

Developing capacity for sustainable use of the natural and cultural heritage, as an element of the protected areas management



The Project **LENA**
is co-funded
by the ERDF and IPA II



Interreg 
EUROPEAN UNION
Danube Transnational Programme
LENA

Guidance Document

**Developing capacity for sustainable use of the natural and cultural heritage,
as an element of the protected areas management**

Final version 05/2019

Elaborated by WWF Bulgaria
Dragomir Konstantinov
Apostol Dyankov

Project LENA – Local Economy and Nature Conservation in the Danube Region –
is co-funded by the European Union funds (ERDF, IPA) and implemented through
the Danube Transnational Programme.



Dear readers,

In January 2017 a partnership of 13 organisations from the Danube region started implementing the Danube Transnational Programme Interreg project **“LENA – Local Economy and Nature Conservation in the Danube region”** which was co-financed by the European Union and had the aim to create shared know-how and shape policies on effective sustainable use approaches for protected areas (including Natura 2000 areas).

We, the partners, are proud of the positive changes we were able to achieve within 30 months of active cooperation. In order to reach out to even more people and help empower more entrepreneurs and small and medium size companies, including the managing authorities of protected areas, we wanted to develop something tangible that can be easily disseminated. Therefore, we decided to write four booklets, guidance documents, addressing how to develop capacity for sustainable use of natural and cultural heritage as an element of protected area management, how to increase market access of sustainably sourced natural products, how to communicate to local people and visitors the value of nature to the local economy and how to mobilise finances for conservation, nature based jobs and business models.

Their content is based on existing literature, life cases and experience, transnational knowledge shared and our project results. They offer concrete information, tips and tricks, each one on a specific topic with case studies and good practices from everyday business life connected to ecosystem services, sustainable financing and environmental resource use.

The four booklets:

- Developing capacity for sustainable use of natural and cultural heritage as an element of protected area management
- Increase market access of sustainably sourced natural products
- Communicating to local people and visitors the value of nature to the local economy
- Mobilising finances for conservation, nature-based jobs and business models

are available in English and local languages at:

<http://www.interreg-danube.eu/approved-projects/lena>

For more information, please contact representative LENA partner in the country of your convenience.



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1. Introduction

The EU Natura 2000 Network of protected areas (PAs) stretches across over 18% of EU's territory, and together with the national systems of national and nature parks, monuments and reserves, represents the biggest share of the sustainably managed biodiversity resources, natural capital and assets, which can be used for business value and livelihood creation.

In the Danube region, the interconnected network of PAs, from Danube River floodplains to pristine forest and mountain PAs, create an opportunity for sustainable business. However, it demands specific knowledge, skills and capacity for the preservation and maintenance of the unique natural and cultural heritage, consisting of ecosystems, their functions, and the traditional land management and economic livelihood approaches.

Capacity building for PA managers, existing and new nature-based business owners, workers and entrepreneurs is crucial and urgently needed across the Danube region. This guidance document shares valuable methods, tools, practical approaches, insights and cases on how the diverse stakeholders present in PAs, can jointly develop the capacity to conserve and create nature value.

Objectives of this Guidance Document:

- Identify the specifics of doing business in protected areas, the framework conditions and the opportunities to develop human capital for nature-based livelihoods, associated with ecosystem services provision and natural heritage conservation;
- Frame the capacity and know-how necessary to convert nature-based livelihoods into nature-based businesses and sustainable enterprises, focusing on the main mechanisms for value creation, that a micro-enterprise or SME might employ;
- Establish a capacity baseline for human capital, workers and employees of protected area management and nature-based businesses enterprises.
- Provide examples of actual capacity-building initiatives and nature-based business creation in protected areas, via case studies and good practices.

Section 1. Doing Business in Protected Areas

Starting a small nature-based business is challenging anywhere, but there are specific factors and considerations for the business initiatives in and near PAs, such as the European Natura 2000 network areas. These include, among others:

- The framework business requirements for the quality, price, availability, delivery, and marketing of the generated products and services, as well as the demand and consumer expectations, supporting and enabling stakeholders, and competitors;
- The general regimes and maintenance approaches of every single Natura 2000 site, as well as the specific rules of treatment of some of the local species, or nature components, directly involved in, or indirectly affected, by the production processes to be applied (i.e. times and ways of their harvesting, acceptable approaches for treatment of the waste and wastewater, allowable regimes for animal grazing, or for visitor activities, etc.).
- Some existing, or quite newly created approaches for adding more, not only economic, but also social, and even environmental value as direct products, or indirect impacts of the achieved activities and initiatives.

Nature-based and other “green” businesses have the apparently competing objectives of extracting economic profits, while contributing to local and regional conservation goals, as well as global climate or biodiversity conservation objectives. Turning these intersecting requirements into synergies and opportunities requires capacity, knowledge and entrepreneurial initiative. Natura 2000 and other PA management in Europe generally provide such opportunities – including the possibility for nature-based businesses and their contractors to employ direct, indirect, or induced labor – the so-called “green” or nature-based jobs jobs.

In addition, PAs typically provide a regular flow of resources, in the form of biomass, that have to be withdrawn, in order to protect the local ecosystems in a good status (**i.e. leaves, branches, hay, expanding reed, or dead trees, berries and mushrooms etc.**). Often, local residents have the skills and wherewithal to utilize these nature products and biomass for own consumption, or small-scale trade on the local markets. Poor market access, insufficient value-chain networks, lack of investment sources for processing equipment, and, in most cases, the SME/micro-enterprise owners’ and workers own inadequate technical or business capacity limit them from realizing large-scale commercial production or processing, with the accruing financial benefits.

In the LENA project, we identified four broad categories of nature-based activities, that are both specifically adapted to the opportunities and requirements of PAs, such as Natura 2000, and which require human capital in the form of conservation knowledge, tradecraft, know-how and skills:

PA/conservation, biodiversity and natural resource management	Wild plants harvesting and non-timber forest product extraction	Agriculture, including planted crops and livestock, as well as commercial fishing and aquaculture	Nature and culture-based tourism, including mobility services, as well as local arts and crafts
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We note that due to the regimes of land use, sustainable local agriculture and food production, and different types of natural tourism can co-exist with PA regimes or take place on the boundaries of PAs. A great variety of local crafts, traditional festivals, cultural events, recreational activities, etc. may happen at nature visitor sites, or in nearby town centers, while still closely linked with the PA.

There are, additionally, a number of light industry enterprises, such as timber processing, local production of furniture, renewable energy production (water, wind solar), which rely on the natural features of the PA, but may or may not be sustainable due to their specific environmental, and sometimes socio-economic side effects. There is also a range of other, more capital- or knowledge-intensive economic activities, usually extracting their raw materials from the natural territories, but processing them outside, that also may be considered as entrepreneurial opportunities on behalf of the more resourceful local entrepreneurs, that sometimes are mentioned as more promising and with good perspectives in future **(i.e. large-scale furniture production, eco-pellets, new paints, polishers, and other materials, pharmaceutical ingredients, etc).**

The above-mentioned examples of nature-based business opportunities near Natura 2000 sites and other PAs, are by no means exhaustive. Nature-based businesses are dynamic in time, as demand and markets shift and novel industries flourish. All can be implemented more or less effectively, damaging or conserving PAs. Thus, capacity building and entrepreneurial know-how in developing sustainable nature-based business is a crucial element of PA management, and the subject of this guidance.

1.1 Framework Conditions

A key element of building capacity to develop, operate and regulate nature-based businesses in PAs is the understanding of the regimes and requirements that PAs place on business and economic activities. These regimes and requirements have diverse impacts on the success and sustainability of businesses (not only negative, but possibly also positive), and it is recommended that business owners and entrepreneurs have prior and good knowledge of them. PA managers and development agencies should include up-to-date information in relevant business development projects, trainings and capacity building initiatives, outlining some of the below framework conditions and regimes.

1.1.1. EU – Natura 2000

According to the general EU regulations, Natura 2000¹ is a network of core breeding and resting sites for rare and threatened species, and some rare natural habitat types which are protected in their own right. It stretches across all 28 EU countries, both on land and at sea. The aim of the network is to ensure the long-term survival of Europe's most valuable and threatened species and habitats, listed under two key EU directives: the Birds Directive (Directive 2009/147/EC²) and the Habitats Directive (Council Directive 92/43/EEC³).

In accordance with the Directives, Natura 2000 is not a system of strict nature reserves where all human activities should be excluded. While it includes strictly protected nature reserves, most of the land remains privately owned. The approach to conservation and sustainable use of the Natura 2000 areas is much wider, largely centered on people working with nature rather than against it. However, Member States must ensure that the sites are managed in a sustainable manner, both ecologically and economically. Every business initiative in the peripheries should serve the appointed needs to provide its full compliance to the actual management regimes, applied in the relevant territory.

Both Directives stipulate criteria and strictly defined circumstances, defining if a natural site falls under their auspices or not. In addition, the Directives also define the key components of the protection regimes that have to be observed to achieve the necessary conservation goals and status. Further criteria, goals and actionable measures for specific PAs are provided in national Priority Action Framework (PAF) documents, elaborated by each EU Member State. These are further defined in management plans for each area, sometimes overlapping with national PA protection regimes (see next section). Entrepreneurs and business developers in Danube region EU countries should be aware and informed about relevant goals, conservation criteria and measures related to the specific Natura 2000 areas they are prospecting, which may also include actual opportunities for businesses to partake in management and conservation.

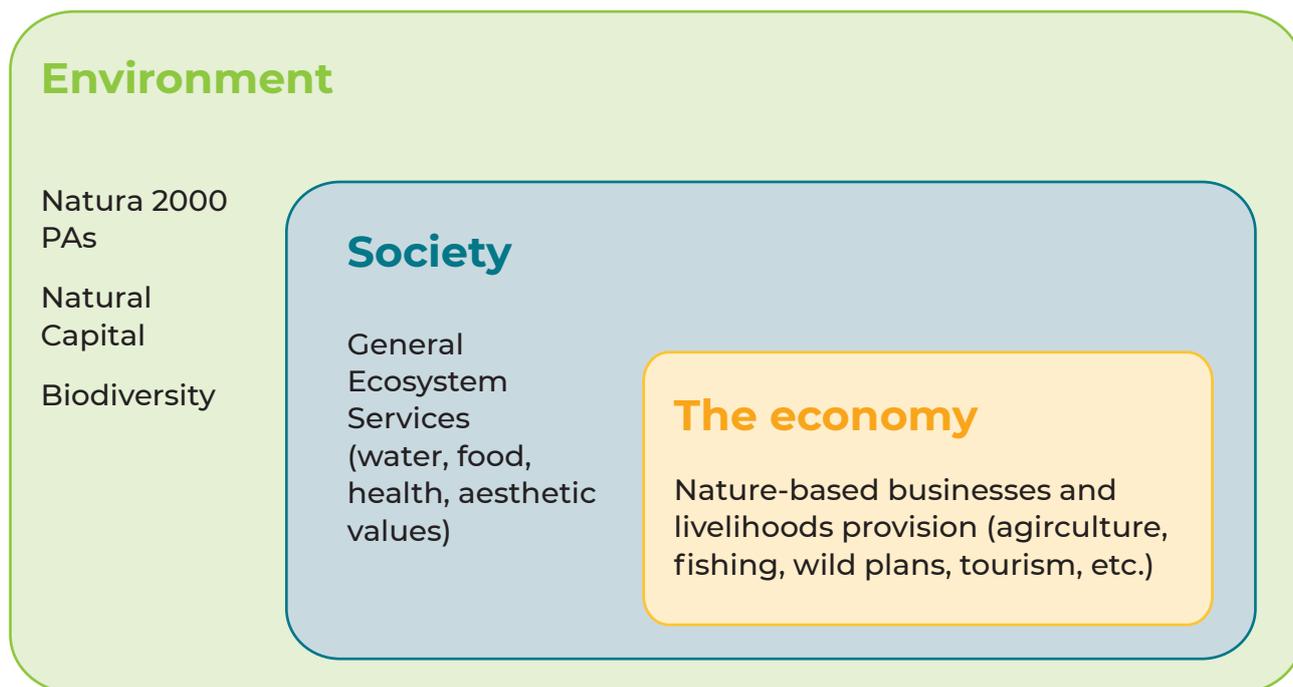
A key concept for understanding the employment and livelihood-creating potential and effect of the Natura 2000 network is the concept of ecosystem services, which is explained in more detail in Section 1.3. Except for material ecosystem services (biomass, wild plants and animals, timber and water provision), these cannot be captured by any one specific business entity or landowner within Natura 2000. However, they aid both society (through improved health and well-being), and the nature-based businesses, which can use non-material inputs, such as soil, wild pollinators, favorable micro-climate and the value of beautiful natural landscapes to attract tourists.

1. http://ec.europa.eu/environment/nature/natura2000/index_en.htm

2. http://ec.europa.eu/environment/nature/legislation/birdsdirective/index_en.htm

3. http://ec.europa.eu/environment/nature/legislation/habitatsdirective/index_en.htm

Fig. 1: Simple representation of nature-based economic activities in a wide context.



Adapted from IEEP, 2017⁴

1.1.2. National and Local PA Statutes

In addition to Natura 2000, and also in non-EU member countries where it does not apply, countries set national regulations, defining and regulating the specific content, procedures, preparation and application of the relevant management plans for each of these territories⁵. According to these national regulations, most PAs, have multi-year management plans, implemented by the relevant PA management authorities. These plans prescribe various sets of management measures, necessary for the good status and effective protection of their territories (**related among other issues to the regimes of territory management, and restrictions for different forms of anthropogenic pressures – such as construction, visits, chemical, physical, air, water, sound and other forms of local emissions, that may disturb or harm the local biodiversity or some components of the presented habitats**).

All planned activities in nationally designated PAs have to comply with all statutes, prescriptions and limitations of their respective designation, planning and management documents, and any additional instructions by the competent authorities. For that purpose, the local nature-based business owners, entrepreneurs and business development agencies, need to be fully acquainted with the management plans and instructions, and engage the relevant authorities, in advance to their final business planning, and practical implementation of the planned startup activities. Management authorities of PAs need also to ensure that local small nature-based businesses and economic actors, as well as the local workforce and community, are up to date. They may

4. Natura 2000 and jobs, Institute for European Environmental Policy, April 2017

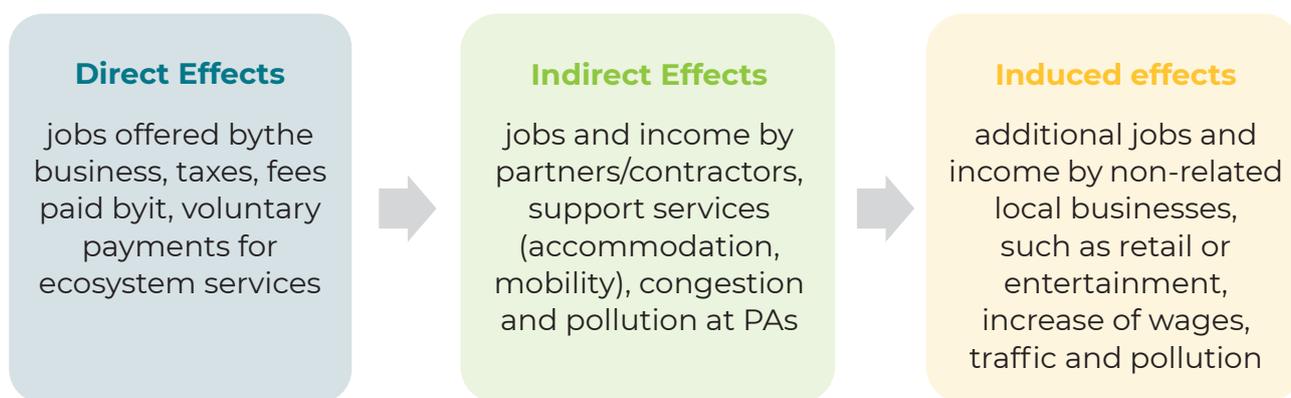
5 In Bulgaria, this is CoM Decree 7/08.02.2000

plan respective stakeholder meetings and capacity building workshops when their plans are adopted or amended, in line with stakeholder engagement rules, and specifically targeting established and startup businesses and micro and small enterprises in relevant nature-based sectors.

In some cases, it is also possible, especially if the economic intentions are both demonstrably sustainable and not in conflict with conservation goals, and have the backing and support of local community, to amend certain prescriptions or stipulations about economic activities in the PA. For example, the formulation of a certain seasonal land management or land use requirement can be changed to allow activities, which are both economic in nature and beneficial for the landscape or ecosystem in question. This must not contradict or contravene EU and/or national legislation and mandated PA statutes, should involve the PA management and independent conservation expertise, and be in line with the prescribed procedures for such amendments.

Where assessments of the impact of the future economic activity, business or enterprise on the PA are required, or whenever the need for additional assessments arise in case of PA management plan amendment, it will be good to encompass the secondary impacts of business creation on the community. This includes socio-economic costs, benefits and opportunities, stemming from any additional indirect and induced business-creation effects. The process requires additional expert capacity on behalf of PA management authorities, local authorities and the businesses concerned.

Fig. 2: Potential economic, social and environmental effects of nature-based businesses



Adapted from IEEP, 2017⁶

In addition to EU and national PA management and planning documents, nature-based businesses and economic activities are subject to the stipulations of enacted local **spatial plans, municipal development plans**, local action groups' actions plans and others. While these may not stipulate any specific requirements or restrictions for individual business owners, capacity-building for nature-based businesses and entrepreneurs may incorporate those management regimes as well.

6. Natura 2000 and jobs, Institute for European Environmental Policy, April 2017

1.2. Capacity Requirements for Nature-Based Jobs and Livelihoods

The four categories of nature-based entities and enterprises we have studied in the LENA project, employ a variable number of people, typically as payroll laborers, and sometimes (especially with regard to fishers, wild plant collectors and traders) as self-employed persons. Taken together, these jobs make up a significant share of the total economic activities and income sources of people employed in them. This however varies as we have observed that fishing, wild plants and tourism activities tend to be highly seasonable, and, may create income gaps and vulnerabilities.

A recent more robust classification of the jobs created by nature-based businesses (specifically those operating within the EU 2000 PA network) was undertaken by the IEEP⁷. It included both the nature-based jobs directly created by nature-based enterprises, as well as the induced and indirect jobs along supply and value chains, that benefit local communities. The IEEP classification identifies 3 categories of Natura 2000-related jobs:

1. Those linked directly with implementing conservation objectives in the PA;
2. Those centered on sustainable production, typically using PA biological resources;
3. Those linked to non-material PA ecosystem services – such as tourism and recreation.

This classification of direct, indirect and induced occupations and livelihoods, which make up the nature-based jobs is presented above. We have added to the IEEP list non-timber forest products (NTFPs), which have been a focus for LENA, as well as economic value derived from arts and crafts, which we found to be a significant livelihood and income source in the PA pilot sites of LENA.

Table 1: Categorization of nature-based jobs and livelihoods in and near Natura 2000/PAs

Economic Activity	Direct Jobs/livelihoods	Indirect Jobs/Livelihoods
PA Management and Conservation Activities		
PA management	PA managers, wardens	Construction, Capital goods Monitoring and instrumentation
Ecosystem restoration	Land managers, engineers, biologists	
Sustainable Nature-Based Production		
Fish and Aquaculture	Fishers	Traders, packers, processors (of raw food, fish and timber), distributors and retailers (of finished products), contractors and parts and equipment suppliers, audit & financial services.
Timber	Foresters	

7. Natura 2000 and jobs, Institute for European Environmental Policy, April 2017

Non-Timber Forest Products	Wild Plant Collectors	
Agriculture (crops & animals)	Farmers	
Artisans & Crafts Production	Craftsmen and Artisans	
Services Intangibly Related to PAs		
Tourism	Tourists guides, and agencies	Agencies and promoters, advertisers and marketing agencies, suppliers of food, catering etc., non-nature-based health services, educational bodies, schools, research institutions.
Recreation & Health	Hotel owners and staff, medical professionals	
Science & Education	Teachers, educators, field researchers and scientists	

Adapted from IEEP, 2017 and LENA project findings⁸

Indirect jobs related to contractors and suppliers can be observed in multiple sectors and are often not locally based. Nature-based Natura 2000 management and restoration jobs are mainly linked to the public sector; in other domains, jobs are linked primarily to the private sector, including self-employment. One of the challenges of analysing the link between PAs and jobs is the evolution of the conservation requirements and restrictions overtime. The focus could be on jobs supported today, on the change of jobs due to regulations as part of the PA management, on job losses avoided through the ecosystem services provided (e.g. fish stock maintenance, flood protection) or on additional jobs generated through opportunities provided by the network of protected areas.

In order to ensure that the available jobs can be filled locally, and there is no shortage of skills and capacity, a categorical distinction can be made, based on the 2017 IEEP Natura 2000 study findings⁹:

- **Conservation-related jobs:** These are typically specialised jobs within organisations or departments with a biodiversity focus, such as government, environmental agencies, NGOs, consultancies, research organisations and zoological/botanical gardens. These organisations may undertake a wide range of activities and support a wide range of biodiversity focused jobs, as well as jobs in supporting activities such as administration, finance and human resources;

8. „Mobilising finances for conservation, nature-based jobs and business models are available in English and local languages“ guidance document

9. „Mobilising finances for conservation, nature-based jobs and business models are available in English and local languages“ guidance document

- **Nature-based production jobs:** occupations which contribute to the conservation of biodiversity, but which do not have biodiversity as their focus or purpose. These are typically jobs in different sectors that for instance use natural resources and hence affect biodiversity, such as agriculture, fisheries, water extraction and manufacturing. They include traditional jobs, which derive both their skillset and sustainable approaches from local knowledge and values. Sometimes this local connection and knowledge may be lost and needs to be re-invented or re-established. Some production jobs, particularly newer sustainable production methods in NTFP/wild plants, bio agriculture and sustainable aquaculture, may require new knowledge and skills, in line with corporate environmental sustainability/ social responsibility good practices, and eco-label requirements;
- **Services Intangibly Related to PAs:** These jobs focus on the provision of goods and services derived from biodiversity and ecosystem services but are not directly related to the management of biodiversity or nature restoration. They include some highly ecosystem- focused and knowledge intensive jobs (e.g. bio-prospectors, R&D specialists and wildlife tourism guides) as well as more generic jobs, which still benefit from or relate to biodiversity in some way (e.g. mainstream tourism jobs in the vicinity of nature sites).

Most of the direct nature conservation jobs (except wardens), are highly specialized, low in number and have relatively higher requirements with regard to the education and expertise of the eligible employees. Hence they are usually not applicable at mass scale to the local inhabitants in certain PA/Natura 2000 sites and their vicinities. Some production jobs such as local traditional crafts, and animal husbandry, also require specialized knowledge and long-term apprenticeships to learn the craft. Lower-skilled jobs, albeit still requiring some specialized or localized knowledge, are related to wild plant collection, agriculture and tourism.

Good Practice:

Unskilled, entry-level jobs for direct landscape management in Danube PAs

An entry-level unskilled job, specific to PAs, are the seasonal or regular biomass clearings necessary to maintain open water in Danube floodplain and other PAs, or to clear brush from grasslands or eco-paths in forest and mountain PAs. This includes managing reed, brush, leaves and branches, and an annual crop of hay from floodplain meadows. Minimal effort and capital are required for the use of this biomass for the production of local fuel, directly, as a biogas, or in the form of eco-pellets, that can be marketed regionally. Composting is another option, enriching the soils for nearby farms, as well as small scale production of marketable compost.

Section 2. From Nature-Based Livelihoods to Green Business

In addition to the direct and indirect nature-based jobs, generated by the regular Natura 2000 management activities, there are also a range of other entrepreneurial opportunities, that may be applied in their peripheries and vicinities. Most of them may be applied in rural, Danube floodplain and mountain areas with similar purposes – to provide local livelihood, and/or local economic revenues. These may include a range of various activities, such as directly benefiting from the local ecosystem services (i.e. by **collecting berries, forest fruits, mushrooms, exploiting mineral springs, conducting rural tourism** etc.), or developing various types of sustainable agriculture (i.e. **agroforestry, permaculture, landscape-protecting grazing** etc.). Also a various types of integrated activities may take place, combining different components of the above types, with other marketable goods and services, such as **local attractions, education, crafts and workshops, events and traditions** etc. (as mentioned above, and described in more details below).

In some cases the PA proximity may bring to such enterprises a specific added value, simply due to its designation and fame. It may be expressed, for example, in the use of some well-known specific local species, or pristine condition of biotic or abiotic factors (e.g. **air, water, local fito- or biomaterials, honey, berries, fish, pharmaceutical ingredients, bio-resources, traditions, events and happenings** etc.). Marketing nature products from the area might command higher consumer value due to their perceived uniqueness (i.e. specific local phenomena, or specific species and habitats). Protected Areas and nature/biodiversity elements may be known or introduced to the potential consumers in various forms of marketing and branding. But in all such cases, to consider such enterprises sustainable, there have to be close recognition, monitoring and transparency, to ensure the sustainable use of the involved species and ecosystem services, and that the resulting impacts are in line with the specific requirements of protection regimes.

The transition from a nature-based local livelihood to semi-market, or strictly market-oriented operation may become a need, or a purpose at some point, due to various local, environmental, economic, cultural, territorial or regional processes and trends. It is usually associated with entering into contact, and into some introduction/integration to larger value chains or business networks, making commitments to business partners, and planning for financial return (if possible, associated with other, not economic benefits for the local environment and the community status). Some key challenges associated with this transformation are summarized below.

2.1. Make a Living from the Land

Underdeveloped markets for produce, farming or gathering nature-based products for own consumption and barter/non-monetary transactions, are still typical livelihood activities in many biodiversity-rich rural areas in Europe. This is also typical for scarcely populated territories along the Danube. The prevailing intensive agricultural forms of livelihood, such as those practiced by larger agri-businesses in the area may be market-oriented, but extensive land use and non-market or semi-market oriented seasonal nature-based livelihood activities by households are widely practiced. In the lower Danube post-socialist countries, a multi-decadal transition to a market economy has often led to a loss of established markets, skills and competencies, accompanied with on-going social disintegration and depopulation, and separated local producers from their direct market access. Currently, one prevailing trend in these territories is the local, family, small-scale agriculture with a non-market function. Thus, many of the livelihood activities, available in these areas, include non-monetary transactions (providing or exchanging mainly primary goods, such as food, fuel, tools and materials, services, etc.).

In addition, some pilot projects have taken place, applying introduced or local practices for non-intensive sustainable agriculture (including among others **permaculture, agroforestry, food from protected areas, bee-keeping, bio-production** etc). Being more adapted not only to the environmental needs, but also to growing demand for nature-based products and recreational services, market-based activities steadily increase. The pilots and success stories build on each other. Linking producers and consumers and developing capacity, generates a self-reinforcing and market-oriented business development process. In time, newly developed businesses have enough capacity to “give back” to nature, and help protect, steward and restore the ecosystem services and rich biodiversity on which their operation depends.

Good Practice: Sustainable Food from Protected Areas

■ Terre dell Oasi, Italy

In 2010, WWF Oasi Italy, which manages more than 130 nature reserves with more than 35 000 hectares across Italy, and a number of local cooperatives in the field of agriculture, joined forces to create the Terre dell'Oasi partnership. It's mission was to produce and market organic products from WWF / Natura 2000 nature reserves and their neighbouring areas around Italy.

Local farmers from and around these Natura 2000 sites grow spelt, rice and old variety of wheat and produce whole food products now sold nationwide. Products include pasta, olive oil, honey and salt. Creating a special local brand and linking the organic products to the natural value of the sites have added value to the products and increased the revenues generated from direct sales on site and online. In addition, collaborations with restaurants and other national partnerships have been established. Thanks to this initiative, farmers and producers have expanded their agricultural activities and new organic products are promoted and sold.

As for 2018, there were 10 cooperatives of farmers and producers involved. They work the 38 hectares of fields in the Penne regional nature reserve in Abruzzo region and 20 hectares in the Orbetello lagoon nature reserve in Tuscany, transforming its crops into organic food products.

The initiative has created direct work opportunities, with three full-time and five part-time jobs created so far. Revenues for the farmers working the land have increased nine times in 2011-2016 period. They have significantly expanded their knowledge and skills in working protected area land, both in terms of farming know-how, and business development and cooperation. Furthermore, the farmers' perception of protected areas, which was initially considered a limitation to their work, was changed into an opportunity for organic farming possibilities and new niche markets.

This represents a win-win for farmers' incomes and nature. Furthermore, the farmers' perception of protected areas, which was initially considered a limitation to their work, has changed into opportunity for organic farming possibilities and new niche markets.



Source: www.terredelloasi.com

Good Practice: Sustainable Food from Protected Areas

■ Raising Slavonian Pigs on Sustainable Certified Soy Feed from Protected Areas

Black Slavonian pigs are a traditional pig breed from Croatia and the Western Balkans. Raising free range pigs in and near Protected areas represents unique challenges and opportunities, as they interact with and help manage the local agricultural and floodplain landscapes. In the LENA project Slavonian pig breeders from Vukovar Srijem County were able to learn the characteristics and requirements of this rare and well-adapted pig breed and its link to local ecosystems. What is more, LENA partner – Danube Soya identified regional sourcing and supply chain for certified non-GMO sustainable soy production near Danube protected areas, which can be used as pig feed.

Together, partners from Danube PAs explored the best practices in sustainable soybean production and integration of soybeans into sustainable certified and labelled value chains of pig production, adding value to local production and transparent labeling on market. Farmers and pig breeders gained knowledge on the environmentally responsible agricultural practices, with focus on sustainable pig and soybean production near PA, and the use of certified soy pig feed. Communication and cooperation between Serbian and Croatian producers was established. Knowledge and experience on local brand development around black Slavonian pigs and certified sustainable soy was shared with all partners in the 7 LENA project countries.



Source: LENA Project,
<http://www.interreg-danube.eu/news-and-events/project-news/2731>

2.2. How Nature-Based Small Businesses Thrive

Certain general aspects of operating a small business in rural areas, where human capital and capacity, as well as financial capital are scarce, apply particularly to nature-based micro and small enterprises. Such businesses typically have to be built from scratch, with entrepreneurs and future business operators bringing their own ideas and concepts, skills, networks and customers. Most often, they have to do this, within the range of their own financial means, which are typically limited in rural areas with poor access to credit and seed capital.

When an entrepreneur takes a decision to found a business, two important conditions have to be met. Customers and target groups must be explored and identified and the specific product or service, to be sold has to be formulated – usually these two business design stages happen concurrently. Customizing the product or service to the potential buyers or clients, needs to reflect their preferences. Vice versa, specific niches of customers need to be found for specific nature-based products and services.

This further requires some sort of a trial period where the potential clients and customers are able to test the product and service that was created. For a rural, nature-based small business this can present an extreme challenge. Geographical boundaries to access local and regional markets have to be overcome, as well as costs of distribution and transaction. Small scale nature-based businesses relying on agricultural produce, wild plants or tourism services face both geographic boundaries in reaching or attracting their clients, as well as local and regional competition – there may be many guest houses or farmers market vying for customer's attention.

What is more – there may be initial resistance from customers to try out an unfamiliar product or service, such as food or meat from a traditional breed of animal, or a small guest house, competing with established food brands or spa hotels in the area. Micro and small enterprise owners rarely have funds for large-scale promotion, advertising and awareness-building campaigns.

Fortunately, there are some effective strategies to overcome the above-mentioned barriers and limitations. For example, catering to the needs of prospective customers from urban areas is key – in supplying them with all the requisite amenities in the case of eco-tourism accommodation, ensuring Internet access, packaging and arranging products from wild plants or crafts so they can have a familiar experience shopping, inspecting and selecting products.

Especially important is to provide warm, human touch to visitors, clients and customers. Here, nature-based businesses and products and services, derived from protected areas, have a competitive edge. Storytelling, lectures, festivals and other regular events can be centered around the main attractions, unique ecosystems and landscapes, history, traditions and other cultural heritage of the locality. Human presence of the business owners and customer-facing staff is key.

Crucially, the ultimate small business tool to compensate the shortage of capital and resources, is the sheer will, and hard work of its founders and staff. Large companies may push their employees, suppliers, trading partners, bankers and business networks. Small entrepreneurs have to push hard on their own. This is possible, as both the financial returns and rewards are distributed locally to the small business owner or a smaller number of staff, and as the joy and satisfaction from success are more direct and tangible.

To prevent burnout and over-exhaustion is important, but here, again rural nature-based businesses have an in-built advantage. Fishing rivers, collecting plants or raising

traditional breeds of animals can be extremely hard work, but natural and business cycles tend to happen on a human scale, and are devoid of the managerial exploitation of the corporate world. Working outdoors may be grueling, but Protected areas provide aesthetic and even spiritual comfort and satisfaction, which office environments can never match.

A final strategy for nature-based businesses working directly with customers is leaving a coherent and pleasant final impression on them, a good memory, that may make them return back, or share their positive impressions with friends, relatives and social networks. Nature-based products, combined with tourist and hospitality services, and the unique characteristics of nature places and PAs, can together guarantee this experience. However, developing capacity and cooperation between small business owners to provide that is key.

Good Practice: E-Rickshaw Taxis for Nature Parks

Operating since 2017 as part of the LENA project Triglav park pilot, an electric tricycle taxi takes tourists along scenic tours in the unique Natura 2000 areas, and also operates in Kranj municipality. While it provides accessibility without pollution and noise, it also guarantees a special experience for tourists, allowing them to take in and photograph nature in the open, and also stop along the way to sample local products or chat with the taxi driver. Such e-rickshaw taxis can be operated in PAs as standalone small businesses for tours, or they can be linked within a network of sightseeing and tour activities, placing a focus on the visitor experience and their familiarizing with the products and services offered by other nature-based small businesses.



Source: <http://www.interreg-danube.eu/news-and-events/project-news/909>

2.3. Matching green businesses with community needs

When one's entrepreneurial initiative is "not only for business", it needs to reflect and incorporate to a greater extent the local specific needs and possible contributions of some other local actors, and, as far as it is possible, of the local community. One aspect of such an incorporation is related to the initial decision – are the goals of the initiative strictly economic, or do they include some other, non-economic aspects? Economic objectives include the provision or improvement of employment, incomes, and/or livelihoods. Not strictly economic objectives, related to developing capacity and human capital, may include know-how and skill acquisition or transfer, self-realisation (including one as a skilful employer, or as an entrepreneur), improving the situation of some existing local disadvantaged groups, strengthening the community integration and cooperation, redirecting the local current direction of development, etc. Each case may be relevant to a different set of local community aspects, assets, goals and values, and may address them differently.

Where human capital and capacity of the local community, and perhaps, young entrepreneurs themselves, may be developed, skill and know-how transfer is important. New micro and small enterprises can provide them in the form of vocational trainings and apprenticeships. Skilled craftsmen in the area, such as wood workers and blacksmiths, may not be able to afford new and specialized tools and equipment. Assisting them via inclusion in a local business with local or even urban entrepreneurs, can improve their products and jump-start skill transfer in the community.

Providing better access to markets for nature-based micro enterprises and self-employed persons, such as local women, collecting wild plants, may also help support local families, improve the livelihoods of family members and dependents and achieve a better distribution of work and economic opportunities among local community households.

Preserving and promoting local arts, crafts or traditions may be an objective in itself, often deeply associated with the motivation of local and visiting entrepreneurs to develop a business and support a disappearing livelihood in the local community – see Ciocanesti best practice case below.

Furthermore, specific community needs may be associated with the conservation goals of PAs and Natura 2000 areas, such as better management of nature-based activities and resource use, supporting a protected species or traditional breed (see Slavonic pig breeding case above) or implementing a habitat or landscape management activities, such as managing vegetation. Often such beneficial economic activities can be managed via special programs or mechanisms, coupled with indicators for PA health and ecosystem service provision. Such measures are broadly referred to as Payment for Ecosystem Service (PES) mechanisms.

Good Practice:

Natural Reed Vegetation Management in Persina, Bulgaria

The Kaikusha marsh, part of the Persina Nature Park in the Bulgarian Danube floodplain is a biodiversity hotspot for migrating and wintering birds, such as pelicans. Cut off from the Danube by engineering alterations, the Kaikusha has a tendency to dry out, worsened by the overgrowth of reed vegetation. To prevent an overgrowth of reed, which would dry out the wetland, and maintain open water for the birds, the wetland reed vegetation has been periodically managed since 2003. A pilot economic project supported by WWF and local farmers initiated the winter mowing of the reed, processing it by specially bought palletization equipment, and selling it for profit on local markets as fuel biomass for other businesses. The project proved a success, although special measures were taken to limit disturbance in the natural area and only remove the reed in the winter, when the marsh was frozen. The local business has successfully developed and now produces biomass fuel also from agricultural waste biomass on the boundary of Natura 2000 areas. Additional measures to manage reed that are now being considered include the reintroduction of water buffaloes by local farmers to graze the weed, while improved pelican nesting stations and hydrological modifications have improved the potential for local birdwatching and fishing businesses.



Source: http://www.wwf.bg/what_we_do/climatechange/biomass_installation/

One useful analytical tool for incorporating community needs, when designing nature-based business objectives is the **“Poverty and social impact analysis toolkit”**, introduced by the World Bank back in 2003¹⁰. According to it, while the specific situations and interactions, strengths and dependences of the various local players and communities may be quite variable, the available impact pathways or channels are limited to five.

These impact distribution channels include:

- **employment;**
- **prices (production, consumption, and wages);**
- **access to goods and services;**
- **assets;**
- **transfers and taxes.**

¹⁰. “A User’s Guide to Poverty and Social Impact Analysis”, World Bank, 2003. N

In addition, usually each policy reform, and every business initiative, is likely to have impacts through more than one channel. For example, utility projects might result in changes in prices and access to some assets, but might also have an impact on the fiscal stance of a country or a region, and hence on their transfers and taxes. Further, different stakeholders are likely to be affected differently through these channels. For example, relative price changes will affect net consumers and net producers differently, and even among these groups the impact may vary. And within the consumer groups, they will be affected to a various degree, depending on their consumption patterns, or their ability to substitute goods.

Once the local needs addressed by a nature-based business are “translated” back to their actual distribution channels, it will become easier to design feasible ways the business can approach them. Broader social issues like democracy, equity, welfare integration and human rights may also be addressed by the businesses (especially if the business owners care to benefit from good local governance, rule of law, integration of vulnerable groups, etc.). Together with the community, the entrepreneurs, business owners and operators, must also find an appropriate level of involvement, and the scope, contribution and mechanism for addressing communal needs.

On this more sophisticated level, one more approach for such interactive community mobilization is the one for **“Mainstreaming participation”**, developed by a number of GTZ units in 2007¹¹, and applied in a number of their local development projects, including in the Danube region. It proposes 10-steps trajectory, applicable for various local community initiatives with different sized and objectives, including the following stages, or “building blocks”, integrating the mapping and mobilization community phases, and completing them with a number of pragmatic directions and practical lessons learned:

1. **Identifying key stakeholders.**
2. **Stakeholder mapping.**
3. **Stakeholder profiles and strategic options.**
4. **Power and power resources.**
5. **Stakeholders’ interests and scope for action.**
6. **Influence and involvement.**
7. **Force field analysis.**
8. **Building trust.**
9. **Exclusion and empowerment.**
10. **Gender (cross-cutting issue).**

Applying any of these or other methodologies takes time and effort and requires certain theoretical and process know-how on behalf of the nature-based businesses, as well as members and organizations representing the local communities. Local and external expertise from business development agencies, consultants and government offices is welcome, especially when funding for this can be secured. Typically, simple, well-proven tools for stakeholder mapping and decision support, which address the need and capacity

¹¹. “Mainstreaming participation”, GTZ, Eschbarn, Germany, 2007

of diverse stakeholder, will work best in this setting. Organizing face-to-face community meetings and workshops when possible will significantly improve the outcomes of such joint decision making processes, especially when good records and follow-up of joint directions and decisions taken are implemented. In all of this, the respective authority, legal and public responsibilities and requirements of the different stakeholders must be respected.

2.4. Value Adding Approaches and Green Innovations

Successful market entry of any new business depends on how the potential products or services create value, leading to higher return on the investment, customer satisfaction and, thereby, profits for the shareholders and benefits to the stakeholders. In the case of nature-based businesses, these latter benefits include the continued conservation and restoration of the vital ecosystem services, on which the nature-based business depends. In most cases, this also means improving the social and human capital of the local community, as nature-based businesses tend to be labor intensive and require the skills and participation of a local workforce.

Therefore, value-adding approaches, and deployment of technical and social innovations is key to nature-based businesses. It may be helpful for nature-based business owners and operators to consider the natural resources and ecosystem services they rely on both as an intrinsic public good important to all stakeholders, and as form of capital, which requires maintenance and improvement. The same is true for the human and social capital – the local workers, their skills, social connections and networks, on which most customer or service-oriented business rely. Innovating and creating additional value to the local environmental and social capital, available and utilized by the business itself, should be the main part of your added-value business strategy.

To be able to do this, it is good to consider first the baseline, or the basic enabling conditions of the nature-based business, and then examine the potential value adding approaches. For that purpose, two key questions need to be addressed:

- What is required to sustainably convert natural resources and capital goods into useful value-added products and services, which meet customer and market preferences?
- How to create additional value, e.g. via optimizing the business model, accessing markets, reaching new target groups, creating new partnerships, and/or increasing revenue?

The first question may be viewed as trivial one, as there is a vast list of detailed recommendations in all business spheres and branches. As an example, while reviewing the local food production, **the minimal business steps** there include the following stages: growing your food (if needed), harvesting or picking it, packing it (optional), transport it (if needed), and present it to the potential clients. Typically, this “minimal” business plan has also its minimal guarantees for successful bargaining, as well as for significantly higher cash revenues and rewards for the same inputs (expressed as finances, time, manpower, etc).

Nevertheless, it is necessary to draw this baseline, as it identifies the minimum efforts and costs, as a reference point for creating new business value.

It must be noted that some specific constraints to growing or transforming nature-based business models may exist. These include **local and national regulations, obligatory permissions or public fees**, associated with the economic activity. They exist regularly in the spheres of the **agriculture and food production, licensed accommodation, construction and reconstruction, therapeutic activities, tourism, RES and energy, child care, driving, sailing, licensed hunting, shore or forest management**, etc. In the case of operating in PAs/Natura 2000, it is expected that all sites of the network have their specific **management plans** that may regulate or even forbid the planned business activities at their territory. Business operators have to take this into consideration. A local startup need its detailed preliminary information (“intelligence”) for all of these requirements, concerning its activity, and area of operation, and has to fulfil them all. In case that the necessary information is not easily available, well-structured or understandable, it may be of use to consult with experts and authorities on the topic (either public or commercial entities).

With the baseline set up, the second question can be addressed, on **how the entrepreneurs may increase** the added value. Although it may be counterproductive to speak about “maximization” (as it is a sort of non-quantitative fiction, especially in the case of small-scale businesses), in practice operational improvements, efficiencies and innovations do matter, even and especially for small nature-based businesses. What is even more important, is that both nature-based products, such as wood crafting and furniture, and nature-based services, such as tourism organized around particular nature areas, are not commodified or generic products and services (compared to standard agricultural commodities or tourist services). Speaking generally, there is no such thing as intrinsic or standardized value of such a product or service in all times and for all potential customers. A business is in a constant process of product development and decision-making: how to use its inputs and produce goods and services, to which target groups does it sell them and how.

It is also possible that a business may employ a “minimization” strategy – adding as little modification as possible – perhaps to preserve the collected products in their natural state, or give an unfiltered tourists experience. A minus of such approach is the relatively low added value, associated with it. In addition, in the case of food production, as well as for some other organic products and materials, this reduces the shelf life – or requires specific additional investments in their right storage and transportation (i.e. drainage, ventilation, refrigeration etc.).

Yet, the minimization approach may be applicable in some cases when significant geographic barriers separate the locations of production, processing and consumption, and/or when harvesting and processing is labor intensive (i.e. forest berries, mushrooms, herbs, mussels, etc.), while the products themselves have relatively higher value unprocessed due to their quality or rarity. This is also preferred for unique natural products, which are “ready-made” or can be sold with minimal modification (e.g. seashell souvenirs or other plant or animal-based decorations).

More often than not, especially with regard to durable products and integrated services, the more processing or planning/effort is put into upgrading, customizing and otherwise adding value, the higher price the product or service commands. Some non-exhaustive samples for such value chains may be represented in the cases of processing wild plants into food and cosmetics; grinding crops, and/or baking local bread (instead of grain trade); integrating crop and animal/dairy production, producing boutique furniture, or creating craft souvenirs (instead of selling wood fuel or raw wood material) etc.

Good Practice: The Forgotten Crafts of Ciocănești

The Natura 2000 Ciocănești-Dunăre area, a pilot area of the LENA project, is famous for its wetlands, biodiversity, fishing and bicycle trails. No less important are traditional crafts, such as woodworking, carpentry, furniture making, weaving and metalworking. Local craftsmen including woodworkers and blacksmiths are able to sell their production to the local communities, as well as to tourists. Prices are very low, compared to either machine-produced or handcrafted furniture and tools of similar quality in the cities, which is why customers often come from outside the area to buy them.

Nea Vergica, a wood craftsman in the village of Mănăstirea, has specialized in producing wooden stools, which are sturdy, beautifully designed and comfortable, proven by centuries of use as traditional Romanian furniture. He sells them for as low as 2 EUR per stool, while still being able to make a living. The price, he could fetch on a bigger market, however, would be much higher, so having access and transportation would be critical in improving his success as a self-employed craftsman. Even more critical from the standpoint of the local community, is that his craftsmanship and know-how would not be lost, as currently he has no apprentices from the local village.

Future capacity-building in the area should focus on attracting visitors, improving market practices and ensuring that marketable skills, know-how and nature-based livelihoods are supported by the local community and passed to the next generation of craftsmen.



Source: WWF Romania

The next step to value adding relates to choosing marketing strategies. Knowing in advance your target groups, and/or marketing grounds, is the minimal requirement in this case. Exploring them, comparing their tastes, preferences, habits and solvency, pros and cons, represents a next level in the process. A further level here is to conform and adapt one's products and services to these specific preferences and needs. For example, if a restaurant owner expects French, Hungarian, or Chinese guests – they may provide their menu translated in the relevant languages. If that does not happen regularly, or if it is too complicated and expensive – good visual information may be of some help. If guests request specific food options (i.e. vegetarian, gluten-free, etc), the availability of the respective options will immeasurably improve their experience. Better packaging, wider promotion, target-oriented marketing, and local or regional branding can add further value.

Market access is, ultimately, the main barrier or enabler of a successful business. In many cases the individual primary producers (e.g. farmers) do not have access to the final customers – not having the time, the facilities, and/or necessary information and skills to reach them, thus relying on traders and middlemen instead. Developing direct sales and marketing capacity, possibly with the help of external assistance (farmers markets, bank loans, EU project, consultancy etc) is an option. Another possible approach looks into the advantages of the local networking or cooperating, i.e. in the form of a joint local fund, or via division of labor via a cooperative of producers and small businesses. Thus, some cooperative participants will have the responsibility for the marketing of the cooperative's production and receive help on other tasks (e.g. irrigation, animal rearing, etc).

Good Practice: Certified Local Brand for Sustainable Products and Services from Bohinj Region

Bohinjsko (from Bohinj) is a certificated local brand established in 2013 for the products (and later also tourism services) of Bohinj region in the Slovenian Alps, to ensure high market value of the original products from Bohinj region whose qualities are based on their geographical origin. Bohinjsko was designed as a brand that would reflect unique character of people of Bohinj, nature of the area and especially relationship between nature and culture. The products embody the imagination and skills of Bohinj's ancestors. Their livelihoods and way of life are preserved for later generations by keeping the traditions and processes of recreating the regions' unique food, craftsmanship products and hospitality.

There are currently 5 categories of products and services certified and awarded with this brand:

- **Culinary offer of local specialities (food and drinks) of participating inns (gostilna) and restaurants (since 2017);**
- **Culinary products (also agriculture products) (since 2013);**
- **Crafted products (craft, unique and industrial design products) (since 2013);**
- **Guided experience tours certified by Bohinjsko/From Bohinj (since 2017);**
- **Accommodation providers from Bohinj (since 2017).**

A new category of events (e.g. festivals) is being developed, reflecting Bohinj's rich cultural calendar. While most local member businesses have certificates just in one or two categories, there are a few of who have certificates in all categories: culinary products, craft products, experiences and accommodation.

All products and services, which are entered for the Bohinjsko brand, are certificated according to strict standards and criteria with a respect of traditional values, local raw materials, intermediate products and ingredients. The minimum level of locally sourced raw materials for producers of goods with the certificate is 30%. Certification of new products is carried out twice a year, while once in 2 years the already certified products are inspected to confirm they still meet the high quality requirements.

After certification and brand registration, the producers can get access to materials for products, promotion, expert consultations, professional photography. With the certification and improved network businesses can connect and create short supply chains, e.g. the local carpenter produces wooden boards for cutting of Bohinj cheese.

Most brand participants are highly satisfied with the initiative and report sales increases. In fact, demands for certified products often exceed supply. Primož Rauter, who makes special backpacks and carves products out of wood and animal horns reports that results improve each year. The same opinion is shared by Srečko Lotrič, who preserves a long tradition of crafting famous Gorjuše pipes and expresses a strong sense of pride and ownership of the Bohinjsko brand. Some local certified foods, such as the "mohant" cheese, a unique local type of cheese which has today also EU certificate of the origin, has achieved acclaim outside of Slovenia, and have been included into many culinary products and dishes (eg. even into pralinas and ice-cream). Bohinjsko brand has won numerous awards, such as the 2018 Gold and Silver Culinary and Gastronomy awards within the Alpine Tourist Region.



Source: <https://www.bohinj.si/en/from-bohinj/>

One additional aspect, which may add value to local products and services, is the identification of multiple uses (i.e. bottling the local mineral water, in addition to its local therapeutic use). As some of these alternative uses are not obvious, and/or not trivial ones, in these cases the key role for their introduction highlights the need of some marketing and product innovations. Nature-based businesses also provide a unique opportunity to incorporate scientific research and citizen science in biodiversity, ecosystem services and resource use aspects. For example, yields of wild plants, biomass, pollination by bees or the uptake of carbon emissions may be used to develop good practices and indicators, but also to get compensation for these services for business owners.

Further and more radical nature-based product innovations may be available in the future. **Breakthroughs in fields like bioscience, materials science, ergonomics, medicinal therapy or other R&D-intensive activities** may yield new uses of nature-based products and the value of ecosystems or specific PAs, localities, significantly improving the prospects for new nature-based businesses.

Section 3. Building Nature-Based Business Capacity

Below are specific approaches, recommendations, tips & tricks on building capacity for nature-based businesses, operating in and near PAs/Natura 2000 areas.

3.1. Strategic Decision Support for Nature-Based Entrepreneurs

A vital objective of capacity building is to improve the outcomes of entrepreneurial decisions. These decisions have to take into account the available current resources and factors of production, and the expected future incomes. In addition, in the cases of businesses operating near PAs, they also has to factor non-economic externalities – the impacts effects on the natural environment, ecosystem services, natural and cultural heritage, as well as legislative restrictions and requirements. Finally, these decisions need to reflect the needs and preferences of the customers, suppliers and business partners, workers and the local community.

The established practical discipline of strategic business analysis offers a wide toolkit for strategic analysis and managerial decision support tools, which can improve the capacity for strategic decision-making of entrepreneurs, including but not limited to:

- **SWOT analysis**
- **PEST analysis**
- **Porter's Five Forces Analysis**
- **Four Corner's Analysis**
- **Value Chain Analysis**
- **Business Canvas**

SWOT and PEST analysis comprise schematic representations of the external environment in which the business operates, the main strengths, weaknesses, threats, opportunities and, in the case of PEST analysis, the institutional settings, which are of primary significance for nature-based businesses, operating near highly regulated PAs/Natura 2000 areas.

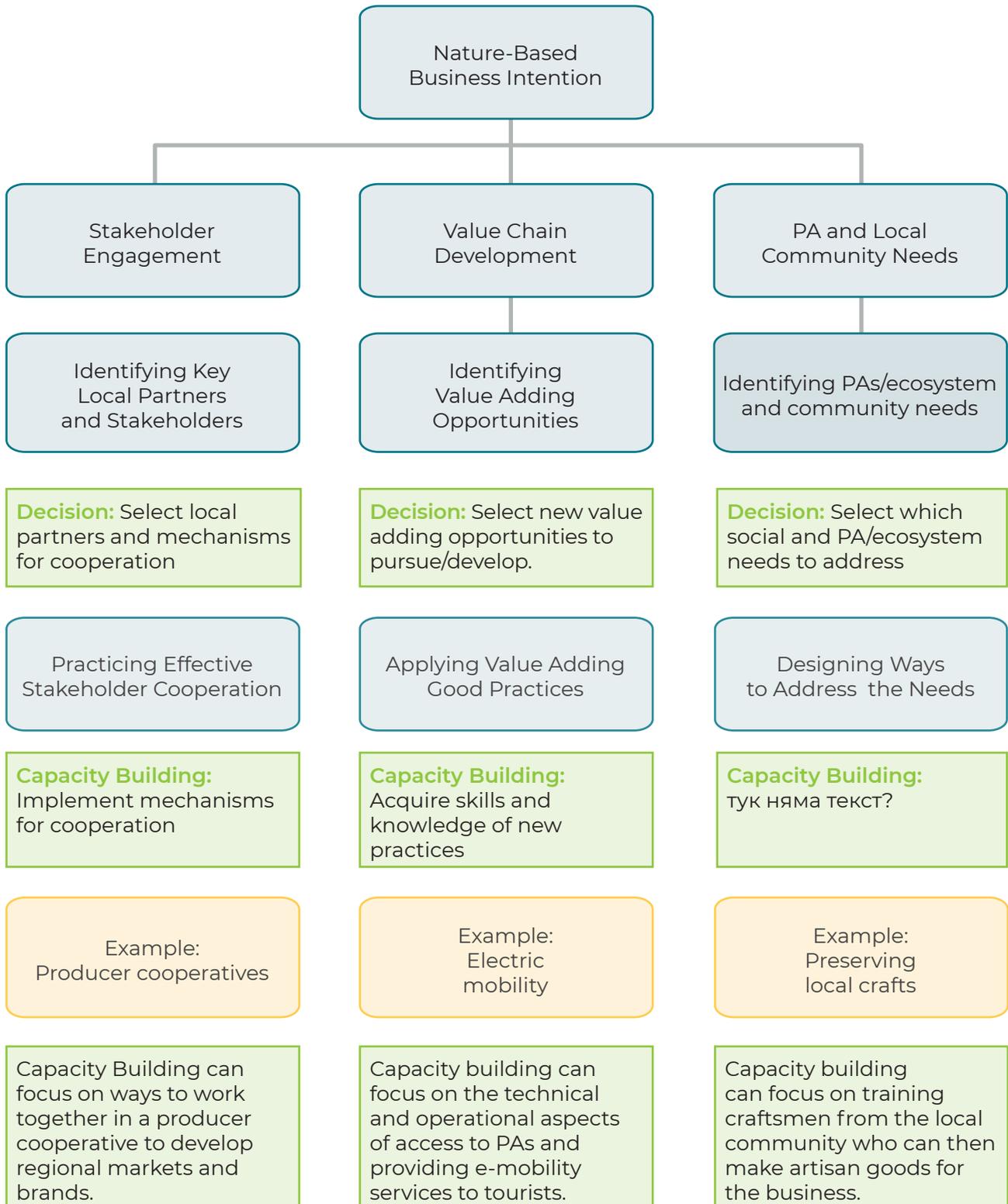
Porter's Five Forces and Four Corner's Analysis, developed by the business scholar Michael Porter, focus on analyzing the key business stakeholders, including customers, suppliers and competitors. Nature-based entrepreneurs can use them successfully where they have to compete for the same customers and offer similar products and services, e.g. if they operate a guest house or restaurant near a well-visited PA/nature park where many food and hospitality options are available.

Value chain and business canvassing tools are particularly well-suited for micro and small enterprises such as nature-based business startups, as they are both simple to use, and can incorporate many non-financial aspects of the business operations, such as

its environmental impact, and the value generation for the local community and other stakeholders.

Using an even simpler decision tree, as the one pictured below, can help nature-based business owners and entrepreneurs understand which aspects of their operation require strategic decisions and capacity building.

Fig. 3: Simplified Decision Tree for Nature-Based Decision Making and Capacity Building



3.2. Setting the Capacity Baseline

Running through the process and decision tree, described above, the nature-based business needs to identify the thematic scope of its specific capacity-building needs. In addition to their obligatory components, discussed previously (i.e. environmental regimes or obligatory administrative requirements), this usually covers activities and approaches, falling within the 3 categories of the decision tree. In the context of nature-based business, usually these capacity needs concern partnership building and stakeholder cooperation with other producers or supplier chains. This also includes the effective, value-added and sustainable provision of goods and services, while addressing the needs of PAs and local communities. There may be need for specific technical know-how and capacity, related to the actual production and activities, as well as more generic managerial, business and marketing, as well as soft and IT knowledge and skills.

3.2.1. Existing or newly developed local communities and partnerships

A key aspect of capacity building concerns establishing relations and effective partnership with local stakeholders and community members, consisting of groups, coalitions or networks, with their specific interests, preferences or traditions. Sometimes, especially in non-populated areas or PAs, a well established local community does not exist at the outset, but has to be created and developed, requiring the efforts not only of business but of PA managers, local institutions, NGOs and residents. The value of such networking is vital and addresses a number of aspects:

- **opportunity for distribution and contracting of required business activities, and related division of labor with following specialisation;**
- **mobilization of various local interests in the support of a common focal territorial initiative;**
- **addressing some specific local needs of such communities (especially social ones);**
- **opportunity to establish value chains with better economic and non-economic rewards;**
- **opportunity for the implementation of local territorial branding initiatives.**

The constitution of such partnership networks is not very uniform, as all of them highly depend on the local purposes, needs, and selected approaches. In addition, during the setting up and negotiation of partnership initiatives, all aspects of the topics for the individual benefits and costs, ownership and leadership, involvement and satisfaction of every participant have to be concluded, preferably in a open, fair and thorough manner.

Apart from the practical implementation of such initiatives (that are highly dependent on the specific local sets of partners, their interests, moods, interrelations, capabilities and skills, on a case-by-case basis), it may be valuable some existing cases of such successful partnerships to be reviewed, and on that base to build specific local capacity. Preferable target groups for such capacity building are the leaders or coordinators of the

local economic initiatives, as well as some other institutions and organizations (civic or administrative), supporting them from the outside. Specific figures that may be qualified in this context are local specialists for moderation and facilitation, that, if applicable, may take also the more advanced form of regional managers (described in more details in section 3.4.2. below).

3.2.2. Available local skills and knowledge

Depending on the chosen business model and activities, the available skills, knowledge and other local competences may be of crucial importance, and, hence, significant investment in the capacity of employees, workers, suppliers and the local community may be necessary. Sometimes this includes widely established marketable skills, training in specialized or traditional arts and crafts, such as bakery, carpentry, pottery, blacksmithing, traditional farming, weaving, basketry. etc. In addition, these required competencies may cover wide range of some additional topics, related to the local ethnography, geography, or nature, as well as to specific local legends and beliefs, traditions, songs, dances, happenings etc., that may be practiced in the frame of the local economic activities, or otherwise manifested via the provided products. In any of these cases, the local economic initiatives and their added value would significantly benefit from natural and cultural heritage preservation, and the enhancement of local knowledge, skills and competences.

3.3. Capacity Building Areas

Nature-based startups need to consider a list of topics and themes to be addressed, together with an action plan and financial plan for their realisation. The main criteria for selecting a capacity building activity is relevance for the business and employees, suppliers or other stakeholders to be trained, as well as the expected/added value, and/or the complexity and price (as small businesses do not have vast resources to spend on capacity building). Below is an indicative, non-comprehensive list, drawing on the experience from the LENA pilots and good practice cases.

3.3.1. Conservation

The environmental issues, instructions and guidelines may be assessed as obligatory, or at least highly important, in cases intended to green startups, and/or covering protected areas and their vicinities, and/or specific products, expected to be acquired from such sources (i.e. wood, straw, forest fruits, observation and photo tourism etc.). In addition to the **management plans** of the relevant territories (if they exist), other possible sources for useful information here may be, among others, the following: **the responsible environmental or territorial administrations; existing bio (organic) or natural guidelines, consultation with professional individual specialists, or specialised organizations in the spheres of biodiversity, agriculture, permaculture, tourism, branding etc.; conversations with existing and practically involved local communities and networks (i.e. local action groups, hunting or fishing, or tourist communities or organizations); active training centers with similar orientation (i.e. for tourist guides, traditional agriculture or construction, etc.).**

3.3.2. Arts and crafts

In this thematic domain, if necessary, two different directions may be followed. The first of them covers **skills, related to some traditional crafts**, that either exist, or are intended to be revitalized by the planned business activities (such as **bakery, carpentry, pottery, blacksmithing, traditional farming, weaving, basketry, traditional songs and dances** etc.) The second direction that may partially overlap the first one, is related to various **types of planned physical activities, requiring some preliminary and/or ongoing guidance and training** (in addition to the local folklore some other topics may be included there, such as various **extreme sport activities, mountain styles and orientation, mushroom or herb collection** etc).

In both cases, established and recommended sources for such information are persons or organizations, with practical experience and proven history record and relevant experience. Regional or transnational experience, whenever relevant, is sometimes even more helpful (as is the example with the LENA Danube Guides below).

Good Practice: Training of Danube tour guides

As part of the LENA project, the network of Danube-culture-nature-guides also called “Danube Guides” was developed. 15 trainers from 6 countries participated in an initial weeklong training, and obtained international certification. The hands-on training focused on subjects like environmental protection and cultural heritage, and also demonstrated to the participants a didactic approach on how to be a great tour guide. These trainers in turn have trained more than 120 Danube tour guides as part of the LENA project and in the future will establish a formal association of Danube guides, which already has a brand identity and a logo.

Transnational networking for capacity-building and professional training is a great solution for all nature-based tourism and education enterprises and organizations along the Danube. Acquiring a high level of comparable skills, methods and approaches will open opportunities for actual business networking and value chain development between organizations, employing Danube guides, and will improve the experience and address expectations of high-quality service for tourists visiting the Danube region.



Source: <http://www.interreg-danube.eu/news-and-events/project-news/2079>

If trainers for relevant topics and themes are not available, guidance documents and materials may be used, together with sources of background ecological, technological and cultural information (i.e. **historic or ethnographic books, traditional recipe books, museum exhibitions of craftsman work, online sources** etc). Another prerequisite for

the successful training and skill transfer is the availability of **specific material amenities and equipment**, i.e. required specialized tools, facilities and setups, specific for every type of activity. The costs and procurement requirements for these need to be identified and their provision arranged in advance.

3.3.3. Business and marketing

Administration capacity skills, such as **bookkeeping, taxes, supplying, negotiating, selling and marketing, management and business organization** are required more or less to all active business initiatives. It is possible to have these services outsourced for a price. And the smaller a business initiative is, the smaller are its needs for such services to be covered. However, good administration and financial management can increase revenue and have additional financial and non-financial benefits. Also, in a rural setting or a niche business outsourcing providers of these services may be harder to find. Hence, building administrative skills and capacity remains essential. New businesses have to decide very carefully how it will provide these functions and services, and, if necessary, hire or train the relevant capacity in-house.

One specific administrative skill, which may be helpful in the context of the Danube region nature-based businesses is the capacity to develop, win and manage EU-funded grants and programming projects. Even small nature-based businesses or their associations may find themselves in a partner or beneficiary role for EU-funded projects, including INTERREG, transboundary programmes, national programming grants in EU Member States and accession and neighborhood funds in non-EU Member states. We provide some specific guidance on this in the LENA “Access to financing and EU programmes” guiding document.

3.3.4. Soft skills and networking

Soft skills and networking training for all customer-facing owners or employees of small businesses are always necessary. If the planned business activities are oriented to participants, having specific limitations in their communication and socialisation (e.g. **young inexperienced people, or people with specific disabilities, or being exposed to long term isolation** – in hospitals, social homes, prisons etc.), this kind of capacity-building is key. Communication skills form the core of such trainings together with conflict resolution, relationship management, self-awareness and self-development. Trainings in soft and networking skills are interactive (e.g. **“word of mouth” or multi-level marketing exercises, training or educational activities with open discussions, mock role-play games**, etc.).

According to the specific nature of the planned activities, the focus may be on working for motivation, constructive attitude or better communication. There are a diverse set of communication skills, which can be trained (including **public speaking, electronic communication, facilitation and moderation, writing and copywriting, coaching and motivation**, etc.).

3.3.5. Information technologies

The wide applications of the modern information technologies require a constantly improving mastery of software tools and online sites, including but not limited to basic familiarity with office software to sophisticated GIS, client management and financial management platforms.

For small nature-based businesses, typically selling small assortments of unique products to distant customers or visitors, the skillset of **Internet marketing, and especially social media marketing strategies, use of online long-distance communications, elaboration and maintenance of web-pages, utilization of online promotional platforms, comparisons of prices, or regular screening of specific information with marketing** are key areas of capacity building.

According to the stage of required knowledge and skills, capacity building may include short-term personal training of key personnel, or the use of guidelines (for lighter IT tools), or the secondment of experts with such specialities (in more ambitious tasks). In addition, like the craft capacity, the appropriate equipment, or the **hardware component**, (i.e. **online access, wi-fi, mobile laptops, personal computers, powerful servers** etc.) as well as **legal and accessible software** packages need to be provided in advance.

3.4. Capacity Building Implementation

After the capacity-building needs of a nature-based businesses are identified, practical follow-up activities need to be planned, organised, and implemented. These need to be fit for purpose, reflecting the scope, knowledge and skills to be developed, and the availability of the respective persons and groups, who can commit the necessary time and resources. Key issues for the successful implementation of capacity building is who will lead it, who will be involved and how the results and outcomes of the capacity building will be stored and disseminated.

3.4.1. Who needs to lead capacity building?

The organizational design of the local business capacity building needs to reflect the involvement, expertise, and capacity of the local actors, communities, or networks, as well as these of potential incoming (non-local) partners and supporters. In addition, it needs to reflect the conversations and negotiations among these parties in the preparatory and preliminary phases. Given the specific importance of the local capacity-building, the **persons and entities in charge of it have to be not only capable, but also convinced, motivated and ready to work with other participants.**

For example, if no prior community conversations have taken place, and no agreements have been reached for any sort of cooperative activities, then the nature-based business remains an initiative of a compact, closed group of engaged persons, and hence they need to organize their capacity building by themselves. In these cases, there is still a place for additional internal division of labor among the team members, as well as for involvement of any external persons and entities with useful capacity and specialization. Similarly, if the green-business scope have been preliminary set-up and agreed to be one with wider community coverage (i.e. on a settlement, territory, community, or some sort of network level), then a relevant coordination **capacity-building entity** (or set of entities) may be appointed; valuable configurations here,

proven in practice, may include **some involved local self-government authorities, NATURA 2000 management units, recognized NGOs, or other existing and involved local administrations or organizations.**

The topical and technical scope of local capacity-building activities is vital. If they involve significant complexity, and/or very technical and specific aspects, then it would be appropriate to include for their coordination **persons or teams with the relevant specific expertise and experience. i.e. research and science, biology and biodiversity, business incubation** etc. Alternatively, if there is only need for a single expert or person to be trained, this may be secured as the most value-effective, and/or cost effective decision, subcontracting expertise or organizing participation in a training course with very little additional in-team capacity-building (e.g. this may be in **cases elaboration and maintenance of online services, territorial databases and web-pages, GIS modeling, biodiversity screenings, local infrastructure and commodity improvement**, etc.).

3.4.2. Who needs to be involved in capacity building?

After the capacity-building objectives and activities are properly structured, then the sets of specific activities have to be selected and implemented. They may vary not only in their topics or type of capacity-building methods, but also in their coverage, scope, or level (in relation to the audiences they address). For instance, the simplest and most common capacity-building consists of individual trainings, addressing **small number of persons**, that subsequently have to apply the acquired knowledge, skills and instructions in their activities, sometimes coupled with some observations “in situ”, or practical exercises (i.e. various vocational trainings and some in-formal education methods); this approach, no matter the number of the trainees, remains strictly limited in its scope and influence, as well as in its long-term availability (irregularly, non-public, and under certain limitational conditions – organization of training, involvement of trainers etc).

Another approach for such team capacity is the **appointment**, or other type of involvement, of the required number of **persons with the relevant skills and experiences**, that may be most applicable in areas with higher professional and practical requirements. Meanwhile, it should be taken into consideration, that such a step remains on the level of the completed personal capacity set, and do not contribute automatically to the organizational capacity in general.

To avoid some of these limitations, in longer-term perspective, it is necessary to have the generated information saved, in written or in electronic form, as some sort of adopted **guidelines or procedure instructions**, so everyone may use them any time when they are needed, thus improving not only the individual, but also the organizational capacity and intelligence. Other forms of such organizational capacity building are achieved, when such procedural guidelines are specifically elaborated, in order to address certain organizational tasks or functions, in term of the in-team division of labor and responsibilities (the so-called “**organizational set-up**”). These units of information allow the acquired knowledge to remain and be actively implemented, even if some of the knowledge persons are not permanently involved, or are no more part from the organizational activities. Practice shows that such **paper handouts or leaflets** may be very effective, including for non-specialists, especially if applied in a user-friendly manner, with graphics and illustrations, in the areas of hand operations, territorial orientation, etc.

Further expansion of these capacity tools is also possible, for example by using **information boards** (i.e. of wood or metal), painted arrows, and various other **permanent picture signalizations, or online databases**, where the required information is available online. According to their complex purpose, these online databases may be of closed type, with strictly work nature; or public, available for any visitors, and providing them with various additional information.

Good Practice:

Regional Databases, Portals and Directories

The online regional databases are a popular local development information tool in EU Member States, serving both the internal coordination and interaction of the involved partners, and the public promotion of the selected territories (i.e. in regional branding initiatives or other promotional efforts). They may share various information for the physical, administrative, economic or environmental geography, transportation, displacement of tourist attractions and cultural monuments etc., thus facilitating the orientation and decision-making of their potential clients. Their common advantages include: lower maintenance costs (in financial and manpower terms), ability to explain and structure large volumes of information on complementary topics, wide availability, and sustainability in time.

Online capacity-building instruments can also serve **marketing and promotional tools, or public information and educational** materials, for wider (potentially unlimited) groups of clients and other external visitors. Yet in practice it appears that this online information, although technically accessible, still need their significant additional promotion, often using direct communication, or other **offline methods**.

3.5. From Capacity Building to Community-Led Development Process

A local capacity building process, involving nature-based businesses and organized around PAs and Natura 2000 areas, can transform into a long term process of sharing (and unifying) common intentions, and/or common will, among a bigger group of persons and entities (potentially representing significant part of the local community). Such a shared vision process of a given territory would be a very precious local advantage that may allow wide and coherent cooperative promotion and implementation of coordinated activities (both economic and non-economic) with a common overall objectives, messages, and steps for their realisation. It can be practiced at the level of individual PA/Natura 2000 territories and incorporate nature-based businesses and their associations not only in the vision and planning processes but also in the on-going management decisions of the protected territory, under the EU principle of Community Led Local Development (CLLD).

Further, if a territorial community has even bigger ambition, towards unifying not only their visions, but also their will, in the term of its common coordination and operational structure, it may try to apply the regional management approach – the most demanding,

but also the most promising form of territorial cooperation, practiced by a large number of local development networks all over the Europe, as well as in some other territories. Specific capacity-building steps here may be the structuring, coordination, negotiation, and agreement of the complex regional management setup, the addressed tasks and objectives, and the mandates of the regional managers, and the other parties to be involved, as well as the gain of wider support among the local groups of actors. This process have to be moderated, interactive and multi-staged, as well as open for the key local players in the respective territory.

Good Practice: Community Led Local Development (CLLD) and LEADER for PA development

Community-led local development (CLLD) is a highly promising regional management, decision-making and capacity-building approach. The involved local community actors have the opportunity to group themselves in thematically oriented partner teams (groups, councils, etc), according to their interests and competencies. These teams generate and coordinate ideas, instruments and initiatives, addressing specific local needs and objectives. Their members may be various participants, i.e. farmers, craftsmen, business associations, incubators, young people, women, people with disabilities, environmentalists, libraries, school boards, sport clubs etc. A specific person or entity – the regional manager or CLLD body leader – coordinates their efforts, moderates the discussion of incomplete or contradicting concepts, intermediates the proposals to the local and national administrations, as well as explores and distributes valuable informations (i.e. potential funding sources, valuable external partners etc).

A necessary prerequisite for the implementation of this approach is the bold involvement of the local administrations for dialogue, and active assistance to the initiatives of the local communities, providing them with real opportunities for participation in the local development activities. Some topics, regularly addressed with regional marketing initiatives, include those for energy efficiency, sustainable local economic alternatives, and preservation of the local nature and biodiversity.

One tested CLLD approach, widely used in agricultural and rural policy is the LEADER CLLD approach, common in EU Member States. LEADER is a local development/management CLLD method used for 20 years to engage local actors in the design and delivery of strategies, decision-making and resource allocation for the development of their rural areas. It is implemented by around 2 600 Local Action Groups (LAGs), covering over 54% of the rural population in the EU and bringing together public, private and civil-society stakeholders in a particular area.

Although LEADER is obligatory only under the EU Common Agricultural Policy, a single action can now be supported under two or more of the four EU Funds at the same time through the concept of multi-funded CLLD. Where this is applied, it enables LAGs to comprehensively integrate local needs and solutions and helps to reinforce the links between rural, urban and fisheries areas, within the priority and

action measures, included in their LAG plans. Among other topics, LEADER puts a specific emphasis on both the local economy, and the local environment, and hence may be a helping addition to some local green economic initiatives.

It is anticipated that post-2020 CLLD/LEADER approaches may be incorporated into the planning and management process for PAs, such as Natura 2000 areas. In these instances representatives of local nature-based business may regularly participate in the planning and management of PAs in a consultative role. Such approaches have already been proposed in some Danube countries, such as Bulgaria. Therefore, additional commitment is needed by PA managers and authorities to build the necessary capacity of business actors about conservation goals and regimes of PAs.

More information:

<https://ec.europa.eu/esf/transnationality/content/clld-useful-approach-esf>

Annex 1

Good Practice: Capacity Building for Wild Plants Businesses

Mapping and building the wild plant capacities in Central and Eastern Europe

A comprehensive application of the capacity-building aspects and approaches (i.e. developing know-how and capacity in nature-based business models, marketing, local environment knowledge, personal skills, material and production capacity, community networking, legal environment, and information technologies), the “**Capacity Building Strategy for sustainable collection and use of wild plants and reducing social and economic disparities in rural areas of Central Europe**”¹² summarizes the findings and recommendations from a former capacity mapping exercise, with the participation of 9 partners in the Czech Republic, Hungary, Poland and Slovenia. During the mapping of the necessary and available capacities and capacity needs in that context, the following main capacity-building areas have been identified, explored, and accompanied, with a number of specific practical and methodology directions, tips and findings:

- **Intellectual capacities, traditions** – identifying very limited sources of such primary/direct data and knowledge still preserved, available and in place.
- **Natural capacities** – what is possible, in light of the conservation requirements of the local ecosystems and protected landscapes (PA/Natura 2000). It is necessary to see which plants are really present in the target habitats, if their population has the capacity of maintaining the planned collection quantitatively and qualitatively on the long run.
- **Personnel capacities** – restoring plant collection traditions and heritage requires that the local community and population can provide the motivated workforce with the real capacity to collect, process and use plants, develop and market products from them, as part of their livelihoods. A survey (socio-economic analysis), mapping local livelihoods and motivation should be carried out.
- **Marketing and sales capacities** – Defining and formulating wild plant products, which meet market demand and potential target group customer requirements.
- **Infrastructure capacities**, meaning the available local technology facilities and equipment to conduct the necessary processing and transformation, ensuring that as much value as possible is added to the final product locally, thus bringing higher local business revenues.

Based on the conducted capacity building activities in the pilot countries and locations, the strategy formulates the following specific capacity-building recommendations:

*. CAPACITY BUILDING STRATEGY for sustainable collection and use of wild plants and reducing social and economic disparities in rural areas of Central Europe, 2012; compiled in frame of the project “Traditional and Wild (3CE361P4)”

Preparing and training of the target participants:

Definition of the groups of potential collectors, elaborating personal contacts with them. Finding the right person (alternatively: association, enterprise) for coordination of the collection and processing activity. Involvement of experienced persons is preferred. Developing and distributing training materials, organising target oriented education with training on practical skills. Training should include: basic botanical knowledge on plants and ecosystems, on sustainable collection practices, nature protection aspects, personal hygiene, planning and optimal timing of activities, knowledge on usable tools. Specialized trainings about processing of fresh plant material and/or about marketing, enterprise running may be necessary, depending on the audience and local situation. Invitation of skilled specialists, conducting special study trips. Presenting successful case studies. Calling the attention of the target groups to the value of local natural flora by education, communication tools. Issuing a detailed description on sustainable collection methods, introduction of good practices.

Capacity enhancement involving wider audience and other populations:

Dissemination of information on local traditions and cultural heritage in connection with wild growing plants – to the audience of wider locations/country, and to the next generations. Suggested and preferred tools are publications, exhibitions, education at different levels. Inclusion of traditional activities with plants, medicinal plants, berries and flowers in the folkloric heritage and its preservation. Increasing interest for traditions and forgotten, useful activities especially among children, youth by movie, pictures, stories, presentations, exhibitions. Organisation of special events in nurseries, schools. Additional and specialized trainings for teachers. Development of skills and competencies of marginalized groups to take greater control of their own lives and contribute to regional/local development by training, personal contacts and organisation. Contact with leaders of ethnic and other population groups.

Development of capacities by proper management and enabling environment:

Ensuring legal free access to the natural fields for collection of plants. Definition of type(s) of products with appropriate market potential. Definition of eventual certification/permission needs and initiating the process. Finding the best sale channels. Making necessary contacts and mutual agreements with merchants, stakeholders (local, regional and international). Building up partnerships for processing, transport and packaging with regional partners. Sourcing of appropriate premises, equipments. Design of equipment, necessary preparation and/or purchase, future maintenance. Planning should be based on reliable calculation of necessary capacities taking into consideration fluctuations during the year. Drying facilities are usually of primarily importance. Storage facilities and sanitary premises should compile with hygienic and relevant special prescriptions. Organisation of best utilization of equipment through the year by partnerships. Arranging necessary registration, legal administrative issues for each activities for collection, trade, transport, enterprise running, nature protection, food safety, intellectual property rights, etc. Promotion, advertisement, building up co-operations in target region and CE. Knowledge sharing at transnational level in Central European partner countries via internet, publications, workshops and meetings. Assuring sustainability of plant collection and processing activity in natural, social and economic context.

Taken together, these specific and actionable recommendations can be used as a checklist both for potential wild plant entrepreneurs and collecting, trading and processing business owners, as well as by business development agencies, PA managers

and other local and regional institutions and organizations, which would like to promote wild plant businesses and livelihoods in the area.

Source: **“Capacity Building Strategy for sustainable collection and use of wild plants and reducing social and economic disparities in rural areas of Central Europe”**, and the involved partner organizations.

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The Project **LENA** is co-funded by the ERDF and IPA II



PARTNERSHIP



CONTACT

WWF Bulgaria

19B, Tsar Boris III Blvd., Floors 4 and 5
1612 Sofia, Bulgaria
Tel.: +359 2 950 5040
www.wwf.bg

Website: <http://www.interreg-danube.eu/approved-projects/lena>
Facebook: <https://www.facebook.com/lenadanube/>
Twitter <https://twitter.com/lenadanube>