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From Aurora Borealis to Carpathians. Searching the Road to Regional and Rural Development

Abstract

This paper aims at analysing the current regional and rural development tools available for Romania and Finland, as well as common encountered problems and differences in the local realities. The theoretical framework covers contemporary concepts typical for regional development and for rural development, such as learning regions, knowledge creation, social networks, innovation, bottom-up versus top-down approaches, and social, cultural and economical sustainable development. References to the specific problems encountered in remote areas or related to the communities with limited access to various resources are made and the existing policy trends are compared.

Rural reality embraces very particular characteristics both in Romania and Finland. However, the history trends have been different and the actual situation of countries' economy indicates a potential of learning in case of Romania and available solutions to similar problems in case of Finland. Still, transferring models and solutions is not an easy task and the particular challenges encountered in Nordic knowledge transfer projects are mentioned as a starting point helping to formulate assumptions related to the impediment to be expected in such a transfer case.

Project Cycle Management in its newest version is brought in the discussion in an attempt to asses in what extent its recommendation could be useful and applied in the case of rural development programmes. The potential quality increase and the high technicality of the used terms are some of the analysed features of project Cycle Management.

The concrete examples used in the paper are based on the interviews carried on by the authors in different and common research and evaluation projects in Finland and Romania. The paper brings into discussion the lacks existent in rural and regional development policy in an EU country and an accession one, as they appear using the initially proposed theoretical framework. Recommendations to be followed in the coming years are suggested in this paper evaluating comparatively some of the existent problems affecting local development.

Content:

I Theoretical and Policy Framework

Usually, the theoretical framework comprises the theories and conceptual model considered relevant by the authors for a certain paper. Policy framework is considered more often as a practical aspect relevant for the regional, country state or European Union perspective. In this paper, we propose a combined approach using references to regional and rural policies and interconnecting them with some of the relevant concepts and theories, on the one hand and with the recommended tools for carrying on co-operation projects and programmes, on the other hand.

An inspirational starting point has been supplied by the presentation of Jean-Marie Rousseau, (European Commision expert) in February 2006. During the Innovation Forum hosted in the University of Oulu, his presentation launched the question: *one-size fits all knowledge region strategy*? Furthermore, he was questioning the relevance of benchmarking and foresight. Main point proposed in the presentation was the need to invest rather in knowledge and foresight, for the purpose of defining and promoting local advantage. Constructing a regional advantage does mean considering the comparative advantage combining it with a proactive attitude, "strongly focusing on actors, agencies and governance forms" (Rousseau, p. 37). In a condensed and remarkable form, the presentation succeeded to reap off the concepts of benchmarking and foresight, knowledge based economies, and knowledge region.

Figure 1. Relevance of Research and Development on development of knowledge based economies (Rousseau, p. 3).

The previous figure refers to some of the key concepts shaping out current regional and rural development. The scientific and technological knowledge reference reminds us of the *informationalism* concept launched by Manuel Castells. In the context of Information Technology Revolution models nowadays reality. Previously dominant space of places is competed more and more by the space of flows. There is a network of billions flows between regions and agencies, citizens and financial institutions, entertainment complexes and consumers. Accessing various flows, connecting to relevant networks becomes imperative. Human capital plays a crucial role, facilitating or hindering production of knowledge. Programmable labour resides from qualified human capital and allows adaptation, flexibility on a rapidly changing labour market. On the other hand, less qualified human capital more related to generic labour is easily replaceable by either similar workers or technology. Consequently, we assist at polarisation in terms of labour force and regional characteristics. “The success or failure in making the transformation from industrialism to *informationalism* is strongly related to governance success. For example, the fall of Soviet Union is caused particularly by this failure. The black holes of informational capitalism are the pockets of systematic social exclusion, where people lack the equipment, tools, or training to access or use information technology.” (Aldea-Partanen 2003 a, p.6). At 10 years after Castells first volume “The Rise of the Network Society” from the trilogy “The Information Age: Economy Society and Culture”, obvious common elements are part of the officials discourse. “The success of a region is determined, to a large extent, by its capacity to attract different flows, such as information flows, capital flows, technology flows, cultural flows, specialist flows, and enterprise flows. … The basic goal in the networked environment is to create an atmosphere where the scarce available resources can be directed in the most fruitful way for regional development.” (Harmaakorpi, Niukkanen 2002, p.5). Regional development and rural development can be nowadays better carried out in connection to sustainable development. Sustainable development consists of many components, some of which will be presented in the next section.

Socially sustainable development and citizens' empowerment

Sustainable development became a widely known concept after the publication of the report titled *Our Common Future* by the United Nation's World Commission on Environment and Development in 1987. According to the Commission's well-known definition, "sustainable development is development that meets the needs and aspirations of the present without compromising the ability to meet those of the future" (WCED 1987, 43). In other words, one of the crucial issues in the decision-making concerning sustainable development is solidarity between the present and the

future generations. In the subsequent discussion on sustainable development, the concept has been divided into four dimensions: ecological, social, cultural and economic.

The *ecological dimension* means that development should promote the conservation and preservation of the integrity and diversity of the ecological system and minimize the depletion of non-renewable resources. *Sustainable economic development* is effective, as it utilizes as few natural resources as possible and causes minimal pollution. Economic development also has to be equal between citizens and nations and between the present and the future generations. The *cultural dimension* means that development should be in harmony with the values and cultural concepts of the individuals involved. The *social dimension* means that the aim of development is to improve the quality of human life in such a way that development enables people to realize their potential, build self-confidence and lead lives of dignity and fulfilment. Communities must be empowered in order to be able to care for their own environments. Development has to be more participatory. This means that citizens must have enough opportunities to express their opinions in decision-making related to their living conditions. This is possible if the administrative system is open and democratic. This, in turn, implies that the government needs to be in continuous discussion with its citizens and civic organizations. (Jacob 1996, 10-16; Rannikko 1999, 397-398.)

Citizens' empowerment requires an open and democratic administrative system. A system of this kind gives people equal opportunities and access to expertise and knowledge and a capacity to contribute to the decisions that affect them (see, for example, Arnstein 1969; Barber 1984, XVii; 226-227; Ponnikas 2000 or Rogers & Ryan 2001). The models of participation that have been presented in the discussion on sustainable development could be divided into *the top-down and bottom-up models of participation*. The top-down model is mainly concerned with the implementation of sustainable development, but hardly at all with determining the implicit objectives of such development. Governments decide about the objectives, using expert knowledge, and the public is mainly involved to carry out the policy. Participation at the objective-setting stage consists of only desultory consultation (Jacobs 1999, 34). This type of participation is functional, which means that participation is seen by external agents as a means to achieve goals. The goals of participation have already been decided. (Bell & Morse 2001, 297; Jacobs 1999, 34-35.) According to Arnstein (1969, 216-217), these top-down forms of participation are mere empty rituals. Arnstein speaks about the following forms of tokenism: informing, consultation and placation. Informing is the first step towards legitimate participation. But quite often the emphasis is on informing citizens of plans made elsewhere, with no channel for feedback. Consultation, similarly to public hearing, is another legitimate step towards citizen power. But Arnstein argues that, although consultation

allows citizens to give advice, power holders still retain the right to judge the legitimacy or feasibility of this advice.

The bottom-up interpretation of participation is more radical: the setting of objectives and the implementation are subject to participative processes (Jacobs 1999, 34). This participation is seen as a civil right. Seeing the participation only as a mechanical function is not enough (Bell & Morse 2001, 297-299.) According to Arnstein (1969, 217), these forms of participation reflect different degrees of citizen power. The first of degree of citizen power is partnership, in which power is actually redistributed through negotiation between citizens and power holders. The responsibilities for planning and decision-making are shared through committees. The EU structural fund policy process could, at its best, be an example of partnership, but only when local citizens acquire some real influence over the target of the policy process through public hearings. The second form is delegated power: citizens hold a clear majority of seats on the committees with delegated decision-making power. The third form is citizen control: citizens handle the entire job of planning and policy-making with no intermediaries between them and the source of funds. Referenda and other forms of direct democracy are probably the most pure forms of citizen power. In this way, citizens' empowerment and Arstein`s degrees of citizen power could also be realised more fully than by using only representative procedures.

In practical terms, the participation of citizens in development policies for rural areas should be consider more as a bottom-up approach and the top-down participation ritual should be more rarely practiced, or at least mechanism of combination should be find. Furthermore, with respect to sustainable development, its ecological, social, cultural and economic dimensions should be taken into consideration while designing and implementing rural and regional development policies.

Different variations of sustainable development

In the subsequent discussion on sustainable development, the concept has also been divided into different variations: *very weak* sustainable development (also called treadmill of production model), *weak* sustainable development, *strong* sustainable development and *very strong* sustainable development (Ponnikas 2003). The variations delineate the alternative frameworks for putting sustainable development into practice. They are an indication of differing ideological beliefs about the natural world, which can be divided into the anthropocentric and ecocentric positions. The *strong* sustainable development variations represent ecocentric position and *weak* sustainable development variations anthropocentric position. (Baker et al. 1997, 8-14; Dobson 1998, 56-57; O`Riordan 1996, 144-149; Ponnikas 2003, 67-73.)

In the *very weak* approach the natural environment is seen in terms of its utility to the economic system. Sustainable development is a synonym for sustainable growth. Policy tools continue to aim at maximizing production and growth. In the *weak approach* the objective of policies remains economic growth, but environmental costs are taken into consideration: market-reliant environmental policy, changes in patterns of consumption. Top down initiatives dominate in the administration system and there is only limited dialogue between state and environmental movement. This approach is biased in favour of the Northern view of the development process. It also reduces environmental problems to managerial problems, solvable within the context of the dominant political and economic system. Rather than stimulating radical reform, sustainable development here becomes a cachet of ever-expanding improvement. (Baker et al. 1997, 8-15; O`Riordan 1996, 145-146, 148-149.)

Whereas *weak* variations of sustainable development assert that economic development is a precondition of environmental protection, advocates of *strong sustainable development* assert that environmental protection is a precondition of economic development (environmentally regulated market). There is less emphasis on quantitative growth with strong variations. Although the accent is on a switch to qualitative growth, the overall objective of economic growth remains, but there have to bee changes in patterns of production and consumption. There could be in global level economical growth in developing countries and economical improvement in industrial countries. (Baker et al. 1997, 15-16.)

Very strong sustainable development offers a profounder vision aimed at structural change in society, the economy and the political system, which is premised upon a radical change in the attitude of humankind towards nature. These processes mean changes in patterns and levels of production and consumption. One important target is environmentally regulated market. Growth is measured in qualitative terms: quality of life rather than standard of living. There might be quantitative growth in the third world or poorer areas of Europe, but only through negative growth in highly developed areas. This variation represents a pure ecocentric worldview, which adopts a holistic approach that recognizes the interrelatedness of all life. It also stresses the social dimensions of development, which among other things means that greater account is taken of work and production activities that lie outside the formal economic system in the social economy, for example through the not-for-private-profit contributions of community-based organizations. (Baker et al. 1997, 15-17; Dobson 1998, 55-57; Jacobs 1999, 40-41; Jacob 1996, 6-8, 17.)

Different variations of sustainable development represent a kind of ladder or a map of the sustainable transition. Both ends of the ladder can be considered the extremes that represent all the

possible visions, from superficial to radical, on the nature of, and solution to, the contemporary environmental crisis and the relationship between humankind and nature. (Baker et al. 1997, 17-18; O`Riordan 1996, 145-146.) Brundtland`s approach to sustainable development is quite ambiguous and neutral. These are the reasons why it is possible to incorporate elements of the four variations to the concept of the sustainable development. (Baker et al. 1997, 17-18.)

If we take into consideration the existent rural development and regional development policies, it would be interesting to analyse what kind of visions are behind them, what are the variations and dimensions of sustainability included in regional and rural policies implemented in Finland and Romania. Potential research questions are: is weak sustainability associated with top-down merely ritualistic participation? Are ecological and economical sustainability more often present in the public discourse than cultural and social one? What is the actual practical situation in terms of mix between dimensions and variations of sustainability? The following table tries to picture the alternative theoretical types.

Table 1 Sustainability Matrix

<table>
<tr><th>Variations of sustainability
Sustainability dimensions</th><th>Very weak</th><th>Weak</th><th>Strong</th><th>Very strong</th></tr>
<tr><td>Ecological</td><td>low, just managerial</td><td rowspan="2">economic development = precondition of environmental protection</td><td rowspan="2">environmental protection = precondition of economical development</td><td rowspan="4">Eco-centric vision models structural changes having impact on economic, cultural and social dimensions of sustainability</td></tr>
<tr><td>Economical</td><td>economical growth as the main target of the policy</td></tr>
<tr><td>Cultural</td><td>Western industrial countries dominate the global development</td><td></td><td></td></tr>
<tr><td>Social</td><td>top down approach dominant</td><td></td><td></td></tr>
</table>

Sustainability matrix cross-references the variations of the sustainability with its dimensions. The cultural dimension is often weakly represented in most of the variations. In the analysed literature, the focus of the discourse is on the alternative roles of ecological and economical dimensions, sometimes with noticed implications of the social aspects.

Policies' designs and results are reflected by indicators. An illustrative example is provided by the following picture. An important measure of the economic performance, competitiveness is here analysed in connection with knowledge. World competitiveness knowledge index is here used to illustrate the situation of the knowledge economy regions. Main components of the index are knowledge sustainability, knowledge capital, regional economy outputs and human capital.

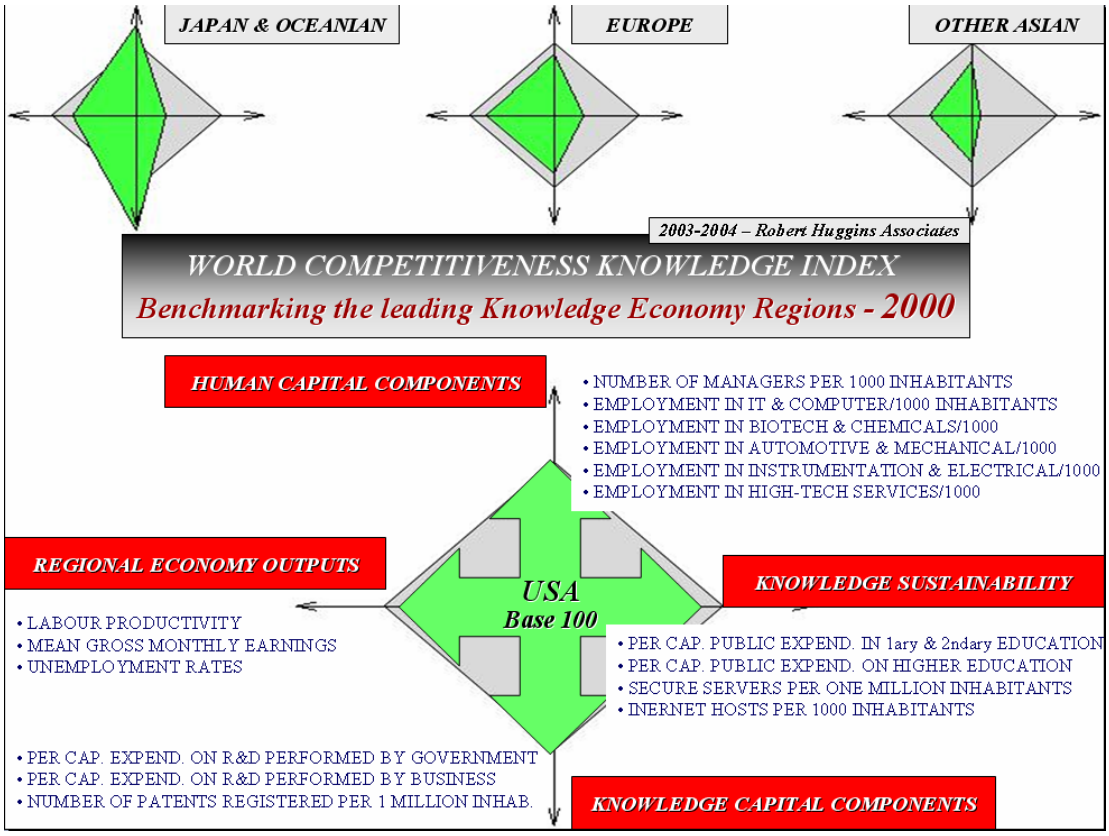

Figure 2. World Competitiveness Knowledge Index (Rousseau 2005, p.4)

Incorporation of knowledge sustainability dimensions illustrates in a significant extent, the learning capacity of a region or a state/country. Neglecting the particularities of the area, as well as focusing on top-down approaches is hindering the facilitation of development and is a part of the NEGA model of counter-development of a knowledge region. Projects and programmes of rural and regional development have to put in practice regional and rural policies in a customised manner.

This paper is not examining in an exhaustive manner these policies, but it uses several examples from Finland and Romania, with the purpose to raise further research questions. References to some of the ongoing practices and tools are also included.

II. Project Cycle Management. Views on 2004 version and its application

A way to benchmark and organise the activity occurring in regional and rural development project and programmes is project cycle management (PCM). Initially proposed by European Commission in 1993 as a tool for handling international co-operation, now PCM is largely used by governments and non-governmental organisations. Revised versions have been produced in 2001 and 2004. If 1993 version was a condensed brochure, the 2004 version comprises no less than 158 pages, incorporating experiences and analyses of PCM at work. The current version refers in larger detail to the evaluation criteria and quality factors. This section provides a glance to the 2004 version of PCM in an attempt to identify potential use in management of project affecting rural and regional development.

Very often, task managers, being them project or programme managers, find themselves in the following situation (see the picture bellow).

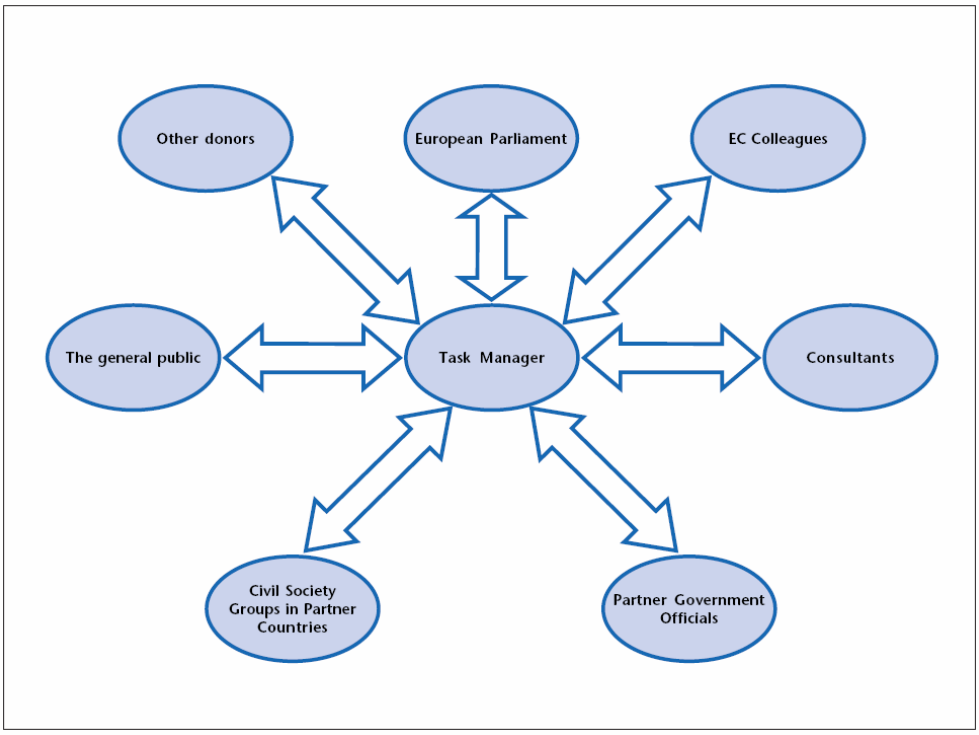

Figure 3 The Task Manager's Web of Relationships (PCM Guidelines 2004, p.2)

To cope with different partners and be aware of their role, a structured approached is needed. Such approach is suggested by adopting a cyclical vision on the project work. The main phases of a project, being it understood as a small scale project or as a sector programme, are programming, identification, formulation and evaluation. Each phase of the cycle consists of different activities and it is associated to certain responsibilities and decisions. Completion of one phase is necessary to pass to the next one. The cyclical nature of the phases' succession is illustrated by the next figure.

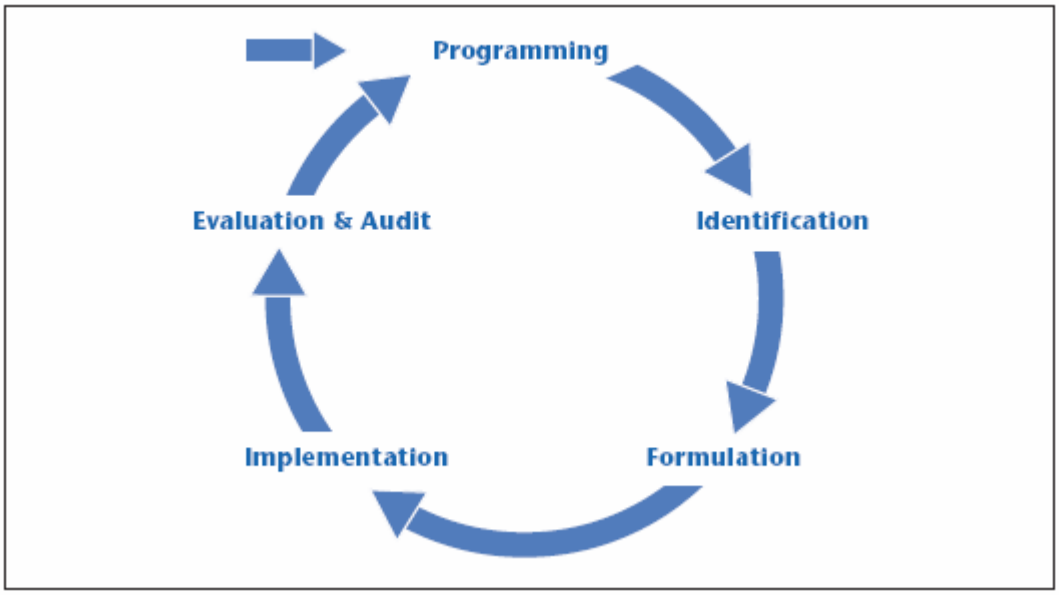

Figure 4 The cycle of Operations (PCM Guidelines 2004, p.16)

"This cycle highlights three main principles:

1. Decision making criteria and procedures are defined at each phase (including key information requirements and quality assessment criteria);

2. The phases in the cycle are progressive – each phase should be completed for the next to be tackled with success; and

3. New programming and project identification draws on the results of monitoring and evaluation as part of a structured process of feedback and institutional learning" (PCM Guidelines 2004, p.16).

The cyclic nature of the operations it is two folded. It might occur in a smaller extent during the lifetime of the project or it might encourage the occurrence of new projects and programmes. Each phase of the cycle is associated with certain decisions as well as with the elaboration of necessary documentation. The financing decision might occur in different phases of the project depending of its "project like" or "programme like" approach. Briefly said, "Project Cycle Management is a term used to describe the management activities and decision-making procedures used during the life-cycle of a project (including key tasks, roles and responsibilities, key documents and decision options). PCM helps to ensure that:

• projects are supportive of overarching policy objectives of the EC and of development partners;

• projects are relevant to an agreed strategy and to the real problems of target groups/beneficiaries;

• projects are feasible, meaning that objectives can be realistically achieved within the constraints of the operating environment and capabilities of the implementing agencies; and

• benefits generated by projects are likely to be sustainable.

To support the achievement of these aims, PCM:

• requires the active participation of key stakeholders and aims to promote local ownership;
• uses the Logical Framework Approach (as well as other tools) to support a number of key assessments/analyses (including stakeholders, problems, objectives and strategies);
• incorporates key quality assessment criteria into each stage of the project cycle; and
• requires the production of good-quality key document(s) in each phase (with commonly understood concepts and definitions), to support well-informed decision-making." (PCM Guidelines 2004, p.17).

Active key stakeholders' involvement and promotion of local ownership are key features encouraging a bottom-up approach in practical manner in project activities. Sustainability is explicitly present in the ways to assure the fulfilment of the PCM principles. The required key documents and the related decision-making process are briefly presented in the following picture.

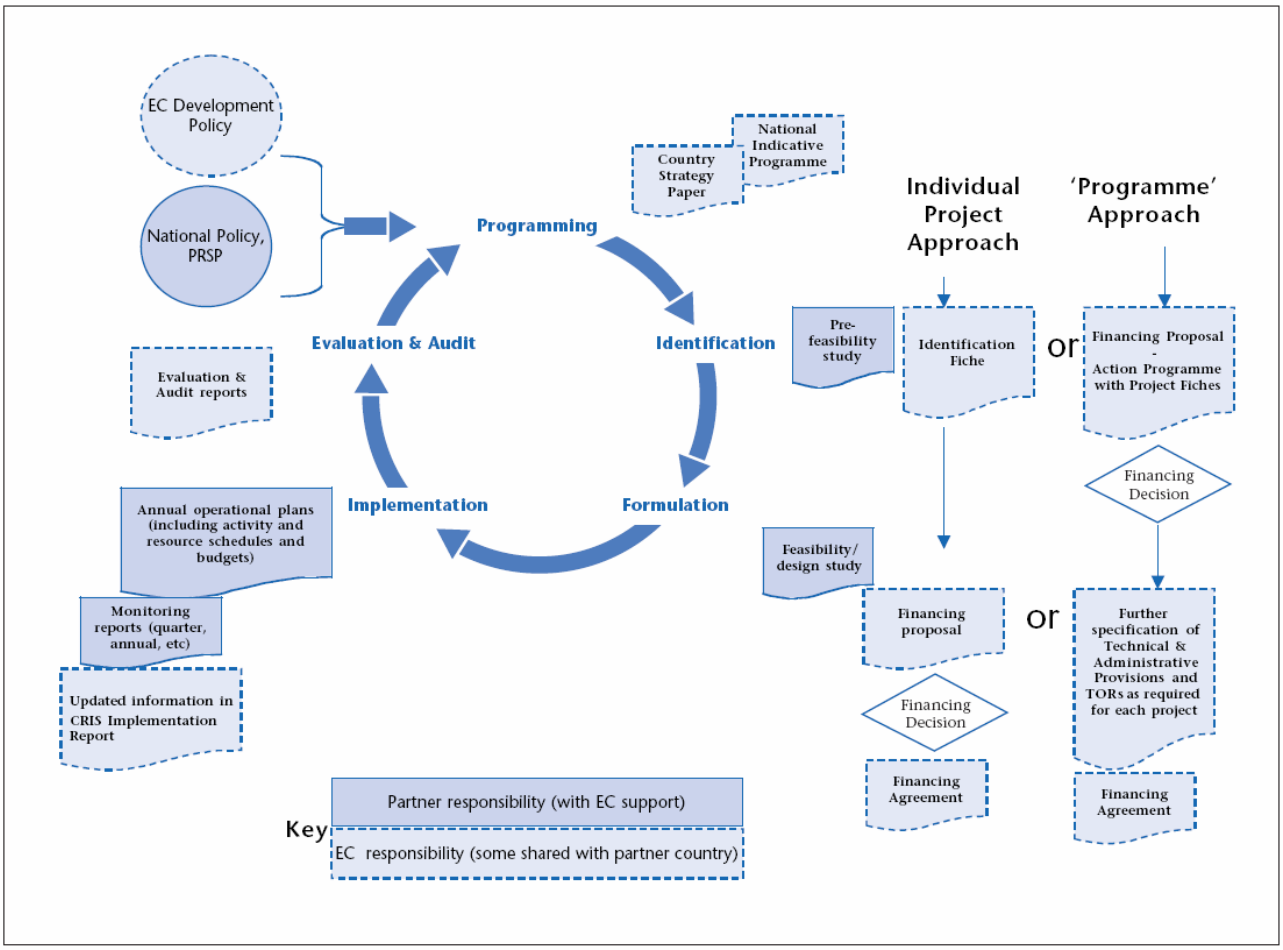

Figure 5 Project Cycle, Documents and Responsibilities (PCM Guidelines 2004, p.19)

The operational research component is present throughout the lifetime of the cycle, various types of studies, monitoring and evaluation activities contributing to the completion of the phases. The financial proposal and correspondent agreement are designed during different stage, depending on the complexity of the project.

An illustration of the main decision points in an EC project is provided by following table.

Stage & Focusing Question	Key EC decision points	Primary responsibility	Decision options
Programming *What are the partner's development priorities and what is the EC's focus for assistance?*	• Agreement of a Country Strategy Paper and National Indicative Programme	• DEV/RELEX in collaboration with Delegations, EuropeAID and Partner Governments	• Choice of programme priorities, sector focus, type of assistance and financing modalities
Identification *Is the project concept relevant to priority local needs and consistent with EC policy priorities?*	• On completion and submission of the Identification Fiche (individual projects) or the Financing Proposal (Programme with Project Fiches)	• Delegation makes initial assessment with PG counterparts/other primary stakeholders • 1st step review by QSG – to provide quality support • Line management, make decision on next steps from EC perspective	• Accept, modify or reject the project idea(s) • For Programme of projects, whether or not to commit finance
Formulation *Is the project feasible and will it deliver sustainable benefits?*	• On completion of Financing Proposal and Technical and administrative provisions/TORs	• Delegation makes initial assessment with PG counterparts/other primary stakeholders • 2nd step review by QSG – to provide quality assessment • Line management, make decision on next steps from EC perspective	• Accept, reject or modify the proposal • For individual projects, whether or not to commit finance
Implementation *Are results being achieved and resources efficiently and effectively used? What corrective action should be taken?*	• On submission of Annual Operating/Work Plans and other monitoring/review reports	• Delegation makes assessment with PG counterparts/other primary stakeholders • HQ may still make final decision on any major changes to project scope/financing	• Continue financing, modify scope of EC support, or terminate support
Evaluation *Were planned benefits achieved, will they be sustained, and what lessons have been learned?*	• On completion of evaluation studies	• Task Manager plans and manages study implementation • Follow up actions decided by EuropeAID line management (in consultation with DG DEV/RELEX)	• Change policies, scope of forward programme, or EC operating modalities
Audit *Has there been compliance with applicable laws and rules? Are efficiency, economy and effectiveness criteria being met?*	• On completion of the audit	• Audit Task Manager manages the audit • Task (project) Manager provides information and input to the audit • Task (project) Manager ensures follow-up of response by auditee to audit findings and recommendations	• Continue, modify or stop project activities • Recover project funds • Modify design of future projects • Change policies

Table 2 Decision points and related documents and responsibilities in an EC project (PCM Guidelines 2004, p.20)

As it can be seen, quality is an important feature from the early phases of the project – see identification in the above table, QSG Quality Support Group being able to assist since then.

"The Quality Support Group (QSG) has been established to oversee the ongoing development and management of the quality support and assessment process, its objectives being to:

• Support improvements in the quality of programme /project ideas and documentation;

• Ensure screening is carried out in a harmonised way using a set of consistent quality criteria and standards;

• Ensure appropriate reporting and follow-up; and

• Identify and exchange best practices and innovative approaches." (PCM Guidelines 2004, p.21)

Quality requirements imply following characteristics of the projects:

- "Are more clearly consistent with the policy framework;
- Integrate with and support local planning/budgeting, management, financing and monitoring systems (rather than creating parallel systems);
- Are better coordinated with other donors;
- Build local capacity and rely less on expatriate technical assistance;
- Take a longer-term (and more realistic) perspective of the process of change; and
- Allow greater flexibility during implementation."

Consequently, the needed changes to fulfil these requirements should occur in: (i) attitudes and values; (ii) roles and responsibilities; (iii) skills; and (iv) procedures (PCM Guidelines 2004, p.14).

A very important approach, contributing to the proper organisation of the activities is logical framework approach. "The Logical Framework Matrix (or more briefly the Logframe) consists of a matrix with four columns and four (or more) rows, which summarise the key elements of a project plan, namely:

• The project's hierarchy of objectives (Project Description or Intervention Logic);

• The key external factors critical to the project's success (Assumptions); and

• How the project's achievements will be monitored and evaluated (Indicators and Sources of Verification)" (PCM Guidelines 2004, p.57)

The Logical Framework started to be used in the late 1960's by USAID (United States Agency of International Development) and later on, in 1993, European Commission included it as a tool sub-sequent to the Project Cycle Management. In practice, Logframe is used either as an independent tool to organise the activities needed in preparation or implementation of a project, or as an important support of PCM procedures. Sometimes, interlocking logical frames are used to detail certain aspects of the projects or to connect different financial stages of the project.

Logframe structure is briefly presented by the following table.

Project Description	Indicators	Source of Verification	Assumptions
Overall Objective – The project's contribution to policy or programme objectives (impact)	How the OO is to be measured including Quantity, Quality, Time?	How will the information be collected, when and by whom?	
Purpose – Direct benefits to the target group(s)	How the Purpose is to be measured including Quantity, Quality, Time	As above	If the Purpose is achieved, what assumptions must hold true to achieve the OO?
Results – Tangible products or services delivered by the project	How the results are to be measured including Quantity, Quality, Time	As above	If Results are achieved, what assumptions must hold true to achieve the Purpose?
Activities – Tasks that have to be undertaken to deliver the desired results			If Activities are completed, what assumptions must hold true to deliver the results?

Table 3 Typical structure of a logframe matrix (PCM Guidelines 2004, p.58)

The organisation of the activity through verifiable objectives, purposes, results and activities connects different levels of activity and makes more concrete and explicit the project idea. Designing the Logical Framework takes place during the Identification and Formulation phases and the necessary activities are running during the following two stages: analysis stage and planning stage. "There are four main elements of the Analysis Stage, namely:

1. Stakeholder Analysis, including preliminary institutional capacity assessment, gender analysis and needs of other vulnerable groups such as the disabled (profile of the main 'players');
2. Problem Analysis (profile of the main problems including cause and effect relationships);
3. Analysis of Objectives (image of an improved situation in the future); and
4. Analysis of Strategies (comparison of different options to address a given situation).

This analysis should be carried out as an iterative learning process, rather than as a simple set of linear 'steps'. For example, while stakeholder analysis must be carried out early in the process, it must be reviewed and refined as new questions are asked and new information comes to light.

In the Planning Stage the results of the analysis are transcribed into a practical, operational plan ready to be implemented. In this stage:

- the logframe matrix is prepared, requiring further analysis and refinement of ideas;
- activities and resource requirements are defined and scheduled, and
- a budget is prepared.

This is again an iterative process, as it may be necessary to review and revise the scope of project activities and expected results once the resource implications and budget become clearer" (PCM Guidelines 2004, p.60)

The consideration of the stakeholders in association with the institutional capacity assessment and mapping of the main players and their needs may allow for a complete sustainable approach, where the bottom-up processes are present as well. In the case of projects with many sector subcomponents or which include in the later lifetime the presence of sub-projects, representatives of the sectors or the fields where subprojects will run should be involved in the analysis and planning stage. The succession of activities needed for designing and up-dating the logical framework is connected to sustainability need as well as with other evaluation criteria. The following picture briefly illustrates these connections.

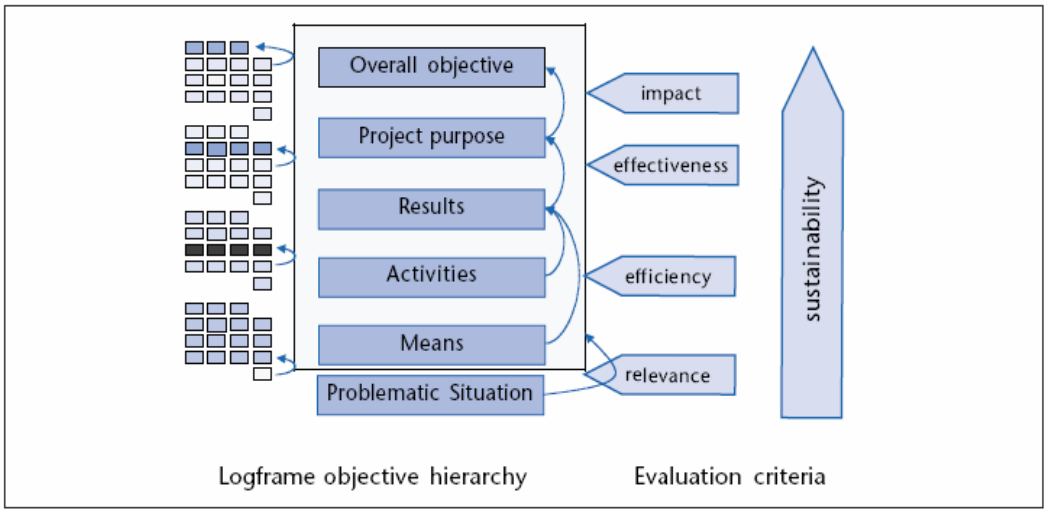

Figure 6 The Ling between evaluation criteria and the logical framework(PCM Guidelines 2004, p.49)

Comparing means and activities with the results allows measuring the efficiency. Checking the results over the project purpose gives a good indication on the effectiveness of the projects, while comparing the project purpose with the overall objective provides the input for impact. Relevance results from comparison between problematic situation and overall objective hierarchy.

Evaluation has a special role pointed out in the 2004 version of PCM – it properly follows the process and designs the eventual re-planning, and also it allows that implementation becomes a learning process by reflecting on the acquired practices, being them good or bad ones. As both have learning potential, it is more important to be honest in the conducted evaluation, than to try to make up the project operational reality.

III. Reflections on practical examples

PCM at work in Rural Development Program, Romania

Rural Development Program preparation started with institutional and social assessments carried on during years 2000 and 2001[1]. The institutional framework and its capacity were pictured and the potential key actors to be involved during the implementation were consulted during institutional assessment and also in the preparation of the monitoring and evaluation system. The bottom-up approach was assured while the project county applications have been elaborated, local stakeholders being involved together with the representatives of local and regional/county authorities. The different tools to be later on used in monitoring different activities of the project (e.g. capacity building, roads) were tested by the villagers later involved in carrying on the projects and their feedback have been later on incorporated in the revised versions of the forms. The Logframe has been the starting point in the design of the monitoring and evaluation system of the project and specific interlocking frameworks have been used to picture the overall project objectives' hierarchy as well as the sub-components' objectives' hierarchy (see table 4 from Project Assessment Document 2002, p.53).

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Critical Assumptions
Sector-related CAS Goal: Expanded social and economic opportunities to rural in areas.	**Sector Indicators:** Increased market and local investment activity (both farm and non-farm) with associated income increases for rural households, including the poor. Improved rural health status (reduced incidence of water borne diseases), increased educational enrollment and improved attendance, including poor and marginal groups.	**Sector/ country reports:** Commune public investment data; new LSMS surveys and poverty assessments; updated NSC enterprise survey; MOAF data on new SME registrations; MOH health data; MOE data on rural enrollments and frequency of attendance.	**(from Goal to Bank Mission)** Expanded rural opportunities contributes to poverty reduction.
Program Purpose: To strengthen local governance by improving the capacity of local administration and community/user groups to undertake a range of socially, economically and technically viable public investments that are responsive to local preferences and needs, and to increase the availability of sustainable infrastructure and other public/community goods to rural inhabitants in poor areas. This will be accomplished through a program of training and technical assistance to local governments and beneficiaries that will be carried out by local consultants and NGOs, and supplemented by investment grants.	**End-of-Program Indicators:** Increased ability of local governments and community groups to independently undertake decision making and investment implementation tasks, for a range of investments, in an accountable manner. Increased availability of infrastructure and other public goods for households in target areas. Increased number of public investment proposals (commune, CBO) in target areas, from baseline. Increased competitive private sector provision of project preparation, implementation and O&M services from baseline.	**Program reports:** Follow up to baseline survey; reports of NSC and PIUs; county/commune plans (including any new urbanism plans) and budgets; interviews with key informants.	**(from Purpose to Goal)** Improved governance and decision making leads to rural investment pattern that improves social and economic opportunities.

Table 4 Project design summary, goal and purpose details

[1] Andra Aldea-Partanen has been involved in the institutional assessment of the project. She also contributed to the design of the monitoring and evaluation system of the RDP, in the position of deputy team leader.

Previous table illustrates the use of the Logical Framework in a rural development project in Romania. Table presents only a selection of a larger set of interlocking frameworks detailing different objectives hierarchy as well as the subcomponents of the project (capacity building, roads and water and sanitation). The initial use of such a tool might assure a good start of the implementation process, as long as the actors later on involved in the implementation are fully aware of its implication.

Knowledge Strengthening and Networking in the Objective 1 Programme, Finland

In Finland, the Lönnrot Institute co-ordinated the mid-term evaluation of the Objective 1 programme. The focus on that evaluation was "Knowledge strengthening and Networking in the Objective 1 Programme" (see Ponnikas et al 2005). One question asked in that evaluation was related to the role of the best practices and operations models in strengthening knowledge and networking. As the conclusions on that evaluation question, we can say it is often even impossible to transfer and use a good operations model elsewhere; in a successful activity, it occurs the matter of combining different kind of best practices and operations models, not the use of a separate technique. In addition to this, a successful activity is dependent on unique context and the time of implementation for each project.

When so called best practices are observed at the level of programme - as in this evaluation - the concept of best practice does come close to management and quality of development processes. How does the programme process progress so that thematic and regional effect is as good as possible? Same kind of thinking is suitable, at least suggestively, when implementing projects. It is obvious from this point of view that in the connection to structural funds programmes' best practice cannot be a "case-like package" that can be transferred and accommodated. Best practice means more likely that authorities, financiers, planners, and project personnel do their own part so that target groups can get the advantage targeted by the programme. In the context of programme activity, the model of best practices occurs whenever the programmes and their corresponding knowledge collected during activity satisfy the needs of the actors (enterprises and other employers), active and directly functioning in the affected regions. In these circumstances, best practices are observed at programme process level for instance whenever the services of knowledge and networking are produced from the users' real order. (Ponnikas et al 2005, 14-15; 115-117.)

Needs oriented project implementation is the basis for all the project activites. When we evaluate or research the best practices and find them somewhere, we have to put our focus on the process the results come from. We cannot just take good results without understanding the process behind them. As the recommendations about best practices in that evaluation we said that, when planning the

following programming period the central customer groups have to be recognized in the point of view of strengthening knowledge so that it is possible to define the needed developing targets that are being funded from the programme. (Ponnikas et al 2005, 14-15; 115-117.)

Long-term cooperation between enterprises, instructors, and developers should be done whenever developing knowledge. A realistic work plan, strong engagement in cooperation and good knowledge of the local conditions, as well as sufficient expertise of the context has to be considered as a base for long-term cooperation. Striving for the best practices that are connected both to strengthening the knowledge and networking, it is important that different sub-sections will be implemented systematically and purposively. Whenever the cooperation among citizens or between citizens and their organisations occurs during project activity, it is important that information and knowledge are openly shared and their needs are taken under consideration. In this way we can make sure the best practices are taken care of in every stage of project cycle. (Ponnikas et al 2005, 14-15; 115-117.)

When we talk about transferring the best practices in the point of view of sustainability, it is crucial to remember the meaning of process via the best practices are born. We cannot transfer only results; we have to transfer also the processes. Learning from the past is also an important side in sustainability. Best practices are not the only way of learning; mistakes have also some lessons to give for use. We have to learn from mistakes, but we should not be afraid of them. By learning from mistakes we can avoid making same mistakes again and again.

IV. Conclusions

The purpose of this paper is to refer the regional policy of the two different countries, Finland and Romania, and the regional policy tools used in those countries. The aspects we describe in this conclusions part of the paper can be seen common for both Romania and Finland.

Maybe the most unexpected difference between Romania and Finland can be found in the mentality of the citizens. In Finland, people are more used with a stable and carrying welfare system. In Romania citizens are more flexible and more ready for changes in their ways of working in regional policy than in Finland. This can also be seen in those changes Romania has made in its way to EU member, they show us a type of flexibility that cannot be seen in Finland. Romanians are not satisfied with the policy system and policy culture they have. They want something better. This why they seem ready to change their ways of work and the possibility to get the EU membership gives them as well a good reason to change.

Our main point is that in the behind of regional policy choices made can be seen the different values concerning the sustainability of current development. Everybody agree with target of sustainable

development, but sustainability means very different things for peoples in different positions of society and in different societies like Romania and Finland. It crucial to make those values visible, because in that way we can better understand, why certain choices are made and what are beliefs behind them. The project cycle management is useful method for programme oriented regional developing. It offers us a way to serve needs of citizens and strengthen bottom up oriented development. When the PCM works as it is meant to work, it serves the sustainable development and represents strong visions of sustainability.

If we consider economic sustainability, we can talk about financial policy sustainability and financial project sustainability. Both have in common the principles that programmes or projects in programmes should not generate debts or should not lose money. The use of resources should have at least some permanent impacts. Policy sustainability means that we have to make sure that those things which have started in the developing programme will also continue in one way or another after the programme has closed. Programmes have to have long lasting impacts, especially their positive features, while this should not be the case with the possible negative impacts of the programme. Financial sustainability of projects means that processes started in projects should go on after the projects end, at least some of them, or in the case of infrastructure projects, some permanent results should be maintained after the end of the project. If some of these conditions are not followed, problems with financial sustainability will be encountered. PCM may contribute as well to the financial sustainability. When we follow the needs of citizens and regions, that are targets groups and stake holders, we can make sure that everything we do serve the needs our works should serve.

V. References

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