



STRENGTHENING COOPERATION IN RURAL ECONOMIES

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METHODOLOGY

An online survey in English and Romanian with the URL included was emailed in June 2019 to professionals with experience on the use of various types of cooperation in rural areas. At the beginning of July 2019, a follow-up survey was sent to those who had not responded to the first mailing. As the main objective of the project was to look for integrative approaches for local economy (including different sectors and actors for the common good of the territory), the central focus of the survey was to determine the factors that foster or discourage socioeconomic cooperation in rural areas. The data was collected through google forms, re-aggregated in Microsoft Excel, the Romanian answers translated in English and in the end analyzed. The analysis is based on 66 responses received from 16 countries, yet with a highest weight from those engaged in cooperative activities in Romania (62%). The survey questionnaire was based on the following four parts: General information; Economic conditions for local cooperation; Social and organizational conditions for local cooperation; Main constraints and individual motivation to develop cooperative behavior. The survey was followed by a direct observation approach on three different case studies.

I. GENERAL INFORMATION

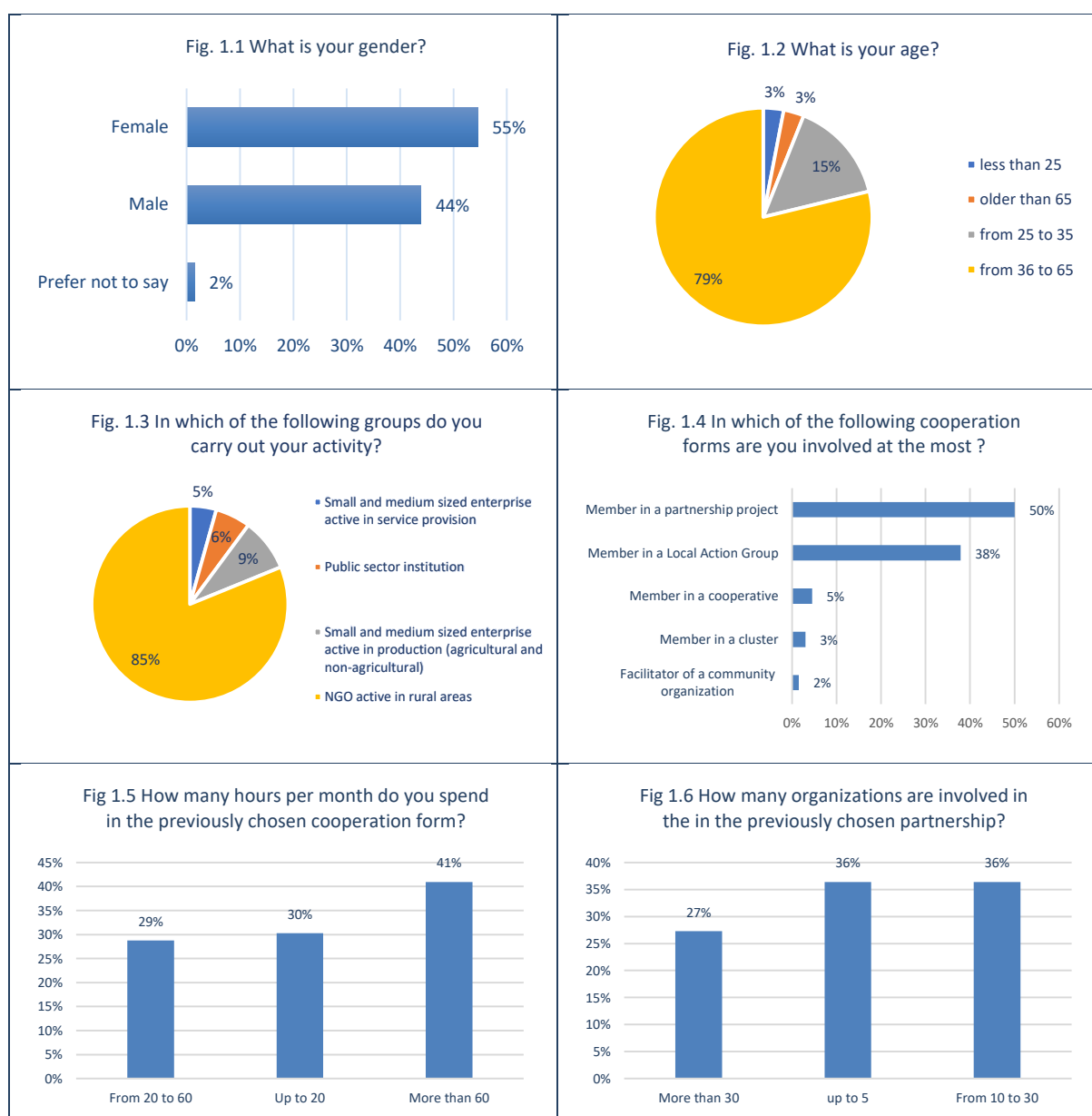
A total of 66 respondents answered the questions of the survey questionnaire out of which 55% were female, 29% male and 2% preferred not to say. As shown in Figure 1.2 most of the respondents (79%) are aged between 36 and 65 years followed by those with ages between 25 and 35 (15%). In terms of their activity, the vast majority of the questionnaire respondents (85%) work at NGOs active in rural areas, followed by those who carry out their activity at small and medium sized enterprises engaged in production (9%) and service provision (6%) or at a public institution (5%) – see Fig. 1.3 below.

Furthermore, half of the respondents (50%) are involved in cooperative actions mostly through partnership projects and 38 % through their membership in a Local Action Group. The remaining 5% of the respondents experience cooperative actions through their membership in cooperatives, 3 % in clusters and 2 % as a facilitator in a community organization (see Fig. 1.4). It is important to mention that under this section the respondents were asked to use the option (cooperation form) chosen under this question as a reference point for the answers provided to the remaining questions of the questionnaire.

Consequently, as shown in Fig. 1.5 the greatest amount of time spent by 41% of the respondents in the previously chosen cooperation form is more than 60 hours per month and almost the same number of the remaining respondents spend from 20 to 60 hours (29%)

and up to 20 hours (30%) per month in the cooperation form chosen under the previous question.

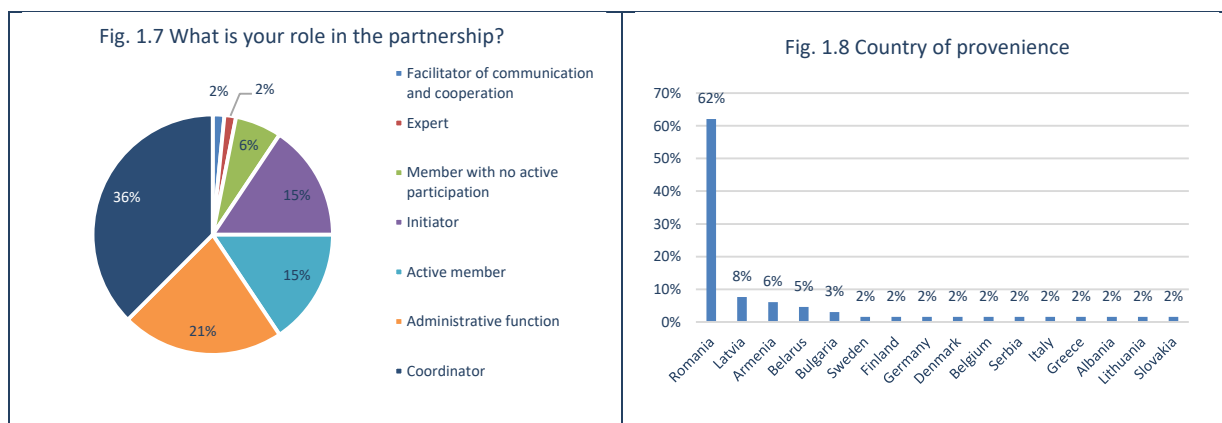
In terms of partnership size the same percentage of respondents (36%-36%) are involved in partnerships that incorporate up to 5 or 10-30 entities. As shown in Fig. 1.6, the remaining smaller share (27%) of respondents work in partnerships that involve more than 30 partners.



Considering the role played by the respondents in the partnership chosen by them under the previous questions, as shown in Figure 1.7 below, more than one third (36%) are coordinators, followed by 21% of those who provide support through administrative

functions and an evenly proportioned share of those who are initiators (15%) and those who play an active role (15%). The rest of the respondents are partnership members, yet with no active participation (6%), experts (2%) or facilitators with specific focus on communication and cooperation (2%).

In terms of their education more than half of those questioned (53%) undertook postgraduate studies, 39% stated that the highest degree completed is a university degree and the remaining 8% have a high-school degree. As pointed in the methodology section the questionnaire was filled out by respondents from 16 countries. As visualized in Fig. 1.8 below, almost two thirds (62%) of those questioned are from Romania, followed by respondents from Latvia (8%), Armenia (6%), Belarus (5%) and Bulgaria (3%). The remaining 17% of the people questioned were in equal share from Finland, Sweden, Denmark, Belgium, Italy, Lithuania, Serbia, Albania and Greece.



II. ECONOMIC CONDITIONS FOR LOCAL COOPERATION

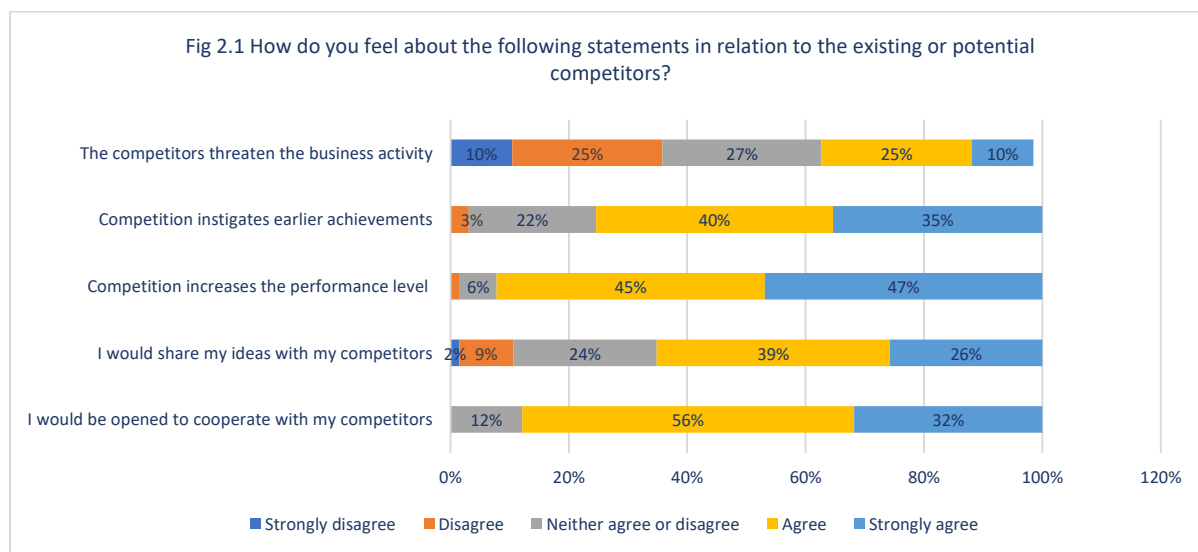
In order to find out which factors strengthen or impede with cooperative actions in the local rural economies, respondents were asked on seven different matters that are going to be presented in this second section.

As a first indication, the analysis show that the most significant factors that motivate actors in joining or creating partnerships are firstly, the easier access to financial resources (57%) secondly, the greater possibilities offered by partnerships to distribute products and services across a wider area - chosen as a totally important factor by almost half (48%) of the respondents and in close share (47%), the access to public services such as electricity, water, internet, etc. was also a factor considered to be totally important by almost half of those questioned. Almost the same share of respondents (45%-44%-43%) considered as totally important the creation of diverse employment possibilities in rural areas, the

manufacturing and use of local products, services and the access to local knowledge as being decisive factors when deciding to join a partnership. Compared to these previously presented factors the optimization of costs was believed to be the least relevant when bringing decisions on joining cooperation. Table 1 below summarizes the share of occurrences of these factors.

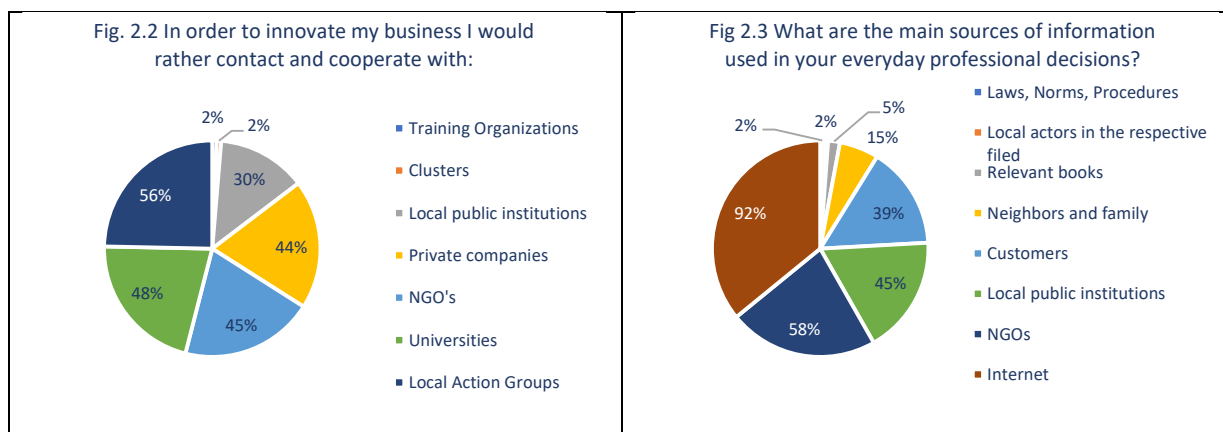
Table 1. How important are for you the following factors in joining or creating a partnership?						
Factors	No. of reporting	Unimportant	Neutral	Important	Very important	Totally important
The manufacturing and use of local products and services	66	2%	8%	17%	30%	44%
The creation of diverse employment possibilities in rural areas	66	0%	11%	14%	30%	45%
The access to local knowledge and expertise	65	0%	2%	11%	45%	43%
The optimization of costs	64	3%	5%	22%	38%	33%
The access to public services (electricity, internet, water)	64	0%	8%	13%	33%	47%
The distribution of products and services across a wider area	64	0%	8%	16%	28%	48%
Easier access to financial resources	65	0%	6%	8%	29%	57%

In order to find out the respondent's attitude towards potential competitors, they were asked to indicate the level to which they feel that several statements reflect on their relation to existing or potential market players operating in the same business area. As shown in Figure 2.1 below, more than half (56%) of those who completed the survey are opened to cooperate with their competitors. This finding is in potentially close relation with the belief confirmed by 47% of respondents who see competition as a positive aspect that increases performance level and confirmed by the fact that all together approximately 75% of respondents agree (40%) and strongly agree (35%) on the statement that competition instigates earlier achievements. When asked about the openness to share own ideas with the competitors, almost two thirds of respondents (65%) agreed (39%) or strongly agreed (26%) with this aspect and almost a quarter of those who answered the survey questions, were indecisive. The largest division through opinions and uncertainty in taking a stand was seen throughout the first option of this question. Therefore, a quarter of respondents agree (25%) and disagree (25%) with the statement that "competitors threaten the business activity", 27% was uncertain and the same share of respondents (10%-10%) represent the two ends, those who strongly disagree and strongly agree.

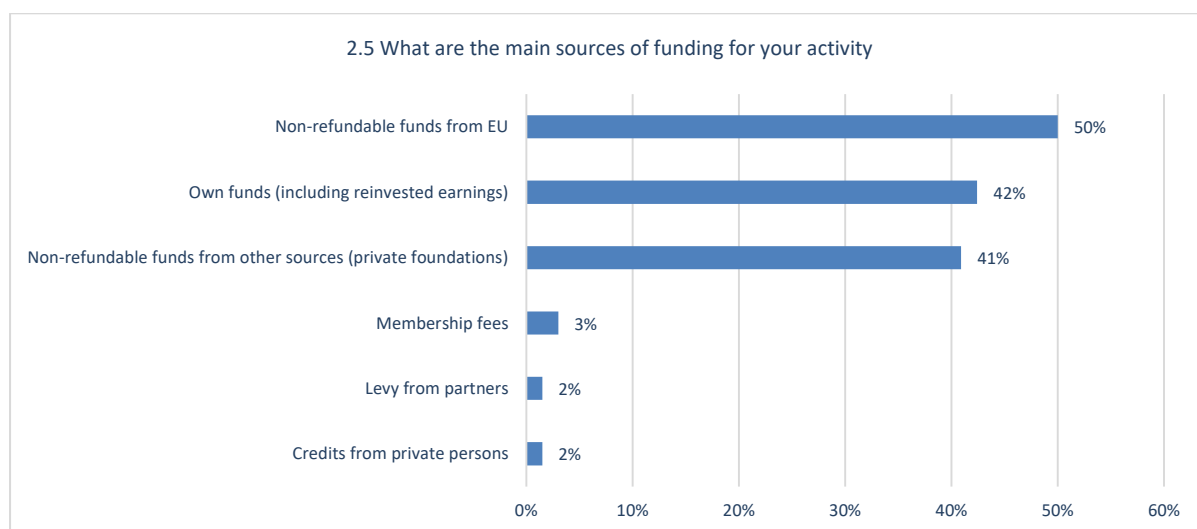


The following questions of the survey dealt with the themes of innovation (answers limited to 2 choices), information (answers limited to 3 choices) and sources of funding (answers limited to 3 choices). As shown in Figure 2.2 below, more than half of respondents (56%) would cooperate with Local Action Groups to innovate the business they operate in. Further, approximately the same share of popularity was given to universities (48%), NGOs (45%) and private companies (44%) as potential partners for innovative ideas and actions. A smaller share of respondents (30%) would turn to local public institutions for cooperation with innovative purposes. Two respondents have mentioned the cluster and training organizations as potential partners in the search for innovation.

Further, the results of the analysis summarized in Figure 2.3 show that the main source of information for everyday professional decisions is the internet (92%). Next to this, more than half of the respondents (58%) turn to NGOs when looking for information before decisions. In contrast with the results obtained under the previous question where local public institutions enjoyed lesser popularity as potential partners in innovation, under this question the respective institutions are considered to be sources of information by almost half (45%) of the respondents. Next to this, approximately 40% of the respondents consider customers as good source of information in the decision-making process. A smaller share of respondents mentioned neighbors and family (15%) or relevant books (5%) as helpful sources of information in taking decisions and two have mentioned the local actors (2%) and laws, norms procedure (2%) as informative sources in their choices of action.



Under the next question the respondents were asked to point through maximum 2 choices the main sources of funding for their activity. As visualized in Figure 2.5 below, the main source of funding are the non-refundable funds from the EU chosen by half of the respondents, followed by those who finance their activity by using own funds, including reinvested earnings (42%) and those who use non-refundable funds from other types of sources (such as private foundations) –41% – in funding their business. A total of three respondents mentioned membership fees, levies from partners and credits from private persons as main sources of funding in sustaining their business activity.



In terms of economic and operational contribution of the respective partnerships in which the respondents operate, the highest contribution was attributed to increased access to project/investment possibilities (altogether, 78% of respondents considered this factor as having high (48%) and very high (30%) contribution), followed by the diversification of the business activities on the local market chosen by almost two thirds of the respondents

(63%). More than half of the respondents considered that from an economic and operational perspective the partnership brings high and very high contribution to the rural area through offering access to education and training (61%), through increasing the quality of local products and services (54%) and through increasing employment opportunities in the area (52%). Next to this, 50% believed that the partnership brings more financial resources in the specific area. The areas where the partnership has the least contribution (none or weak) to are the access to public services (36%), sources of income to local government (29%) and according to 27% of respondents they also bring weak variety of local products. The results of this question are summarized in Table 2. below.

Table 2. How do you evaluate the economic and operational contribution of the partnership (in which you are active), considering the following factors?						
Factors	No. of reporting	None	Weak	Moderate	High	Very high
Increased quality of local products and services	65	5%	17%	25%	40%	14%
Increased variety of local products	64	5%	22%	30%	33%	11%
Increased employment opportunities	66	5%	11%	33%	41%	11%
Increased income levels	66	6%	14%	36%	32%	11%
Diversification of business activities on the local market	65	3%	12%	22%	46%	17%
Increased source of income to the local governments' revenue	65	12%	17%	26%	35%	9%
Increased access to project/investment possibilities	66	0%	8%	14%	48%	30%
Facilitated access to public services (electricity, internet, water)	64	14%	22%	30%	22%	13%
Higher level of financial resources in the specific area	66	5%	15%	30%	35%	15%
Access to education and training	66	2%	8%	30%	41%	20%

III. SOCIAL AND ORGANIZATIONAL CONDITIONS FOR LOCAL COOPERATION

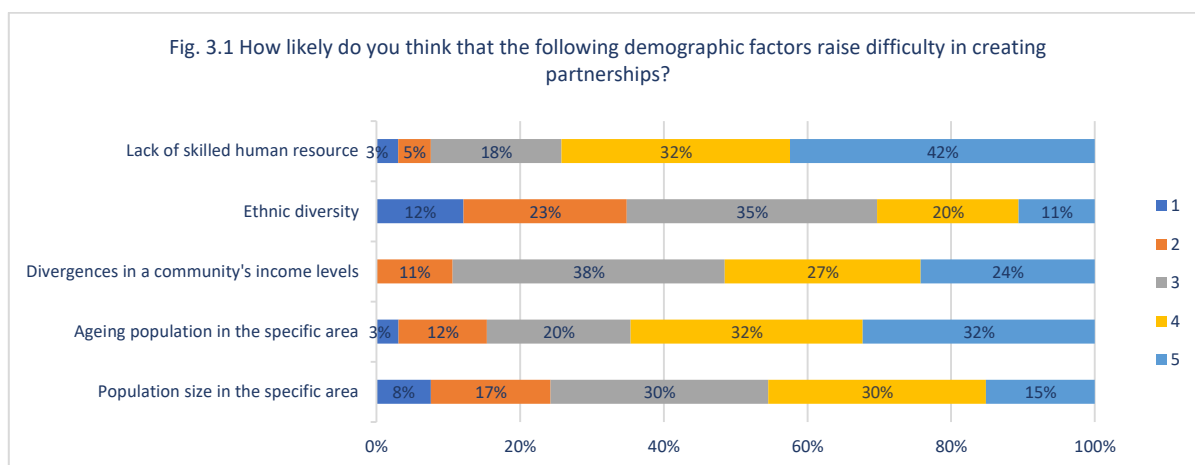
As the previous section was meant to give an economic perspective on the factors that play a significant role in local cooperation of rural areas, this third section is meant to analyze these factors from a social standpoint. Therefore, seven questions were designed to explore the social characteristic of local cooperation.

Firstly, in this section respondents were asked to rate the importance of certain factors in their motivation to join or create a partnership. As visualized in Table 3. below, one of the greatest motivation to join a partnership is the opportunity to more frequent communication with the other partners (55% considered it very important and 44% important) as well as the need to participate in actions which strengthen personal and professional connections at local and regional level (44% considered it very important and 50% important). The third and forth in the row with similar distribution regarding their

importance is the motivation to get a better picture about the various actor's behavior and trustworthiness (28% considered it very important and 62% important) on one hand and to gain more information about the local environment on the other (48% considered it very important and 41% important). The largest dispersion in answers were given to the motivation to reduce the level of stress and workload which was seen as being important to one third (35%)-, and neutral to 27% of the respondents. This was also the factor that has been seen as a least important motivation (17% of responses).

Table 3. How important are for you the following factors in joining or creating a partnership?						
Factors	No. of reporting	Unimportant	Slightly important	Neutral	Important	Very important
More frequent communication with other partners	66	0%	2%	0%	44%	55%
To have greater influence on local decisions	65	0%	2%	15%	49%	34%
To get a better picture about the various actors' behavior and trustworthiness	65	0%	3%	8%	62%	28%
To gain more information about the local environment	66	0%	2%	9%	48%	41%
To gain access to a system where mutual respect is essential	65	0%	5%	15%	46%	34%
To participate in actions which strengthen personal and professional connections at local and regional level	66	0%	5%	2%	50%	44%
To reduce the level of stress and of the workload	66	2%	17%	27%	35%	17%
To promote local culture and traditions	65	2%	5%	8%	45%	38%
To increase the level of certainty through affiliation	65	2%	5%	17%	49%	23%
To increase reputation by working together with better-known partners	66	0%	0%	14%	52%	32%

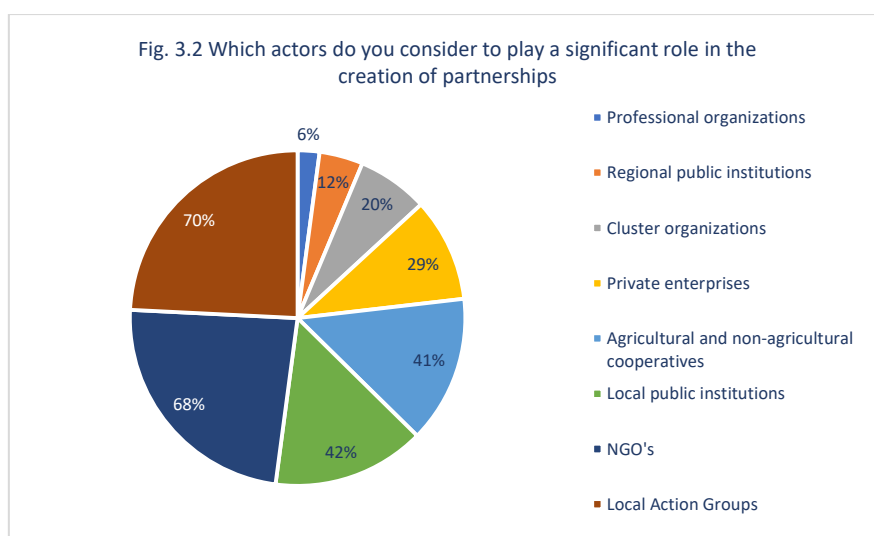
In terms of demographic necessities, one of the greatest impediments in creating common initiatives in rural areas is the lack of skilled human workforce (42% of respondents consider this factor being extremely likely to create difficulty), followed by the high share of ageing population in the specific area (32%). The most neutral factors in this perspective were considered to be the divergent income levels (38%) and the ethnic diversity (35%).



When asked about the level of certain factors within the partnerships, most of the respondents agreed that the levels of management capabilities are strong (43%) and extremely strong (35%) as well as the level of interaction (57% considered it strong and 22% extremely strong) and communication (47% considered it strong and 30% extremely strong) are also good. Other factors that have been seen altogether at strong or very strong levels by most of the respondents are the level of trust (73%), the consideration of the ideas (72%) and the level of administrative capabilities (71%). On the other hand, the greatest demand for improvement was found with regard to the level of ownership and the level of community's involvement in the decision-making process. Next to this, more than half of the respondents feel that relationships have strong (36%) or very strong (19%) influence on decisions.

Table 4. How would you rate the level of the following factors within the partnership you are part of?						
Factors	No. of reporting	1	2	3	4	5
The level of ownership	65	12%	12%	31%	28%	17%
The level of trust	65	0%	5%	23%	42%	31%
The level of communication	64	0%	6%	17%	47%	30%
The level of interaction	65	0%	6%	15%	57%	22%
Decisions moved by relationships	64	8%	6%	31%	36%	19%
The level of management capabilities	65	3%	5%	14%	43%	35%
The level of administrative capabilities	65	2%	5%	23%	51%	20%
The level of members' involvement	65	3%	8%	23%	34%	32%
The level of community's involvement in decision making	64	6%	14%	25%	34%	20%
The existence of procedural rules	65	3%	12%	25%	37%	23%
The consideration of your ideas and opinion	64	3%	5%	20%	52%	20%

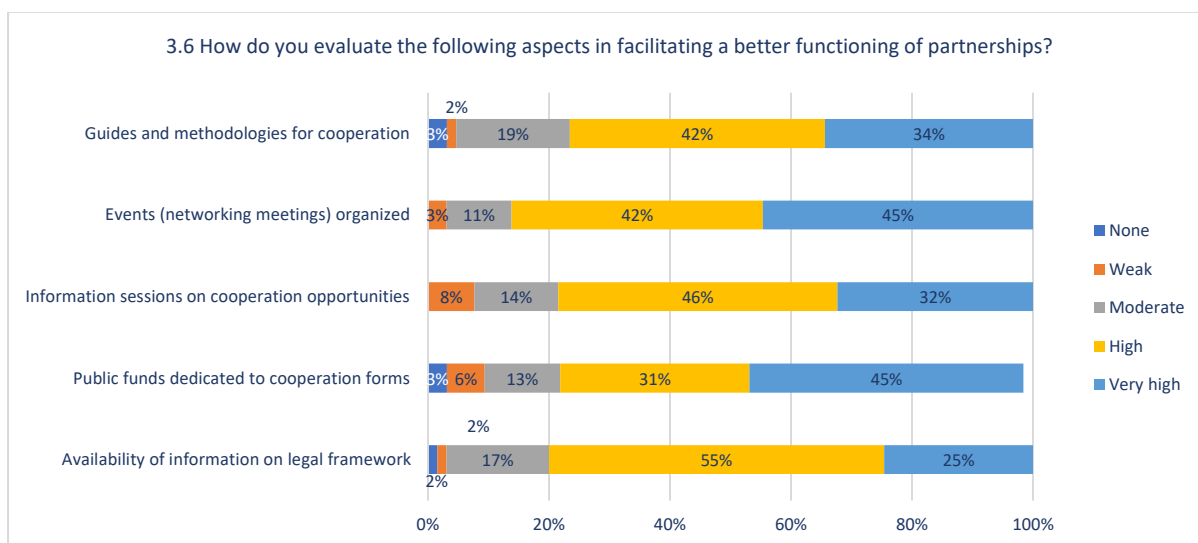
When respondents were asked to point with a maximum of three choices that in their consideration which actors play a significant role in the creation of partnerships, most of those who completed the questionnaire felt that firstly, the Local Action Groups (70%) and secondly the NGOs are the ones who play a crucial role in the process of partnership creation in rural areas. In a third place have been chosen by almost the same share of respondents the local public institutions (42%) and the agricultural and non-agricultural cooperatives (41%). The regional public institutions (12%) and the professional organizations (6%) were the least selected options at this question.



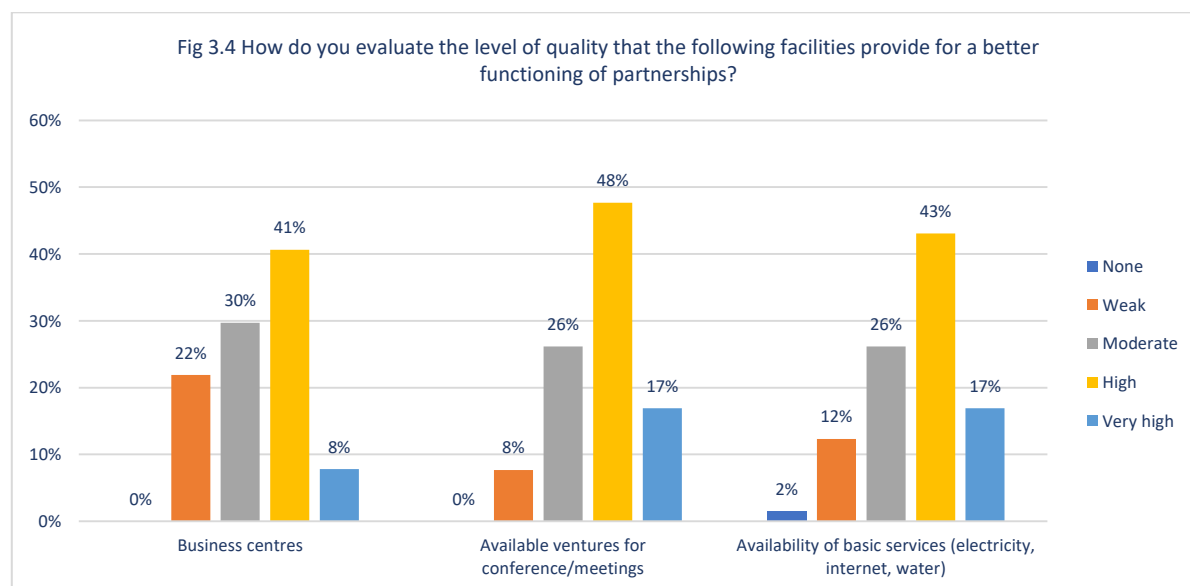
In terms of social and operational contribution the respondents were asked to indicate the level of impact the partnership has on different pre-defined aspects. The results summarized in Table 5. below, show that in the view of the respondents the partnerships greatly contribute to the increase of mutual respect between partners (60% of respondents see a high-, and 23% very high impact) followed by the improvement of communication with other partners (65% of respondents see a high-, and 14% very high impact) and in similar proportions a greater impact on strengthening connections and relationships (58% high and 20% very high) as well as better image creation (57% high and 20% very high). Approximately 30% of respondents believe that the least impact brought by the partnership is on the reduction of stress and workload and the highest distribution between answers is in relation to the impact that partnerships have on the better promotion of local culture and traditions. Consequently, 45% of respondents feel that the partnership highly-, and 18% at very high level contributes to the better promotion of culture and traditions, yet 26% perceive this impact being at moderate level and altogether 7% see this impact being weak or none.

Table 5. How do you evaluate the impact of the partnership (in which you are active) on the following aspects?						
Factors	No. of reporting	None	Weak	Moderate	High	Very high
Improvement of communication with other partners	65	0%	8%	14%	65%	14%
The involvement of members	65	0%	6%	23%	60%	11%
The understanding about the trustworthiness of the other partners	64	0%	8%	27%	50%	16%
Increased level of trust between partners	64	0%	5%	20%	53%	22%
Increase of mutual respect between partners	65	0%	2%	15%	60%	23%
Strengthened connections and relationships	64	0%	2%	20%	58%	20%
Decrease of the level of stress and workload	65	2%	28%	45%	22%	3%
Better promotion of local culture and traditions	65	5%	6%	26%	45%	18%
Increased management and coordination capabilities of partners	65	0%	9%	15%	60%	15%
Better image creation	65	0%	2%	22%	57%	20%

Further in the analysis respondents were asked to evaluate several aspects in facilitating a better functioning of partnerships. As visualized in Figure 3.6 below, the organization of events have been seen by almost one half of the respondents (45%) as of very high and almost by the other half (42%) of high importance. Next to this, the availability of information on legal framework was chosen by a quarter of respondents (25%) as being of very high importance and more than half (55%) considered it of a high importance in facilitating a better functioning of partnerships. Similar to this, most of the respondents classified the remaining three options in the categories of very high and high importance such as information sessions on cooperation opportunities (32% and 46%), public funds dedicated to cooperation forms (45% and 31%), the existence of guides and methodologies for cooperation (42% and 34%) are all believed to highly enhance a more effective cooperation.



When asked to evaluate the level of quality of three facilities in the provision of better functioning of partnerships, as shown in Figure 3.4 below almost half of the respondents (48%) considered that the available ventures for conferences/meetings are of high quality. The most improvement is expected to be made in terms of business centres which by almost one third of respondents were evaluated at a moderate-, and by almost a quarter of the respondents at a weak quality level.



IV. MAIN CONSTRAINTS AND INDIVIDUAL MOTIVATION TO DEVELOP COOPERATIVE BEHAVIOR

The last section of the questionnaire was examining the barriers in creating a healthy and effective cooperation. As summarized in Table 6. below, the distribution of opinions regarding this question is more spread between the classification possibilities. Nevertheless, factors that were classified by the highest number of respondents as causing challenges at a high and very level are the lack of financial resources of members (39% and 36%) and the lack of strategic planning (38% and 36%). Next to this, the lack of communication (37% and 35%) and of cooperative mindset (36% and 35%) were also factors perceived to be barriers that impede effective cooperation. On the other hand, the greatest distribution in answers regarding this perspective, is when the level of nepotism and corruption as well as the influence of political orientation was assessed.

Table 6. Assess on a scale from 1 to 5 the level of the following barriers to create a healthy and effective cooperation						
Factors	No.of reporting	1	2	3	4	5
Lack of management efficiency	66	0%	12%	18%	38%	32%
Uneducated and unskilled members	65	6%	8%	31%	32%	23%
Lack of mutual trust	66	3%	8%	21%	30%	38%
Lack of cooperative mindset	66	5%	9%	15%	36%	35%
Lack of communication	65	0%	11%	17%	37%	35%
Strong influence of political orientation	65	9%	20%	17%	32%	22%
High level of nepotism and corruption	66	14%	21%	20%	15%	30%
Lack of strategic planning	66	3%	8%	15%	38%	36%
Lack of financial resources of members	64	3%	5%	17%	39%	36%
Lack of clear instructions in bureaucratic processes	66	2%	11%	26%	38%	24%
Unclear understanding of duties and responsibilities	66	2%	14%	18%	36%	30%
Favoritism on granting loans/grants	64	5%	20%	17%	28%	30%

MAIN RESULTS OF THE SURVEY

Based on the analysis of the questionnaire answered by 66 respondents, the following main conclusions can be determined:

- the level of local economic cooperation is influenced by economic, social and organizational factors that foster or discourage socioeconomic cooperation in rural areas;
- according to the analysis the most popular entities or possibilities that enable cooperative actions are partnerships projects and the Local Action Groups;
- from an **economic perspective** the most significant **factors that motivate** various actors to join common initiatives are the easier access to financial resources (when

making part of a partnership) and the extended possibilities to distribute the created products or services, consequently to create a larger customer base;

- from an **infrastructural perspective** the access to public services such as electricity, water, internet was pointed as being imperative necessity to successful operation of joint ventures;
- next to this, from a **human resource** perspective the access to local knowledge was also considered important motivational aspect. The conducive factors that drive various stakeholders to get involved in collaborative action are the creation of diverse employment possibilities and the creation/use of local products/services;
- regarding **the attitude towards competitors**, there was a large compliance with the benefit of sustaining collaborative relationship with these, as there was a common agreement on the statement that competition instigates earlier achievement. Nevertheless, there was a mutual and wide uncertainty regarding the threatening nature of competitors;
- when considering to take up **innovative approaches** the greatest partners to appeal to were considered to be the Local Action Groups, universities and NGOs. The latter ones were also seen as helpful **sources of information** together with the local public institutions yet, the internet was pointed to be the main source of information for everyday professional decisions;
- the main **sources of funding** for common initiatives are the non-refundable funds from EU, own funds and non-refundable funds from other sources such as private foundations for example;
- the greatest **economic contribution** of joint initiatives **on an entity** was the possibility to get better access to projects/investments and the support in diversifying the business activities on the local market;
- the greatest **economic contribution** of a partnership **to the rural areas** is through offering increased access to education and training possibilities, increasing the quality of local products and services, offering wider employment opportunities and also bringing more financial resources;
- in general, as **social and organizational drivers** to collaborative action are considered to be: the possibility for more frequent communication with the partner organizations and the chance to strengthen personal and professional connections not only at local but also regional level;
- by joining a partnership, there is **greater opportunity** to learn about the partner's behavior in certain situations, trustworthiness and also to gain more information about the local environment through the joint actions. On the other hand, the reduction of stress and workload does not seem to be a strong motivational factor to join a partnership;
- when creating a partnership in rural areas the greatest **demographic challenges** are the lack of skilled human workforce and the ageing population;

- from an **operational perspective**, the level of management capabilities, of interaction, communication but also the level of trust and consideration of ideas are seen to be good or very good. Greater improvements are required in terms of ownership and the involvement of the community in the decision-making process. Further on, relationships are also believed to have a prevalent influence when it comes to decisions;
- Local Action Groups and NGOs are considered to be the **most significant actors** in the creation of partnerships;
- from a **social and operational perspective**, joining common initiatives increases the level of mutual respect between partners, improves communication between the associates and strengthens connections and relationships. Partnerships also support a better image creation and in most cases are seen to contribute to a better promotion of the local culture, yet not sufficiently;
- most **effective elements that facilitate a better functioning of partnerships** are the organization of events and availability of information on legal framework;
- in general, the available ventures for conferences/meetings are considered to be of high quality nevertheless, business centres are believed to demand more improvements;
- in general, the **main barriers in the creation of healthy and effective cooperation** are considered to be the following: lack of financial resources, lack of strategic planning, lack of communication and lack of cooperative mindset; the greatest distribution of opinions was related to the level of nepotism and corruption and the influence of political orientation;
- the survey offers evidence on the fact that cooperation works quite well within NGOs and LAGs and there are good opportunities in the local economies of rural areas for interaction and for joint initiatives;

Case studies

The case studies presented below are presenting three different forms of collaboration in rural development. The first case, CoopNet, gathers consultants for agricultural cooperatives, answering the pressing need in Romanian agriculture for strong and economically viable cooperatives. The second case, Food Hub Network, works for exchanging commercial practices and raising awareness on the importance of the role the consumers play in the economic activity of farmers. The third case, Agro Transylvania Cluster, has a broader approach, gathering agricultural actors from the entire value chain, in order to develop and implement larger projects.

All these case studies are currently active. The first two informal networks are coordinated by Civitas Foundation for Civil Society, with the financial support of the Romanian American Foundation. The third formal network is coordinated by Cluj County Council that is also financially supporting the operational costs.

1) CoopNet Network – a network of expertise

Coop Net is an informal network that gathers experts in agricultural cooperatives management. The experts, called "cooperatives development facilitators" are representing NGOs, Local Action Groups, consultancy companies, agricultural consultancy chambers, and have been all involved, in different forms, in consultancy and executive activities for an agricultural cooperative.

The broader foundations that justified the necessity of this network were the following:

- 1) Agricultural cooperatives are key economic actors in nowadays Romanian agriculture. In 2019 at national level there are 1.515 agricultural cooperatives, but only 18% of them have submitted their balance sheet at the end of the year. It is difficult to develop a functional agricultural cooperative; it takes at least 2-3 years to create synergies and to have small successes in this formula in order for the group to coagulate.
- 2) Small (4.000 – 11.999 SO) and medium (12.000-250.000 SO) sized farmers are expressing the need for technical assistance in order to work together on management and marketing in cooperatives. The economic dimension of the farms is determined based on total standard production (SO – Standard Output), which is calculated by multiplying the area, respectively the number of animals on the holding, with the coefficients of each crop, respectively species.
- 3) The start-up phase of a cooperative is critical in terms of economic and operational activity. The facilitator (mediator) has an important role in building trust and creating a joint vision.
- 4) The leadership of the cooperative has an important role in building trust and working on the business model implementation. The leadership is formally represented by the president, the general manager and the administration board.

5) Capacity building for both facilitators (consultants, experts) and leadership is a core activity of the network, complementing the public support for the cooperatives.

6) Influencing public policy, by developing good practices and promoting the key success factors is the medium and long term goal of the network.

During 2017 -2019, the number of network members increased from 26 members to 81 active members formed by LAGs, NGOs and agricultural cooperatives. The activities carried by the partnership that implemented the project were network meetings, trainings for different target groups, assistance and consultancy for agricultural cooperatives at different stages (project in development, in evaluation, contracting period and in the end, in implementation). In the next period 2020-2021, Coop Net will focus on supporting the top leadership (presidents/vice-presidents or executive directors) of the cooperatives established through LAGs to increase their chance to survive on the market. The activities through which Coop Net aims to grow the community of leaders of cooperatives are: a mini MBA for agri-cooperatives, mentoring activities, international study visit, launching events for cooperatives, network meetings, research and advocacy activities.

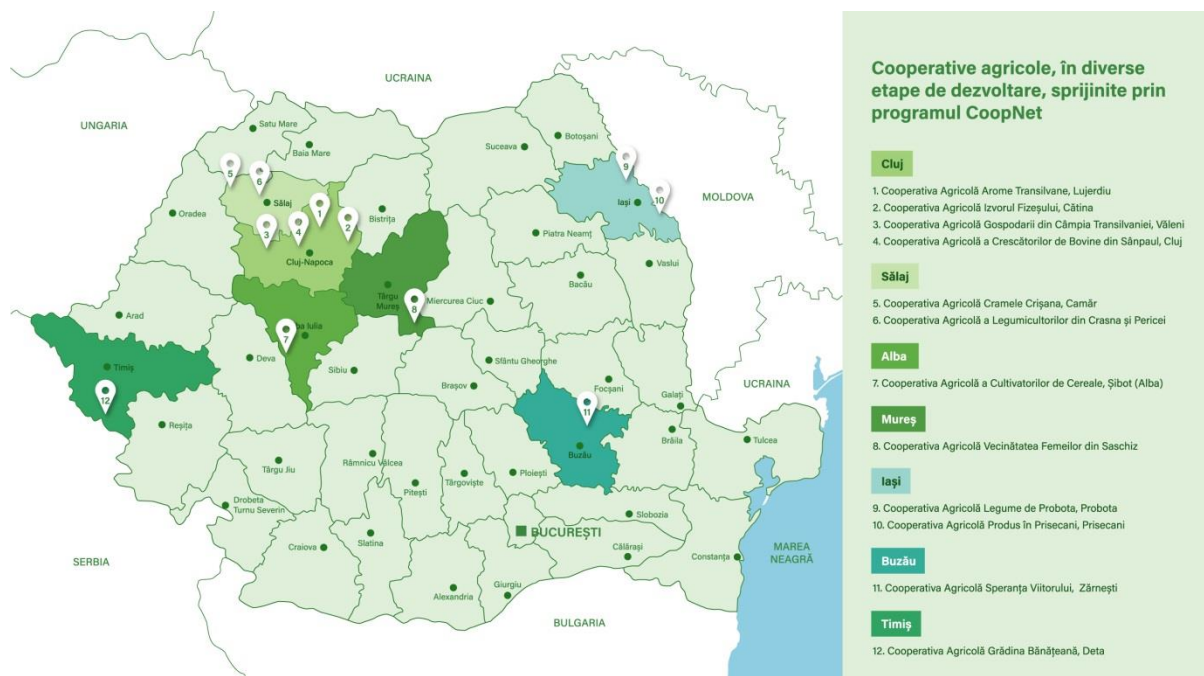


Figure 1 Cooperatives developed in the CoopNet Network

2) Food Hub Network – a common effort for raising awareness

Launched in 2017, the „FoodHub” program is one of the most challenging initiatives for supporting Romanian local producers. After a study visit in the United States to see how food hubs are working there and what is their social and community impact, the Civitas Foundation team, together with our partners and the Romanian-American Foundation started working on adapting the American model to the Romanian reality, in order to connect the local farmers and their products to the needs of the urban consumers. Our foundation has launched a contest with the support of the Romanian-American Foundation, where ten NGOs have participated:

- The Center for Entrepreneurship and Executive Development in Romania – CEED ROMANIA
- Romanian Association for Counseling and Support
- World Vision Romania
- Conservation Carpathia Foundation
- Center for Mediation and Community Security
- ADEPT Foundation
- Center for Rural Assistance
- Civitas Foundation for Civil Society
- Open Fields Foundation
- Civitas Foundation for Civil Society – Cluj-Napoca Branch

By the end of the contest, only five of them were selected by the Romanian American Foundation and the initiator of the program, Civitas Foundation for Civil Society.

We developed a partnership between the five NGOs working on community development, which were the finalists of the contest – **Center for Mediation and Community Security, World Vision Romania, Open Fields Foundation and the two offices in Cluj-Napoca and Odorheiu Secuiesc**. The main challenge was to find solutions to make the enterprises competitive on the market and financially sustainable. We are still working on this, together with our partners from the other four food hubs around Romania. In Odorheiu Secuiesc, we have a store situated in the city center, and it is the only one that does not sell their products via online platforms.

During the entire period of the program, starting 2017 and up until 2021, Civitas Foundation acts as a network facilitator, organizing events and meetings, representing the

consortium in the meetings with public relevant bodies and also to monitor the way the five initiatives work in order to document the process and facilitate the collaboration between the organizations involved.

From this moment on, the farmers had the chance to collaborate and benefit from consultancy services for developing their production capacity and their offer. Moreover, in this stage, the employees of the foodhubs will ensure the logistics and communication between the local farmers and their customers, which can be both people and companies (restaurants, cantinas, shops, universities etc.).

During the last two years, a total of 228 small and medium sized producers (and their families) were involved so far (for all Food Hubs). Total sales from January 2018 to June 2019 were 1,4 mil ron (336.711 USD). There were 12 jobs (average / month) created in the five entities (direct jobs). The average margin is about 30%. We also have more than 20.000 followers on social media, with 4 launching events, and more than 20 consumer events.



Figure 2 Food Hub Network map

3) Lunca Somesului Mic Agricultural Cooperative

Lunca Somesului Mic Agricultural Cooperative is a Farmers' cooperative, started with 16 full rights members, in 2013, with the main goal of supporting the owners in the selling process. The cooperative is currently collaborating with tree retailers, having annual turnovers of over 350.000 Euro.

In the first two years of activity, the Cooperative was assisted by Civitas Foundation for Civil Society. Furthermore, the activity was subsidized, all operational expenses being covered. During the implementation phase, the Cooperative employed a sales manager. The selection method included the participation of the Administrative Council of the Cooperative. Since the beginning of its activity the Cooperative changed the sales manager twice.

The activity of the Cooperative started in an administrative building rented from the local authorities than moved in a 30 square meters rented cold storage facility now being carried in a 65 square meters cold storage facility, build by the cooperative in a 150 square meters rented hall.

The marketing strategy was developed in the first planning phase but was constantly revised in the first business plan implementation phase. Since then, improvements were made to diversify the approach and to find a solution to the constant question: how to get a higher value on the unit?

The facilitation activity focused on getting the Cooperative closer to higher added value products. Two important steps were made: 1) Testing processed products (that, until now did not enter in the constant supply 2) Testing and introducing in the market packed products. From the last category, the Cooperative added products such as: vegetables mixes and separate types of packed vegetables.

The Cooperative participated in four teambuilding activities. Furthermore, the teambuilding were completed by relevant study visits. These events were very important from the cohesion building and in depth discussions and strategy development.

The key lessons learned are:

(1) Market driven cooperation works if the profits are higher when working together.

Figure 3 Cooperative along with RAF

One of the main factors that favored collaboration was the opportunity of getting a better price for the vegetables sold. Even if retail price can fluctuate and even impose a very slim margin, the average price and the volumes sold are representing a clear advantage for the farmer. Aside from the revenue stream stability and predictability, working in a cooperative offers the advantage of the efficient usage of time, as transport, package and selling are strictly organized in accordance with the clients order.



(2) The core team is essential.

Collaboration in an agricultural cooperative must be facilitated. This process involves a core team that can play the mediator role, and can understand that synchronizing different interests is not something that comes naturally. Economic collaboration is fragile at the beginning, as the level of trust is low and the clear advantages are not yet visible. In this phase, as well as in other crisis situations the manager (executive area of the entity) and the president (legal representative and voted leader) play an important role.



(3) Accepting the imperfections of cooperation “don’t leave the table to early!”

Starting and strengthening collaboration is difficult. However, an economic collaboration comes with challenges as well in the implementation phase. It is important to focus on the advantages and the common goal and to constantly analyze, in an objective manner, the reasons to stay engaged and avoid unnecessary conflicts.



Figure 4 Coopertive current presindet - Chindris Gavrilă

Figure 5 Cooperative current manager - Anca Marcu