

TRAVEL REPORT 2001

INTRODUCTION

Our working group's focus area is strategic program management, effective and innovative grant-making. The community foundation movement worldwide is known for its creative grant-making. A great deal has been written about strategic grant making by community foundations in the United States, Canada and the United Kingdom.

Our group wanted to learn more about the creativity and innovation in community foundations in Central and Eastern Europe. Community foundations have played in countries still early in the process of developing a civil society after Communism.

We planned our second working group meeting in the Carpathian Region of Central and Eastern Europe. We visited community foundations and civil society organizations in Hungary, Slovakia and Poland. The visit was organized by Sandor Koles and his colleagues at the Carpathian Foundation. Sandor is the Executive Director of the Carpathian Foundation and is a member of our working group.

OBSERVATIONS

- Community foundation work in Central and Eastern Europe tends to be much more hands on than it is in the West, because the civil society infrastructure is still developing.
- Very few civil society organizations have paid staff. Often human resources come from local government, the church and volunteers.
- Few community foundations have endowment funds, nor do they expect to develop endowments in the short term given the great need for funds to support immediate programs and projects. Some community foundations are looking to secure capital funding to purchase a building and acquire revenue by renting space to civil society organizations. Others are looking to sell community development services by doing consulting work for a profit.
- After the fall of communism, civil society development was very well funded in the region with generous grants from private foundations. The community foundation model was also in favor with many private

foundations such as the Soros Foundation. These private foundations are now moving from the region and many civil society organizations, as well as community foundations, are finding it increasingly more difficult to continue to provide services due to lack of funding. Community organizations are creating coalitions and networks to share resources and information.

- Before the Second World War many of the countries in the Carpathian Region had well established and sophisticated civil societies. This community infrastructure slowly disappeared after fifty years of communism. People that were alive before communism are known as Gatekeepers. These people are important in the development of civil society, because they have the living memory of how society was organized.
- The Carpathian Foundation has provided leadership to civil society organizations in the region and could take on more of a leadership role with the community foundations in the area.
- Private foundations that fund internationally, prefer to make grants of \$100'000 or more. One of the issues for small community foundations in this region, is the ability to absorb relatively large grants from foreign funders, when their average grant size is about \$600. The Carpathian Foundation could act as a flow through agent for the smaller foundations.
- Many people that escaped Central and Eastern Europe during the war, or during the communist period, have become financially successful in the West and are donors to community foundations in the cities and towns where they live. A large number of these people still have a great love for their homeland and would be willing to financially support civil society organizations in communities where they are from, if they could only trust those organizations as much as they trust their local foundation. If the Carpathian Foundation had a closer connection to the community foundations in the region, they could act as a reference for donors wishing to support the local community foundation. With this type of brokerage connection, community foundations in the West could provide a valuable service to their donors. This type of brokerage connection could be extended throughout the Transatlantic Community Foundation Network and would be a very positive outcome of the program.

SITE VISITS in the Carpathian Region
August 28 - September 5

August 30, Thursday

Cotkeny Regional Development Association, Hungary

The micro region lies on the north bank of the Tisza river, south of Eger and Miskolc, covering approximately 30,000 ha comprising 9 villages with a total population of about 13,000. The micro region can be characterized by low rates of economic activity, high unemployment (average 15.7%) and in many villages an ageing (20.6% over 60), declining population and a lack of appropriate skill for the new economic climate. The area has a low potential for conventional or intensive agriculture and few indigenous industries. The micro-region rich in wildlife and landscape resources bounded in the Tisza river and its flood channel and the north eastern section of the Tisza lake (a Ramsar Bird Reserve) and having at its core the Borsodi Mezőség Protected Landscape. The main goals of the local Regional Development Association are to increase the economic activity of local communities by making full and ecologically responsible use of the areas natural resources and in parallel to develop the appropriate social, technical and financial skills as so as to allow the local people to exploit these new opportunities.

The local group was the recipient of a grant from the Carpathian Foundation and took part in our technical assistance program to rural communities in the Carpathian Region.

Municipality of Tarcál, Tokaj wine region, Hungary

The small town of Tarcál is historically one of the most important towns in the Tokaj wine region. Its wines have always figured amongst the best in the entire Tokaj appellation. After centuries of successful winemaking, Tarcál and the whole region suffered a catastrophic disaster. The phylloxera pest starting in 1885 destroyed some 75% of the Tokaj vineyards. The second disaster was the communist period from 1949 when the communists forced the collectivization of private vineyards. Winemaking practically disappeared from peasant farming cellars lost their value, became dilapidated, and the traditional wine culture seemed to vanish completely. After the political changes (1989) local communities had to face new challenges. The capital resources of private producers, cellar cooperatives, and vine-growing communities that emerged as a result of the privatization process, are extremely limited. Foreign investors have entered the region, and have implemented major investment programs. Although it is true that these represent only the 10% of the vineyard area, through their marketing activities, they represent a considerable percentage in wine sales, and by the introduction of new technologies (reductive wines) as opposed to traditional wine-making procedures they are squeezing traditional wines from the

markets. The local response to these problems was establishing a coalition of local municipalities and vine-growing communities in order to increase the quality of local wines, preserve local culture and provide market access for small producers. Their project has many elements, such as: creating the Wine Road, building up conditions for tourism and wine tourism, preservation of local cultural heritage, etc.

In 1997, the local self-government of Tarcal has received a large grant from the Carpathian Foundation to implement their program.

August 31, Friday

Slovak community foundations, Slovakia

Meeting with Slovak community foundations and discussion on the state of community foundations in Eastern Slovakia. Representatives will be invited from Presov, Velky Saris, Banska Bystrica and Modra Torysa.)

September 1, Saturday

Community Foundation Velky Saris, Slovakia

Velky Saris is a small town located in the NorthEast part of Slovakia. The community foundation was established in 1998 in order to support local citizens' activities. They support cultural, educational, sport activities and environment protection. Here can be found one of the oldest castles in Slovakia, which is in very bad condition and the Community Foundation started a campaign to save the local castle.

September 2, Sunday

Galician Guest Farms-Bieszczady Association, Lesko, Poland

The Bieszczady mountain region is situated in the most southeast part of Poland close to the Ukrainian and Slovak borders. The region has a rich natural and cultural diversity. Nearly 50% of this area is covered by forest and the rivers and streams are free from pollution. It can be found a numerous historical buildings: Lemko and Boyko orthodox churches, synagogues and traditional Jewish cemeteries (kirkuts.)

The 65% of the total population living in the rural mountainous areas. The unemployment rate (17%) is much higher than the national average due to the limited job opportunities in towns. This is the reason that the tendency of migration has turned and more and more people move back from the towns to villages. The conditions of agriculture production are diversified due to the

topographic features, soil quality and climatic factors. In the mountainous areas the grassland and pastures are predominant, which create a favourable conditions for animal breeding (cattle and sheep.) The crop production is concentrated in the lowland part of the region. The agriculture can be characterized by an unfavorable land structure: 42% of the farms are less than 2 hectares (the average size of land is 3,5 hectares.) In this situation, the villagers are forced to seek additional income and one of the obvious opportunities is to develop the rural (agro) tourism in the region.

The Association was created 1994 to promote agrotourism in the region and it has 251 members. Its main activities include organizing agrotourism training to local farmers, publishing agrotourist guidebook, qualify "bed and breakfasts", and organizing tourism fairs.

September 3, Monday

"Icon Trail" project in Sanok, Poland

This project is a good example for using local cultural heritage as a vehicle for community development.

Bieszczady Development Agency in Ustrzyki Dolne, Poland

The micro-region of Ustrzyki Dolne is situated in the southeastern part of Poland, on the borders of Ukraine and Slovakia. The largest part of consists of the attractive Bieszczady Mountains range, which is on the list of the World Cultural and National Heritage sites. The area is sparsely populated, the town and district of Ustrzyki Dolne being inhabited by some 17,000 people, although the whole area served by the Agency contains some 50,000. After the termination of the wood-processing industry, and the collapse of state-owned farms, there has been a serious problem of unemployment. The region is somewhat of a rural backwater, and the great resource of the national park is not exploited as a source of market-led entrepreneurial activities. Bank loans for small businesses are very difficult to obtain because of the high requirements of the collateral/guarantees needed, sometimes 150-200%, to cover loan repayment. There is also the problem of the high interest costs of loans.

In order to help small businesses flourish the Development Agency set up the Mutual Guarantees Fund that provides its members with loan guarantees. In this way it can facilitate the development in this remote rural area of regional crafts, food processing, and tourism. The Fund was set up in 1997 with a grant of \$160,000 from the Carpathian Foundation.