



SEA4NEB

Final paper on unlocking the growth potential of
rural spaces through New European Bauhaus and
social economy

Diesis Network



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The aim of the final paper is to provide a comprehensive overview of the peer review cycle's key components related to the cluster/main theme. It focuses on summarising the main characteristics of the best practices discussed, supported by evidence-based outcomes. Furthermore, it aims to capture the main points raised in the comment papers and peer review discussions. The paper also aims to analyse the lessons learned regarding the relevance, utility and transferability of good practice cases in a comparative European perspective. Lastly, the paper aims to explore the general implications for dissemination and stakeholder engagement strategies.

Thematic axis: Regaining a sense of belonging

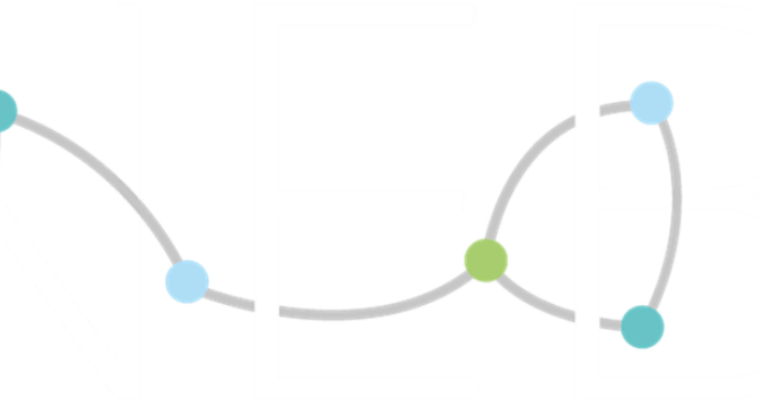
Cluster: Rural Regeneration

Good practice cases: Lūznava Manor (Latvia), The Whole Village (Mihai Eminescu Trust – MET) (Romania)

Draws on previous documents: Best practice case studies, background paper, comment papers from each country.



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EXECUTIVE SUMMARY

The SEA4NEB project's second peer review cycle has highlighted two examples of excellent rural regeneration practices through the case studies of Whole Village in Romania and Lūznava Manor in Latvia. Both initiatives are in line with the principles of the New European Bauhaus initiative, which emphasises the concept of "Regaining a sense of belonging". They focus on preserving cultural heritage, integrating sustainable development principles, and involving local communities for socio-economic benefits.

Lūznava Manor in Rēzekne stands as a testament to cultural revitalisation and community development. Through meticulous restoration and collaborative strategies, the manor has become a cultural and social hub, contributing to the economic and social renaissance of the rural Latgale region. By repurposing historical buildings, engaging the local community, and championing sustainable nature management practices, Lūznava Manor has become a successful model of rural regeneration, aligned with the values of the New European Bauhaus. The Whole Village concept, led by the Mihai Eminescu Trust (MET), focuses on the comprehensive restoration of cultural and natural heritage in Transylvanian rural areas. MET's community-centric approach addresses depopulation and unemployment, resulting in the restoration of historic structures, tree planting, job creation, and cultural and eco-tourism development. The project is aligned with the New European Bauhaus values, promoting sustainability, heritage preservation, and inclusive community development. Both initiatives are closely aligned with the New European Bauhaus values. Lūznava Manor embodies beauty, sustainability and regenerative practices. The Whole Village concept connects communities, prioritising sustainability, cultural heritage preservation and inclusive living. Both projects actively involve local communities, fostering collaboration, and addressing complex challenges in a transdisciplinary manner.

Comment papers and peer review workshops highlight challenges in stakeholder engagement, governance complexities, and financial sustainability. Financial sustainability is crucial for rural regeneration, requiring innovative financing models and a dual-level perspective which seizes both strategic and concrete opportunities. The importance of inclusive stakeholder engagement, leadership, and cultural shifts towards collective perspectives were emphasised. Governance structures based on shared values, transparent decision-making and cultural sensitivity were identified as crucial for successful rural regeneration.

In conclusion, the projects analysed exemplify successful rural regeneration, integrating cultural, social and economic aspects. The challenges identified underscore the need for innovative financing, inclusive stakeholder engagement, and governance structures that are aligned with the values and cultural nuances of diverse rural communities. These insights



contribute to the ongoing dialogue on sustainable rural development and the principles outlined by the New European Bauhaus initiative.



MAIN CHARACTERISTICS OF GOOD PRACTICE APPROACH

The good practices analysed in the second peer review cycle of the SEA4NEB project are outstanding examples of rural regeneration. The case studies of Whole Village and Lūznava Manor demonstrate how rural community development, creative cultural activities, and social economy organisations (SEOs) are interconnected. By integrating creative and artistic industries with SEOs, it is possible to create clusters that promote specialised, integrated, multifunctional, and complementary economic activities. As in ecological systems, learning and adaptation are essential for survival and sustainability. In this peer review, we have analysed projects that are aligned with the principles of the New European Bauhaus initiative, with a specific focus on the aspect of "Regaining a sense of belonging". We have examined the cases of the Whole Village in Romania and Lūznava Manor in Latvia and found that both initiatives prioritise the crucial concept of "belonging" in their rural regeneration and community revitalisation strategies. They achieve this by emphasising the preservation and restoration of cultural heritage sites to revitalise rural areas and contribute to overall development. Additionally, the initiatives integrate sustainable development principles and involve the local community, recognising the socio-economic benefits of cultural heritage preservation. A shared objective of both initiatives is to strengthen the sense of belonging and cultural identity within communities, recognising the value of heritage in fostering pride and connection.

In the Latvian municipality of Rēzekne, **Lūznava Manor**, a meticulously restored historic site unveiled in 2014, is a testament to cultural revitalisation and community development. Boasting a remarkable record of hosting 1,373 events and welcoming 113,000 visitors from 52 countries in the last three years, the manor has evolved into a vibrant cultural and social hub. Situated in the rural Latgale region, grappling with socio-economic challenges, the rejuvenation of Lūznava Manor has emerged as a catalyst for the economic and social renaissance of the area. The project's success is deeply rooted in a collaborative strategy that engages the local community, entrepreneurs and regional organisations. This collective effort is driven by a dual focus on preserving cultural heritage and championing sustainable nature management practices. Noteworthy achievements of the Lūznava Manor initiative include repurposing historical buildings into dynamic cultural spaces, establishing a children's playground, implementing residency programmes for artists, and fostering a rich tapestry of creativity within the community. The manor's triumph can be attributed to the strength of its partnerships, emphasising a co-creation process that involves stakeholders in shaping the project's direction. The inclusive role played by Lūznava Manor as a cultural hub is pivotal, fostering community bonds and providing a platform for social entrepreneurship to thrive. Despite financial challenges, the manor is a compelling example of the



transformative potential inherent in cultural revitalisation, showcasing its positive impact on rural regeneration and sustainable community development.

Links with the New European Bauhaus initiative:

The NEB Compass assessment of the Lūznava Manor case study reveals a strong alignment with the values of the New European Bauhaus. The Lūznava project, under the **beautiful** value, embodies the Bauhaus concept of beauty **by integrating cultural and social values into the restoration of the main building**. Modern IT solutions provide an interactive experience with authentic cultural heritage, promoting a sense of community through various cultural activities. The project encourages the collective reinvention of traditional culture, emphasising the appreciation and preservation of Latgalian identity. Ambition III focuses on **regenerative sustainability**, enhancing biodiversity and promoting environmentally-friendly practices. The project actively involves the local community, fostering inclusiveness and challenging discriminatory practices, **trying to develop a new way of living together**. The participatory and multi-level engagement strategies and a transdisciplinary approach demonstrate a commitment to collective input, interregional collaboration, and addressing complex challenges.

The **Whole Village concept**, spearheaded by the Mihai Eminescu Trust (MET), is an exemplary initiative committed to the comprehensive restoration and revitalisation of cultural and natural heritage in Transylvanian rural areas. MET employs a strategic and community-centric approach to address the multifaceted challenges of depopulation, unemployment, and limited attention from public authorities in the wake of significant emigration. Its methodology involves obtaining support from local authorities, engaging in a thorough evaluation of cultural heritage, organising community meetings, and identifying priorities through resident involvement. With an emphasis on inclusiveness, the initiative selects project leaders and teams, provides training, supports local entrepreneurs, and continually adapts for improvement. MET's remarkable achievements include successfully restoring 700 historic structures, planting three million trees, and creating 100 jobs, along with providing 140 seasonal opportunities during the peak tourist season. By prioritising the integration of tangible and intangible cultural heritage with natural heritage, MET has cultivated a diverse and appealing cultural and ecotourism portfolio, exemplified by the pilot project's success in the village of Viscri.

In the context of challenges stemming from demographic shifts, ethnic diversity and the historical legacy of the communist era, MET has navigated scepticism and facilitated dialogue to foster coexistence and collaboration among diverse communities. The initiative strategically leverages cultural and natural heritage to encourage tourism as a sustainable source of income for rural families. Beyond physical restoration, MET's focus extends to community empowerment, education, and supporting local businesses. The success of MET's approach is underscored by its positive impact on more than 6,500 people across nine rural communities in Transylvania by 2023.



MET's commitment to safeguarding and restoring Romania's cultural and natural heritage is aligned with its mission of promoting responsible economic development and addressing social inequalities. Through roots-based conservation and sustainable development, MET has brought about a profound transformation in the rural landscape and empowered local residents. The initiative has facilitated skills training, the creation of job opportunities, and the establishment of guesthouses by inspired villagers. MET's thematic summer camps and educational initiatives have enriched the lives of rural students, contributing to a broader understanding of heritage and design. Key to the success of MET's Whole Village concept is its participatory and community-driven approach, meticulous planning, and adaptability to changing needs and challenges.

Links with the New European Bauhaus initiative:

The Whole Village project aims to **connect** various communities and individuals, fostering a sense of belonging and enhancing lives through meaningful social interactions and shared experiences. The project combines cultural and natural heritage to develop sustainable cultural tourism, create revenue for rural families, and improve their quality of life. Under the value of sustainability, the project is committed to **regenerating** and preserving cultural landscapes, promoting both agricultural heritage and tourism, and encouraging sustainable practices, such as sustainable tourism. Regarding building restoration, the project prioritises using sustainable materials and techniques while promoting traditional materials and involving skilled artisans. Although biodiversity research is no longer a primary focus of the project, it does work alongside other organisations in the field. The project also explores renewable energy in rural areas, such as that generated by photovoltaic panels and biomass plants.

Although initially focused on building restoration, the project has shifted towards community development, recognising that sustainable impact requires the involvement and empowerment of the local community. The project's efforts have yielded positive transformations, including increased educational levels, improved quality of life, and a shift towards sustainable practices and cultural preservation. Ultimately, the project strives to overcome segregation and promote inclusive living by involving all community members, offering them roles and opportunities for personal growth and **transformation**. The project's goal is to enable local communities to govern themselves, but cultural and historical factors are currently impeding progress. At present, the participatory approach is focused on **co-development**, but public authorities still hold decision-making power and are responsible for development. The project **encourages interdisciplinary activities** by involving diverse perspectives and younger generations. The level of engagement is focused **across the levels** on the local/regional dimension, involving different stakeholders across the regions. The project aims to promote the social economy, environmental sustainability, cultural heritage preservation, sustainable tourism, and awareness campaigns. Local craftsmen are involved, and democratic participation and civic engagement are promoted.



MAIN POINTS RAISED IN THE COMMENT PAPERS AND PEER REVIEW DISCUSSIONS

The comment papers and peer review discussions in the working groups shed light on crucial aspects of stakeholder engagement, governance challenges, and financial sustainability in rural regeneration projects. These insights highlight the difficulties of achieving effective stakeholder engagement in rural areas, and navigating governance complexities, especially in partnerships involving diverse stakeholders from the public and social economy sectors. Furthermore, the discussions underscore the importance of addressing financial sustainability in the long term, emphasising the need to move away from dependency on grants. The understanding gained from these discussions emphasises the role of public funding as an initiator of regeneration efforts, with a clear focus on creating self-sustainable projects capable of generating their own financial resources for long-term viability.

Financial sustainability is crucial for regeneration projects in rural areas. It requires a long-term approach and diverse funding sources beyond initial public funding. Financing such projects is complex, especially in rural settings, and it requires a strategic approach at both the initiative and strategic levels.

Rethinking financing approaches: there is a need to shift the focus of financing perspectives from small outcomes to supporting the entire project process. The working groups highlighted the importance of thinking both on the strategic and initiative levels, ensuring the financial sustainability of the project as well as of the long-term strategy. The working groups emphasise the significance of collaboratively creating a strategy and long-term vision with stakeholders based on common values. It is recognised that operational funding plays an essential role in financing administrative and running costs in rural areas, ensuring the project's continued functionality. To address the multifaceted nature of complex projects, a strategic and holistic approach is necessary. This includes considering various project development phases, from the early stage to sustainability and impact measurement. It also involves developing a strong vision and mission, building a reputation, and recognising the lengthy timeframe for project development.

Innovative financing models, such as social impact bonds, and innovative business models are essential for sustaining projects. A dual-level perspective is necessary, considering both the strategic and opportunity levels, and creating a long-term strategy collaboratively with stakeholders. Intermediary organisations play a critical role in facilitating initiatives and creating opportunities for others. However, **implementing multisectoral funds can be challenging**, and involves difficulties in managing funds that have different regulations and budget rules. Simplifying financial procedures is also important.



Impact measurement is crucial for financing, and appropriate indicators should be used to measure impact, not limited to economic value but encompassing social value. Culture and health are linked, and community feeling is essential for mental health and well-being. The business model plays a critical role in ensuring the long-term viability of regeneration projects.

The **stakeholder engagement** approach to regeneration projects prioritises involving the community in planning and implementation, ensuring alignment with local priorities, and contributing significantly to the advancement of the rural economy. This inclusive approach fosters tangible benefits for all stakeholders involved in the rural ecosystem.

During the working groups, participants discussed the pivotal role of **leadership** in rural areas, emphasising transparency, capacity building, and the shift from individual to collective perspectives. They also highlighted the significance of empowerment, teamwork motivation, and the culture and education sectors in fostering community growth.

Different perspectives on stakeholder engagement were shared during the discussion, and the potential for **self-driven co-creation models** was also discussed, focusing on co-creation dynamics. The challenges of binary approaches and the possibility of self-driven co-creation models were also discussed. The Horcynus Orca Foundation works in both urban and rural areas and serves as an example of a cluster with participation from both private and public bodies. Stakeholders are engaged through research activities, and engagement strategies are designed and implemented to involve local communities and civil society. The methodology adopted by the foundation is called Territorial Social Responsibility (TSR), which was developed by the European Network of Cities and Regions for the Social Economy (REVES). TSR includes collective gatherings with local communities, surveys, and questionnaires to assess the challenges on preselected themes such as entrepreneurship and beautiful landscapes.

The working groups recognised the need for cultural shifts, emphasising the importance of investing in community feeling, teamwork, and team spirit. They explored the transition from individual to collective leadership and introduced the role of translators in community engagement, ensuring a common language and empowering community leaders. Dissemination strategies were discussed, emphasising the need for tailored communication approaches, branding, visual identity, and storytelling to engage with diverse communities effectively.

The topic of **management and governance** for regeneration projects in rural areas addressed challenges specific to each region and explored the undervaluation of the culture and education sectors, the complexity of bottom-up governance, and the potential of innovative approaches to stakeholder engagement.

The working groups emphasised the **critical role of accountability** in the management and governance of rural regenerative projects. Participants advocated the involvement of a wider group of stakeholders in decision-making processes, employing a horizontal governance

model. The concept of participatory balance sheets and a commitment to public engagement and specific targets were identified as essential components, promoting a more inclusive and transparent decision-making approach.

Central to the groups' discussions was the recognition of the paramount importance of a **governance structure based on values**. They advocated a holistic system guided by a Theory of Change, transcending mere written documentation. The emphasis extended to the lived experience of values, transparency, and heightened awareness, underlining the necessity for decisions to be closely aligned with shared values. Community involvement and shared responsibility were highlighted as fundamental to ensuring values-driven decision-making in the context of rural regenerative projects.

The groups delved into the cultural nuances influencing social economy development, drawing attention to variations in cooperative culture across countries. Challenges were noted due to historical associations with the socialist model, particularly in Latvia, Hungary and Romania. Strategies proposed included the use of clusters for governance, community associations, and cooperative models, reflecting the need for **cultural sensitivity in implementing effective governance structures** tailored to the specific contexts of different regions.

Finally, the groups shared **diverse strategies aimed at fostering effective governance** in rural regenerative projects. These included the establishment of an "**informal parliament**" to collaborate with the public administration, forming a public-private-civic alliance with financial sustainability, and using clusters for governance. Methodologies for involvement, such as surveys and **membership cards**, were suggested. Partnerships and cooperation agreements between private and public bodies were deemed crucial, along with the role of a translator bridging projects and communities, ensuring a common language. Country-specific practices, such as Romania's Local Action Groups and Croatia's developed LAGs, highlighted the need for **context-specific governance approaches**.



CONCLUSIONS AND POLICY IMPLICATIONS

The second peer review cycle of the SEA4NEB project has identified several policy implications for effective rural regeneration. These implications are based on successful cases in Romania and Latvia, as well as comment papers and peer review discussions. Key policy implications include:

- **Innovative financing models:** Policy-makers should explore and promote innovative financing models, such as social impact bonds, to support rural regeneration. A strategic perspective is needed to address the complex nature of financing in rural settings. Policy-makers should encourage collaboration with stakeholders to create a long-term strategy that considers project development phases, impact measurement and sustainability.
- **Holistic stakeholder engagement:** Policy-makers should encourage a holistic approach to stakeholder engagement that involves the community in planning and implementation. This approach fosters tangible benefits for all stakeholders and ensures alignment with local priorities, thereby contributing to the advancement of the rural economy.
- **Cultural shifts and education:** Policy-makers should invest in community feeling, teamwork, and team spirit. The education and culture sectors play a crucial role in fostering community growth. Policy-makers should support initiatives that promote cultural awareness, inclusiveness and empowerment, facilitating the transition from individual to collective leadership.
- **Transparent and inclusive governance:** Policy-makers should advocate transparent and inclusive governance structures for rural regenerative projects. Decision-making processes should involve a wider group of stakeholders, promoting inclusiveness and transparency. Country-specific governance approaches should be considered based on regional cultural nuances.
- **Long-term vision and mission:** Policy-makers should encourage the development of a strong vision and mission for rural regeneration projects, emphasising the importance of values. A holistic system guided by a Theory of Change should guide governance structures, ensuring that decisions are closely aligned with shared values, fostering community involvement and shared responsibility.



- **Diversification of funding sources:** Policy-makers should recognise the need for a diverse range of funding sources beyond initial public funding for long-term viability. Policy-makers should support the use of intermediary organisations, social impact bonds, and innovative business models to sustain projects in rural areas.
- **Emphasis on impact measurement:** Policy-makers should prioritise impact measurement in financing decisions, using appropriate indicators that go beyond economic outcomes to encompass social value. Policy-makers should encourage projects that contribute positively to mental health and well-being.
- **Addressing governance challenges:** Policy-makers should address governance challenges specific to each region, considering variations in cooperative culture across countries. Strategies to overcome resistance from authorities, simplify financial procedures, and foster effective governance in rural areas should be explored. Partnerships and cooperation agreements between private and public bodies should be facilitated to enhance project sustainability.

By incorporating these policy implications, policy-makers can contribute to creating an enabling environment for sustainable and inclusive rural regeneration, fostering community development, preserving cultural heritage, and addressing the multifaceted challenges faced by rural areas.



USEFUL RESOURCES

- <https://sea4neb.eu/>
- <https://www.mihaieminescutrust.ro/en/the-village-on-its-own/>
- <http://www.Lūznavasmuiza.lv/home/>
- https://new-european-bauhaus.europa.eu/index_en
- https://new-european-bauhaus.europa.eu/get-involved/use-compass_en



PROJECT PARTNERS

The SEA4NEB project consortium is composed by:

