

# The importance of capacity building in local development and social economy projects

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# Background

**Purpose: the role of capacity building in the success of local development and non-profit employment projects**

**Social background:**

- 1. Civil society in Hungary: strong and fast increase, although the Hungarian society and economy still live in a “transformational crisis”.**
- 2. Different functional structure of Hungarian NGOs:**
  - Cultural and spare time activity is predominating**
  - The role of NGOs in healthcare is marginal**
  - Large rate of business/professional organizations.**

## Crucial points of paving the way for social economy in Hungary

- 1. Lack of voluntarism – the appropriate law is waiting for approval by the Parliament;**
- 2. Lack of appropriate legal background;**
- 3. Underdeveloped environmental and civil movements;**
- 4. Task specialization among the different ministries (social, labour and regional) is not clear enough;**
- 5. Weak regional level of social and labour institutional system;**
- 6. Weak regions.**

## Main characteristics of Hungarian SF implementation

- 1. Afraid of not receiving enough applications**
- 2. More than 80% of the projects are small (less than 50 million HUF).**
- 3. Approx. 30% of the Hungarian SF funds will be implemented through centralized projects. (strategic alteration of different areas as education system, etc.).**
- 4. Governmental bodies use 25% of the SF support in the open application system.**
- 5. The professional management attitude is not spread enough in the Hungarian governmental area.**
- 6. ESF is an unknown area.**

## Capacity building tools in the different SF supported applications

**Example 1 (OPARD): Development of rural settlements, development of community areas**

**Example 2 (OPARD): Development of rural tourism and local craftsmanship**

**Example 3 (OPRD) - Implementation of non-profit employment programmes in the social economy**

- 1. There is no direct community building technique at all in these programmes.**
- 2. Only personal mental assistance is a compulsory part sometimes in Hungary**

## Methods and examples of using capacity building techniques in local development and social economy projects

- **Three typical models of community development: development of the place, community planning, and community actions**
- **Common aims: economical development, strengthen social services, education**
- **In an SF supported local development project: community planning should be a compulsory part preceding the projects, whereas community actions should be a compulsory part during the projects.**

## Steps of community building in a local development and social economy project

- 1. Communication training**
- 2. Visiting similar projects**
- 3. Making a “future-prospect” team: establishment of the team, deciding on the people involved, collecting and documenting the opinion of the interviewed people, first version of the future prospect, spreading the version, making the final version of the future prospect and accepting it.**
- 4. Forums**
- 5. Actions during the project**
- 6. Mentorship**

- **Strong connection between classical community development and local development SF projects.**
- **However, in Hungary community building techniques are not part of the call for proposals. Lack of effectiveness is a first, serious experience in connection with ESF project implementation in Hungary.**
- **It is really important to use community building techniques as compulsory parts before and during the implementation of local development and social economy projects.**



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Európa itt épül

