

**National Rural Women Council (NRWC)**

**FARM Responsive Mechanism Project**

**Project: “Small Business Development in Rural Areas”**

**Project Partners:**

**National Rural Women Council (NRWC) & QOL Associates**

**Final Report Summary**

**December 2005 – July 2006**

## **Executive Summary**

The main goal of the project, “Small Business Development in Rural Areas” was to complement the measures taken by the Ukrainian government and civil society to overcome poverty and increase employment rates in rural areas of Ukraine. Micro-businesses in rural areas throughout Ukraine operate only to maintain a minimum subsistence. This project addressed many of the problems facing micro-businesses and entrepreneurs, by establishing “business incubators” which provide training, information and consulting services based on the needs of rural dwellers. The project achieved its goals through the provision of numerous workshops, information bulletins, trainings and seminars as well as creating new business models. These initiatives gave small business owners and entrepreneurs’ necessary tools to establish businesses as well as increase and diversify current business activities.

## **Background and Rationale for the Project**

The project “Small Business Development in Rural Areas” was derived from a need that was expressed by members of NRWC. Many NRWC members approached the organization to assist them with improving their social and economic situation through small business development initiatives. In response, NRWC through its information centres and various branches conducted a regular monitoring of the economic and social situation of rural dwellers in a number of oblasts. Through this monitoring process they discovered that there was a strong interest among rural dwellers in small business development and entrepreneurship, and NRWC identified the areas where training and education was necessary and developed a proposal accordingly.

## **Achieved Project Goal and Objectives**

- Training was provided on small business development, entrepreneurship, marketing and legal issues.
- Entrepreneurs and local authorities engaged in dialogue on how to improve entrepreneurship development in the region.
- A monitoring of successful business models was conducted and the results were disseminated to local entrepreneurs, rural dwellers and to throughout other regions of Ukraine.
- Obstacles for entrepreneurship development were identified and recommendations to eliminate of these obstacles were presented.
- A monthly bulletin on legislative issues, credit opportunities, project activities, prices of agricultural products, inputs and equipment, as well as a commentary on successes in small business development was produced and disseminated throughout the participating oblasts.
- Project activities facilitated the creation of professional business associations in the participating oblasts.

## **Outcomes and Results**

- A total of 17 training seminars in five oblasts were delivered. Agricultural producers, private farmers and small household plot owners received knowledge and practical skills on, how to start and manage private businesses in rural areas, marketing strategies for small businesses, business plan development, acquiring credit and legal issues. In addition, the training seminars identified business opportunities for small business development in the region. Many of the participants of the training seminars began operating small business in the area and existing small business owners began to diversify their activities.
- Representatives of governmental organizations (councils, taxation bodies) participated in the project trainings and other project events. The participation of these organizations facilitated dialogue between the entrepreneurs and local authorities on how to improve entrepreneurship development in the region. In addition, opportunities for investment in rural business development from the Poltava, Cherkassy, Luhansk, Zakarpattya and Mykoliav oblasts were identified.
- 10 business incubators were created in the Poltava, Cherkassy, Luhansk, Zakarpattya and Mykoliav oblasts. These incubators are providing support and opportunities for small business development and facilitating in the creation of new businesses in their respective rural areas.
- Through the business incubators eight successful business plans were developed for the following: mushroom production, egg production, honey production, vegetable cooperative, seed production cooperative, a folk arts centre and a private café..
- As a result of the work of the business incubators and the creation of 8 business models 51 new jobs were created. Improving and developing the economy at the regional level.
- A monthly bulletin presenting project results, project training material legislative issues, credit opportunities, prices for the agricultural products, inputs and equipment, successful business experiences was distributed to all project participants and distributed electronically to information centres in other oblasts.
- NRWC membership has increased due to positive results of the project. The increased membership has also facilitated the creation of the professional business associations in the participating rural areas.
- 30 people participated in a study tour to the Globino, Makariv and Luhansk cooperatives. Participants received first hand and practical knowledge about starting and managing a business, legal issues, the constraints of running a business as well the financial aspects.
- Eight trainers from the Poltava, Kharkiv, Luhansk, and Mykoliav oblasts participated in a train-the-trainer seminar conducted by Canadian specialist Linda Shroeder. The participants were introduced to Canada's experience in starting and managing small businesses in rural areas. The training materials provided at the seminar have been translated and trainers are currently disseminating this information in their respective oblasts.

## Canadian Partner Contribution

Canadian partner QOL Associates and NRWC maintained regular contact throughout the project and continue to exchange ideas about future initiatives. Between March 12th -21<sup>st</sup>, 2005 QOL representative, Linda Shroeder, visited Poltava oblast and participated in two events organized and conducted by NRWC, one being a “train-the-trainer” seminar and the other a seminar on small business development in Zinkiv, Poltava oblast. During “train-the-trainer” seminar Linda worked with the lecturers providing training during NRWC events and made presentations dedicated to small business development in rural areas. Training materials which Linda provided were translated and disseminated among the trainers and seminar participants. Participants of these events stated that seminars were interesting, useful as well as practical and expressed an interest in participating in more seminars of this nature.

In addition, during the later part of the project QOL representative Mark Richardson, a Business Development Specialist, participated in the NRWC seminar on business management. Mark delivered a useful and interesting presentation on business development in rural area which was well received by all who participated in the seminar.

NRWC and QOL continue to communicate and both organizations hope to collaborative on another project together.

## Conclusion

A key priority for this project was to overcome poverty and increase employment rates in rural areas of Ukraine. The project made significant gains in achieving its goals through the establishment of 10 business incubators, the creation 51 new jobs and eight new business models. In addition, a number of partnerships were established among rural dwellers, NGOs and oblast administrations during the course of the project. These partnerships have created a good precondition for sustainability of the results of the project. These partnerships will ensure that training and education activities aimed at the development of private business in rural areas will be continued to be delivered. NRWC plans to further develop partnerships in order to coordinate future initiatives and resources for rural area development at the rayon and oblast levels.

The project has identified that there is a need to continue education in small business development and entrepreneurship. Rural dwellers are starved for information and have expressed a desire for additional trainings and workshops to be provided in their region. Moreover, NRWC identified a need for continued education on gender issues among rural dwellers, young people and in vocational schools. NRWC hopes to address these needs with the submission of new concept paper aimed at gender equity, focusing on issues such as home economies in rural areas, development of leadership skills among rural women and gender education among youth.