourists visited festivals, and 422 tourists visited the estates at the seaside of the Black Sea	Result achieved

Training seminars in villages	12 educational seminars were conducted at 12 villages with 82 participants. Knowledge was received about rural green tourism, as an alternative kind of business in the villages.	Result achieved
Oblast-wide seminar of branch leaders	From 17.04.04 to 30.04.04 with Jars Balan, oblast seminar on RGT development was conducted for unit leaders. Education was devoted to "Determination of the strategic work direction of the RGT development coop" 60 estates' owners, resort routes organizers from 5 oblast villages participated	Result achieved
Training of leaders and staff in regions	10 Leaders recruited in 10 villages tasked to establish cooperation and create units at that villages to spread the work directed on RGT development	Result achieved
Renovation of museums of folk traditions and customs	Founded small private exhibition at the Rybalche village with historically-valued pieces. Provided organizational help to the estate "Chaica" about creation and presentation of the resort routes, souvenir production and museum exponents	Result achieved
Booklets on traditional handcrafts and rites	Produced a booklet of new rural festivals "Oberih Khersonshchyny festivalny" (1000 copies) which provides information on new tourist attractions in Kherson oblast and new tourist attraction.	Result achieved
To set up and boost a network of 10 rural green tourism development branches	For their serving 50 rural inhabitants received extra income resources from RGT, because of an alternative type of business.	Result achieved
An effective educational system will be introduced in the branches in addition to the certification of 30 hospitable	In 2004 , at villages where educational seminars were conducted, 3 more units were created. All 5 units, which	Result achieved

households meeting the standards	existed at that time, conducted analysis of the rural area and inventory of the interesting places, due to that 5 tourist routes were developed at their villages, and descriptions of 5 rural routes with photos for publishing of the guide-book about Kherson oblast. Now the 65 hosts, with whom education was provided are able to accept tourists	
Assistance will be provided to the branches in the rebirth of national handicrafts and rituals	270 tourists visited festivals at the villages. Over 1040 persons – rural inhabitants were involved in the conducted festivals.	Result achieved

C. Set up of Extension Service

Anticipated Outputs and Deliverables	Project Results	Evaluation
Extension boards will be set up in 10 villages (50 people engaged)	15 extension committees (EC) at 11 villages are created - 77 persons(40 women among them) are involved	Result achieved
Effective information support and educational programs, to be offered by specialists of extension service	576 persons took part in the work of educational seminars, Field Days, round tables and trainings during 2004-2005	Result achieved
30 model farms with demonstration plots will be established	11 projects were worked out and introduced with an aim to implement in production new sorts and hybrids, bio-chemicals, perspective technologies by which 26 demo-plots and 32 demonstrations were organized	Result achieved
Important information to be publicized through an informational and analytical newsletter "Doradnyk".	Published five issues of the bulletin "Doradnyk Gromady" (1000 copies). It is distributed to CU members through credit officers, at seminars, at roundtables, and in the CU office.	Result achieved
Field Days and Seminars for members	30 educational seminars and Field's days were conducted	Result achieved

	at 9 villages of Kherson oblast	
Training events for credit officers and rural leaders	4 Trainings for rural credit officers were conducted – 29 persons participated	Result achieved

D. Establishment of a marketing cooperative

Anticipated Outputs and Deliverables	Project Results	Evaluation
Initiative groups are established	10 initiative groups are created for the marketing coop creation	Result achieved
Information gathering and market monitoring	Information gathering market monitoring is conducted for the young pigs search and selling of the pigs which were grown by the coop members	Result achieved
Information newsletter	First four issues “Vystnic cooperative “Silska Hromada” (“coop’s announcer “Rural community”) were published and attachments to them ”Marketingoviy oglyad” (“Marketing review”), circulation 1000 copies, which inform rural inhabitants about the coop’s work, about the projects’ results, which are implemented by the coop,	Result achieved
Ads in newspapers and on TV	An advertising clip was filmed and shown on TV Information about the coop was placed in the catalogue “Orientyr” (“guiding line”), for wide promotion of the coops activities.	Result achieved
Putting up information boards in 5 villages	5 informational boards of the marketing coop were created and information is renewed at villages: Vysoke – Berislav rayon, Mykhailivca, Shevchenko, and Shyroce – Scadovsc rayon, Tchulacivca village- Hola Prystan rayon.	Result achieved
Training seminars in villages	Organized and conducted 18 seminars and round tables at 9 villages	Result achieved
Pilot model of the project "Development of pigs breeding"	Besides selling of the 79 pigs which were grown by the project, 120 pigs were also	Result achieved

	sold, which were owned by coop members. Rural inhabitants received extra-income (about 10 000 UAH) which influenced on the other pig producers joining.	
Pilot model of the Project “Profitable sunflower growing”	220 persons from 35 villages of 8 rayons took part in the formation of sunflower seed volume, who purchased together 20 tonnes of sunflower seeds. That will give an opportunity to seed 5800 hectares.	Result achieved

Canadian Partner Contribution

The Government of Alberta provided 4 different specialists to summarize and transfer the Canadian experience in the areas of 4H and youth development, rural tourism, extension services, and marketing cooperatives.

All Canada specialists, who assisted in the establishment of the project’s components, namely Jack Hazelwood (Extension Services), Jars Balan (Rural Green Tourism), Charlie Pearson (Marketing Coops) and Edith Zawadiuk (4-H), worked in sequence with the Hromada specialists. These Canadian specialists provided Hromada with tools to analyze the situation and develop a strategy to solve problems. Due to the gained knowledge from the Canadian specialists Hromada realized the importance of coordination, and during the project’s realization, Hromada learned to improve tactics, to work out temporary strategic tasks and to develop the plans of all four project components.

Conclusion

4H

Children who live in the rural area – are the future of the villages, their own success and the community success will depend on how informed they are about practical skills. Complex development of the village includes all age groups. As a result of 4H project realization the movement has developed which consists of the net of 4H clubs, where on the democratic base children and Leader volunteers are involved. Such experience could be replicated at the territory of our oblast and at other oblasts.

Rural Green Tourism (RGT)

In complex village development the RGT development has a great role as an alternative type of business. It is one of many ways to diversify agricultural production. As a result of the project realization a net of the rural sights for

tourists was established and rural inhabitants could see for themselves the benefits of this kind of business. During the realization of the project extra-income was realized by about 100 rural inhabitants by providing such services as; residence/accommodations, food, excursion services, handicraft, folk, trade, transport, horse-riding services etc. Rural inhabitants who experienced profits from the RGT will favor future development of the village, protection of rural architecture monuments, development of the village infrastructure, and patriotism of their traditions and where they live. The rural community started to care about the local architecture, monuments, local arts, culinary art and also care about ecology, cleanliness and aesthetics of the village.

By developing tourism and opening their village to outsiders rural inhabitants experiences another 'way of life'. They were also able to adjust for new tasks, connected with tourist services and as a result obtained a new experience, which influenced the reproduction of rural areas.

At the same time, developing tourist activities will promote rural inhabitants to cooperate together in groups and strengthen the responsibility of common decisions.

Extension Services (ES)

During the realization of the project efforts were directed on complex development of the village through introduction of new science achievements in production and progressive technologies; development of the community with the help of educational seminars, demonstrations, field days; and providing access to information for rural inhabitants and agricultural producers through bulletins, brochures and informational boards. All these contributed to rural inhabitants obtaining new knowledge, to make management decisions, and increase farming effectiveness.

As a result of the project's realization an effective ES system was created, which consisted of a network of rural extension committees, representatives and the Board of consultants. The system satisfies the needs of the CU members and rural inhabitants by providing consultations in economic, agronomy, legal, and marketing issues.

Marketing Co-operative

During the realization of the project the efforts of the specialists were directed at rural inhabitants joining the marketing cooperative and increasing their trade-material means' through the volume purchases and selling of the agricultural production.

As a result of the project an effective marketing cooperative was created, which consists of the network of rural representatives for satisfying the agricultural producers' needs. The coop created firm commercial connections among its members.