Theresia OEDL-WIESER*, Thomas DAX* and Michael FISCHER**

A new approach for participative rural development in Georgia – reflecting transfer of knowledge and enhancing innovation in a non-European Union context

Despite achieving independence 25 years ago, Georgia is still a country in transition which is striving to overcome wide-ranging economic development problems, particularly evident through out-migration from rural areas to urban centres and foreign countries, as well as through restricted employment integration. The 'European Neighbourhood Programme for Agriculture and Rural Development in Georgia' focuses on local development in rural regions as a main national goal and offers a series of pilot actions to apply LEADER-like activities in various rural parts of the country. In this paper the application of such a pilot scheme in Borjomi Municipality, the observed case study in the Lesser Caucasus, is analysed. Reviews show a highly committed implementation process, comprising the establishment of the Local Action Group, the elaboration of the Local Development Strategy, an on-going mobilisation process of local actors and the transfer of experiences and good practices from European Union Member States. The assessment of the potential of the LEADER approach in the rural and mountainous area of Borjomi Municipality reveals a high degree of acceptance and interest of rural stakeholders and residents to taking up such an approach and engaging in innovative initiatives within the frame of sustainable rural development. Given the short period of work with these ideas so far, continued knowledge transfer, and enhanced appreciation and participation in search of place-specific opportunities in rural regions will be essential for successful rural development pathways across Georgia.

Keywords: LEADER, ENPARD, place-based strategy, participatory development approach

* Bundesanstalt für Bergbauernfragen, Marxergasse 2, A-1030 Wien, Austria. Corresponding author: theresia.oedl-wieser@berggebiete.at
** ÖAR Regionalberatung GmbH, Wien, Austria.

Introduction

Since achieving independence from the Soviet Union 25 years ago, the Republic of Georgia has faced long periods of instability due to (civil) wars and military conflicts, occupied areas, lack of economic structures and adaptation as well as trade problems, including Russian embargos. In addition, the global economic crisis added economic and market problems to political insecurity and increased the obstacles for the recovery process. Georgia has lost much of its production scope in agriculture, such as in livestock production and in high quality food products such as wine, fruits, citrus, tea and meat, which is partly due to a reduction in the access to the related markets for these products in Russia and other former Soviet Republics. The low productivity of the agricultural sector and the weak economic situation in rural regions call for renewed strategies and long-term efforts. Over many years of neoliberal politics, investments were concentrated on Tbilisi, the country's capital, while the development of the infrastructure, the economy and the agricultural sector in rural regions stagnated. Yet, half of the population of Georgia still lives in rural areas, where low-input, subsistence and semi-subsistence farming is the major source of livelihood. Owing to high unemployment rates and poor socio-economic perspectives, out-migration from rural areas to urban centres (primarily Tbilisi) and to foreign countries is a common pattern and a persistent feature of the country's declining population base. In recent years, politicians have realised that it is essential to pay more attention to agricultural and rural development policies and to improve the quality of life for people in rural areas.

To address these serious problems, the 'European Neighbourhood Programme for Agriculture and Rural Development in Georgia' (ENPARD Georgia) of the European Union (EU) has been implemented with a budget EUR 102 million for the period 2013-2018. Within this programme, an EU support scheme for 'A New Approach for Rural Development in Georgia' was launched in 2015 which aims at elaborating LEADER-like activities in three Georgian municipalities, Borjomi, Kazbegi and Lagodekhi. Together with the Government's Agriculture Sector Strategy (MoA, 2014) of strengthening small farmers' organisations and enabling sustainable rural development (MoA, 2016), ENPARD aims at modernising agriculture, stimulating new initiatives in rural development and thereby tackling rural poverty in Georgia. Drawing on European experiences, diversification of the rural economy is seen as key and cross-sectoral measures of rural development are considered to be crucial for Georgia's rural regions. In addition to a number of diversification projects, ENPARD focuses with the pilot projects for LEADER application to achieve internal domestic experience for adopting a comprehensive rural development approach (EU, 2015).

This paper aims to assess the challenges faced when applying the LEADER approach in a context of weak economic development in a mountain region experiencing substantial population decline, and to highlight the main issues to achieve transferability of the approach. The analysis is fuelled by the collaborative support for the elaboration of the LEADER application in one of the three pilot municipalities – Borjomi, situated in the central southern part of the country in the Samtskhe-Javakheti region. As the presented case is clearly led by place-specific information, reference to other transition processes and experience from LEADER application in other Central and Eastern European (CEE) countries is provided. This addresses the conceptual framework and enables conclusions to be drawn on the relevance of the programme and implied changes in the institutional setting and policy devleopment in Georgia.

Pilot project region: Borjomi Municipality

The traditional tourism region of Borjomi Municipality was chosen because it is representative of an area that holds significant potential in the linking of nature-based tourism activities, agricultural diversification, cultural events and environmental protection activities in a mountain region. Nestled among the Meskheti and Trialeti mountain ranges of the Lesser Caucasus Mountains, Borjomi is a popular spa town that has been famous for the health benefits of its water resources since the 19th century. The bottling of its mineral waters has been the municipality's leading source of income and one of the country's major export brands. The municipality is also rich in other natural resources such as huge forest areas, biodiversity-rich meadows and pastures, lakes and water resources. A large portion of the Borjomi-Kharagauli National Park (85,000 hectares) lies within its boundaries. Despite these natural assets, the overall economic performance of Borjomi Municipality is rather poor: entrepreneurial skills are not very advanced and apart from some small businesses in wood processing and some guesthouse owners there are few entrepreneurs. Agricultural productivity is rather low because of a small-scale and fragmented land ownership structure, a lack of knowledge and insufficient machinery and technologies on the family farms. In the tourism sector, the big hotels often operate independently, without linkages or co-operation to the local tourism services in Borjomi Town and Bakuriani.

Although the beautiful mountainous landscape is the basis for tourism activities and use of natural resources it also carries risks. Large parts of the area are vulnerable to natural disasters, for example through human-caused overgrazing on pastures or illegal logging of timber which leads to deforestation. As a consequence of the difficult economic situation, the number of inhabitants has decreased by 22.6 per cent since 2002. The reasons for this population decline are linked to 'push' factors for migration to Tbilisi and foreign countries, due to limited education and job opportunities and the high unemployment rate in the municipality. Borjomi is also characterised by a high degree of ethnic diversity. Within the municipality, the share of ethnic Armenians (12 per cent) is double the average in Georgia and around 4 per cent of the population is ethnic Greek. Ethnic minorities tend to be concentrated in specific villages.

Experiences with LEADER in CEE countries

Since the 1990s, rural development has emerged as an important policy field in the EU. LEADER is a place-based neo-endogenous rural development approach which aims at making effective use of local assets and resources by strengthening the regional identity of rural residents and integrating incentives from outside the region (Bosworth *et al*., 2016; Dax and Oedl-Wieser, 2016). It provides a proactive perspective towards nurturing potentials and addressing (social) innovation such as shared learning processes and the mutual exchange of knowledge and ideas (Bock, 2012; Dax *et al*., 2016). Furthermore, the territorial orientation of LEADER is manifested by the concern for small-regional and local scales and the promotion and development of new forms of organisation at both an institutional and personal level, which result in social changes beneficial to the communities involved (Kull, 2014).

The LEADER approach was introduced in most CEE countries through the EU's SAPARD Programme (Special Accession Programme for Agriculture and Rural Development). Since then, the increased application of the LEADER approach in these countries has encountered persistent obstacles and limited use of its opportunities (Table 1). Considering the legacy and mental heritage of the socio-political system under the communist era, the passivity of local people as regards participation in local governance is still widespread. The gap between national political traditions and the participation requirements of local people according to the principles of LEADER, such as public-private partnership, bottom-up approach and co-operation, needs time to be bridged. Other factors inhibit also the programme's implementation: political influence, which is exacerbated by weak administrative networks, the antipathy to formal institutions reflected in the partnership process and a lack of initiative, as well as the programme's complexity (Marquart *et al*., 2012; Chevalier und Maurel, 2013). Despite these obstacles, there have also been good experiences and progress in implementing LEADER in CEE countries contributing to a 'catching up' process in rural development (Augustyn and Nemes, 2014).

The application of LEADER in Borjomi Municipality introduces new opportunities for enhancing local development aspirations and engaging in socio-economic and cultural development processes. The implementation of a Local Development Strategy (LDS) addresses the challenges and potential of the area, and induces place-specific initiatives. It acknowledges the problem pattern of the region, raises awareness for the needs of people, mobilises local resources

Table 1: Experiences with the implementation of LEADER in CEE countries.

Obstacles	Opportunities
Overcoming the legacy of low participation in the socialist era requires long-term processes.	Actors of greater social distance are welcome and might be part of the local development process.
Low level of trust towards formal institutions.	Starting learning process on the need of long-term involvement as a crucial factor in the implementation process of LEADER.
Limited experience with and hardly any sympathy for collective actions.	Enhancing community building and strengthening of democracy at local level.
Unwillingness of political leaders to share power and influence.	Appreciation of a new innovative local development instrument by local actors.
Leading role of mayors and strongly-positioned county councils.	Time is essential for establishing social capital in order to counteract lack of trust.
Local actors seem to lack initiative and need good practice on leadership.	Learning from and exchange of experiences with other LAGs at national and transnational level.
Passivity strengthens the traditional powerful actors and institutions, and inhibits governance adaptations.	First reflections to overcome weaknesses and learning from empowering processes.

Sources: Maurel (2008); Chevalier and Maurel (2013) [Czech Republic, Poland and Hungary]; Augustyn and Nemes (2014) [Hungary and Poland]; Szilágyi (2016) [Hungary]; Marquardt *et al.* (2012) [Romania]; Doitchinova and Stoyanova (2014) [Bulgaria]; Bedrac and Cunder (2010) [Slovenia]; Kopoteva and Nikula (2014) [Finland and Russia]

and enhances the use of opportunities of the area. As a pilot region, experiences from the local action process should provide insights into the usefulness of the objectives of LEADER for socio-economic development of other rural regions in Georgia.

In this paper, the following research questions are discussed with respect to the case study region: (a) Is the LEADER approach transferable to and applicable in Georgia? (b) Which institutional, economic and social preconditions are necessary for the implementation? (c) How can European partners support the rural development process in the mountainous region of Georgia through implementing the LEADER approach? Particular attention is paid to the potential of the LEADER approach to intensify knowledge sharing and to initiate (social) innovation.

Methodology

To implement integrative, neo-endogenous and participatory rural development approaches in rural areas, a mix of methods is needed to address the high requirements and expectations from different actors and stakeholders. During the implementation of the LEADER-like approach in Borjomi Municipality, actions at many levels were necessary to address the adequate communication efforts and transformation needs of the rural development approach to the local people. Therefore (a) *methods for the strategy development and capacity building* (facilitation methods, SWOT analysis, Needs Analysis, Focus Groups, expert interviews, accompanying observations), (b) *methods for monitoring and evaluation* of implementation efforts (Focus Groups, interviews with project applicants, document analysis) and (c) *methods for the internal and external communication as well as mediation and consultancy* (technical assistance, meetings) had to be elaborated. These are *inter alia* methods for applied sciences and consulting where the animation and mobilisation of the participants in the rural development process are in the foreground.

The methods which were used for elaborating the LDS followed the traditions of participatory development (Mohan, 2001), change management (Lauer, 2010), multirational management (Schedler, 2012) and systems theory approaches (Willke, 2001, 2005). Combining all these different approaches, it becomes clear that rural development objectives and relevant strategic pathways need to be defined by the local actors and stakeholders endogenously and only to a lesser extent they can be supported by the advice of external observers and experts. Methods like 'clarifying my role within the system' were used to sensitise the participants (LAG members) about their position within the Borjomi Municipality, which was visualised with a rope on the floor. This exercise should raise their awareness about which part of Borjomi they should have in mind when working on several questions afterwards. Since the LDS elaboration is highly participatory and process driven, for any external advice there is an inherent problem of language barrier, in our case between the experts from abroad (Austria and Scotland) and the local people. To address and solve this language barrier, the Mercy Corps team (Georgians) was trained at the outset of the workshops in the main process elements so that they were able to facilitate the workshops of SWOT analysis and Needs Assessment.

The consortium assembled by Mercy Corps (MC), the lead partner through its Georgian branch office in Tbilisi, comprised experienced LAG implementation practitioners (Angus Council, Scotland), evaluation and assessment experts (BABF, Austria) and the coordinator of the Austrian national LEADER network (ÖAR, Austria). Moreover, with respect to realising local action, both the political and administrative bodies of Borjomi Municipality were integrated into the project design from the beginning. These partners have complementary knowledge and experience in project management, rural development in mountainous regions, and elaboration and administration LEADER LDS. The pilot project in Borjomi Municipality has a two-year duration, from July 2015 to July 2017 but, in view of the long-term development need, ENPARD has already launched a second call and accepted a two-year extension of the LEADER work in Borjomi.

Results

The ENPARD pilot scheme conceived a 'LEADER-like' approach, indicating that programme holders are aware of the difference from a full-fledged LEADER process. In particular, local development action normally involves a preparation period of several years whereas in this case local actors had to form LAGs and prepare LDSs within one year. This accelerated method required highly intensive knowledge transfer at the start period up to the procedure of sub-project selection. The swift realisation of the installation tasks was achieved through the high commitment and interest of all partners and a well-organised project management.

Formation of the Local Action Group

At the beginning of the project an intensive information campaign about the pilot project was carried out, reaching approximately 1,350 participants in the 28 villages of Borjomi Municipality. In a further step the LAG was established, and comprised of 27 members drawn from the public (maximum 49 per cent) and private (minimum 51 per cent) sectors, representing different professions, different age groups and a high proportion of women (about 44 per cent). Of these, 12 are representatives of public authorities (including four members of Borjomi Municipality and two members of Borjomi-Kharagauli National Park). Sixteen members are under 50 years of age and 12 are women.

Elaboration of the Local Development Strategy

The very intensive working process of elaborating the LDS necessitated LAG members to be committed to attending (regular) meetings and collaboration in preparing the strategy. At this stage, they had a double task: to act as multipliers to inform people about the opportunities of the project implementation rules of the LEADER approach in their local community, and to deal with SWOT analysis and Needs

Table 2: Summary of the SWOT analysis of Borjomi Municipality.

Strengths
Wide range of amenities and pristine nature;
Tradition of use of location and regional 'branding';
Long history of spa and ski tourism;
Diverse agricultural products and competitive management systems;
High esteem of sports/culture.
Opportunities
Enhance tourism services;
Focus on diversification and quality of agricultural products;
Develop forest management;
Enhance nature appreciation and develop natural resources;
Develop sports and recreational resources.

Weaknesses
Infrastructure development;
Lack of human resources;
Lagging renewal and provision of tourism services;
Lack of adaptation of land management in agriculture and forestry;
Weak cooperative spirit in institutions.
Threats
Out-migration (of young people);
Constraints on land management;
Environmental degradation;
Climate change;
National context of unstable political environment.

Source: Borjomi LAG (2016)

Assessment. The reflexive workshops of the preparation process aimed at identifying main strengths, potentials and 'core competencies' of Borjomi Municipality on which a future-oriented development could build. This includes recognition of the 'past' (in terms of successes and obstacles), the 'outer world' (in terms of comparison to other regions), the 'inside view' (in terms of cooperation and identity) and aspects of envisaged 'future' development (highlighting opportunities and threats). The workshop results were synthesised by the project team (BABF, ÖAR and MC) to provide a SWOT-matrix (Table 2).

After pooling SWOT elements according to common issues into the four groups 'High quality agricultural products and services', 'Cultural and sports activities', 'Sustainable/nature based tourism' and 'Environmental protection', these thematic fields unveiled the specific needs of the municipality. Reiterative workshops resulted in clarifying objectives, pathways and relevant stakeholders, providing the base for the formulation of the intervention logic (by the project team).

The overarching aim of the LDS is to *improve the quality of life of Borjomi residents and create a more attractive destination for visitors* (Borjomi LAG, 2016, p.19). Agreement on an overarching aim should provide the background for a common strategic identity and was translated into four objectives, with associated outcomes and indicators:

- Increase the contribution of *sustainable tourism* to the local economy, making it a model for the whole of Georgia;
- Improve productivity and diversification in *agriculture*, and to enhance professional knowledge, making farming a more attractive and profitable business sector;
- Strengthen activities in *sports and culture* to enhance quality of life and encourage a sense of belonging;
- Protect the *environment* through sustainable use of natural resources, effective land and waste management and awareness raising to enable local people to take a more active role on environmental issues.

The LDS thus represents a sound interface between Borjomi Municipality´s SWOT analysis, needs, objectives and possible pathways to which future projects can be aligned. The elaboration and implementation of such a participatory and place-based approach requires a certain degree of open-mindedness by the involved stakeholders and LAG members, the willingness to cooperate and the support of the administration and political authorities of the municipality. The overarching aim of the LDS stresses the need to develop and link the different aspects of regional resilience – economic, ecological and social aspects – in an innovative and sustainable way, building on nature-based tourism development, improved agri-food chains, agri-tourism, protection of biodiversity and the environment, fostering entrepreneurship and enhancing local knowledge, including use of 'tacit' knowledge.

Table 3: Results of the grant application process in Borjomi Municipality by Local Development Strategy objective, 2016.

Objective	**Expression of interests**	**Full project applications**	**Selected sub-projects**
Total submitted applications, of which:	171	88	36*
Sustainable tourism	79	36	11
Agriculture	58	27	4
Sports and culture	28	21	10
Environment	6	4	3
Selected for next stage/ final selection	107	36	28

* Of these 36 sub-projects, 28 passed the technical assessment and sub-project agreements are signed
Source: project data

Grant application, sub-project selection process and implementation of projects

On the basis of the LDS, an intensive animation campaign covering all the parts of Borjomi Municipality was conducted and resulted in raising substantially the awareness and understanding of local people for the aims of the development strategy. The mid-term evaluation of the project, carried out in October 2016, reveals even higher involvement in sub-project applications than anticipated (Dax, 2016). The result of the grant application process (Table 3) reflects the high interest of local actors in participating in the programme.

A particularly high interest is (as with many LEADER programmes) with *sustainable tourism* projects, but grants for activities in *sports and culture* are even more numerous. For the two other priorities only four projects were selected. This distribution mirrors the involvement of public institutions and sports organisations. The low amount of grants for agricultural and environmental activities is partly due to problems finding sources of co-financing, and can partly be related to the short preparation period.

Table 4: Number of grants awarded, beneficiaries involved and estimated effects on employment through the implementation of LEADER by Local Development Strategy objective in Borjomi Municipality, 2016-2017.

Objective	No. grants awarded	Total costs (EUR 1,000)	Co-financing (own resources) (%)	Involved beneficiaries (persons per grant)	Estimated employment effects (jobs per grant)
Sustainable tourism	11	583	43.3	1,760	8
Agriculture	4	236	34.3	445	9
Sports and culture	10	932	38.8	1,180	30
Environment	3	81	16.9	1,200	3
All selected sub-projects	28	1,831*	38.7	1,300	15

* Total public grant attributed to the 28 sub-projects: EUR 1,122,000
Source: project data

The level of co-financing, as well as the average number of beneficiaries and jobs created by grants is presented in Table 4. The figures show the importance of the pre-condition of co-financing throughout all project types and the extent of the effects of the initiatives. With an average of 1,300 beneficiaries and 15 created jobs the regional impact of this first wave of projects is impressive.

Different types of knowledge transfer

Beyond the quantitative impact of job creation and beneficiaries involved, the main result of the implementation of the pilot project in Borjomi Municipality is knowledge transfer at different levels and of different types. This is an outcome that is the result of the cooperation between many different partners, organisations and rural stakeholders as well as project applicants. It is envisaged by the ENPARD process that pilot projects will kick off a fruitful process of knowledge transfer throughout rural Georgia in the coming years. The following levels of knowledge diffusion are relevant:

- *Knowledge transfer between partners in ENPARD (EU, MoA, FAO, UNDP) and the consortia (Lead partners: Mercy Corps, People in Need - PIN and Care International - CARE)*: Since its beginning, the ENPARD project has enabled continuous coordination and exchange between the three pilot projects (Borjomi, Kazbegi and Lagodekhi), and aims at a comprehensive assessment at the end of the two-year project of the approach and replication strategy of the LEADER approach. All three pilot projects have been granted an extension of two years for further implementation (with additional financial support from the EU). Similar results are expected from three other LEADER-type rural development projects selected in 2016 (in Alkhalkalaki, Dedoplistskaro and Tetritskaro), and from two more to be launched in 2017 in Keda and Khulo in the autonomous republic of Adjara.
- *Knowledge transfer between the consortia Mercy Corps, PIN and CARE (exchange, visits, study tours)*: The contact to the partner regions in Georgia (Kazbegi, Lagodekhi) and the periodic exchanges of experience support reflection of the implementation process and increase fine-tuning in administrative procedures and strategic orientation towards the different regional, economic and social conditions and contexts.
- *Knowledge transfer between the partners in the consortium of the pilot project of Borjomi Municipality* provided insights into learning from LEADER application from rural and mountainous contexts in Europe which had to be adapted to the local context for implementation (Phipps *et al*., 2017).
- *Knowledge transfer of specific expertise concerning LEADER to the Mercy Corps team and the LAG*: The Austrian partners (BABF and ÖAR) were commissioned to communicate theoretical knowledge about the LEADER approach, to highlight obstacles and favourable aspects of implementation, and to guide preparation procedures. This was relevant for the stage of the formulation of the LDS and influenced the planning of the grant selection process. The role of Angus Council, on the other hand, was to share their expertise in the practical implementation of the LEADER approach. This was extremely helpful in preparatory discussions concerning the of issue how to promote the commitment of the LAG members and involvement of local actors, aspects of rights and obligations, and to overcome constraints for project applicants.
- *Knowledge transfer to the Mercy Corps team in Borjomi Municipality*: The Mercy Corps team was trained in the LEADER approach, how to shape a LAG and how to prepare a LDS by BABF and Angus Council. This activity included a comprehensive understanding of the need for an information campaign in the villages of Borjomi Municipality from a very early stage of the project that enables local actors to consider new initiatives and notifies them about practical requirements for grant applications and implementation. The Mercy Corps team in Borjomi Municipality informed the residents about the LEADER approach and invited them to take part in the rural development process. They organised all meetings concerning the formation of the Borjomi LAG and the working process on the LDS. The team is the contact point for people who are interested in participating in the LAG or who want to submit a project proposal.

Discussion

It is considered to be essential for rural Georgia that a diverse economy is built up to support the sustainable development and livelihoods of rural communities, with a spe-

cific focus on value chains, rural tourism and sustainable management of natural resources (EU, 2016). The intention of the EU to promote rural development by initialising the LEADER approach within ENPARD underlines the novelty of the approach in Georgia. The wide scope of ENPARD provides a useful guideline towards place-based, integrated and participatory rural development, and hence an innovative approach for these areas. Seeking a strategic concept with practical initiatives enables a perspective for the serious regional problems of depopulation, poverty and absence of social and economic assistance. The aim of the programme is to improve the living and working conditions in rural regions of the country, particularly for people in remote, mountainous rural areas that represent the group most severely hit by deprivation.

The application of the LEADER approach in three rural regions in Georgia started 2015 and after a period of intensive work with local people and addressing their needs and aspirations the first projects are being implemented. The planning and preparation work for the three pilot projects in Borjomi, Kazbegi and Lagodekhi was carried out with big commitment by all involved institutions (EU, MoA, FAO and UNDP) and consortia (Mercy Corps, PIN and CARE). It was intended to maximise the knowledge co-creation between the pilot regions and the official authorities in a very short period (two years) which, fortunately, has now been extended for an additional two-year period. An important question at the beginning of this exercise was, can programmes or approaches that have primarily been developed from a western EU perspective be successfully implemented in a country of the Southern Caucasus? Even after a short period of implementation it can be concluded that the formation of the LAG, the successful elaboration of the LDS and the implementation of 28 sub-projects in Borjomi LAG indicate a high degree of acceptance of the LEADER approach. In all three municipalities, 85 rural development initiatives will provide more employment to over 1,000 rural households and improve living conditions of over 54,000 persons in the rural population. The work of intermediaries is indispensable for enhancing commitment and 'translation' tasks for the LEADER features such as the bottom-up approach, public-private partnerships, innovation, integrated multi-sectoral actions, new forms of co-operation and networking. The Mercy Corps project management team in Borjomi has made great efforts to animate people in the villages to participate in the rural development pilot project and to provide guidance, advice and technical support. An important prerequisite was that some of the Mercy Corps team members were already experienced in (international) project implementation and simultaneously have their roots in the region.

The sharing of knowledge, and the transfer of knowledge as well as innovative ideas and best practices from western countries to Georgia in the context of an integrated and sustainable rural development approach can be interpreted as the start of applying core 'determinants of successful knowledge brokering'. It seems important that rural actors in Georgia are given sufficient time (and resources) to gain their own specific experiences in a kind of 'laboratory' of rural development. In particular, in transition countries it becomes evident that quick solutions and results are illusionary wishes and new forms of co-operation, networking, elaboration of development strategies and co-creation of processes and knowledge are needed. It is important to enable experimentation and iteration, and allow for 'failures' and repeated attempts to achieve place-specific success and 'progress'. Linked to the knowledge development instigated, the rapid appreciation of the LEADER approach in the pilot region is revealed through the enthusiasm and intensive participation of the Georgian partners. Their role can be defined as a focal point, multipliers and mediators for LEADER in Borjomi Municipality. They are furthermore translators of people's needs. On the other hand, they translate the requirements of the LEADER approach because for local people the implementation of projects is a new experience, challenge and risk.

The transfer of experiences of innovative projects and the presentation of best practices from Austria and Scotland to Borjomi Municipality was a key input into the pilot project. The pilot project did not just provide 'transfer' of knowledge but the involved institutions engaged in an intensive exchange that showed, at least to some extent, features of an iterative approach that seeks to work on problem-driven perspectives and reassess strategic and procedural considerations, aiming at enhancing social innovation (Neumeier, 2012). It is important that these discussions are nurtured by expertise on place-based approaches for sustainable and multi-sectoral development of mountain regions, including good practice in eco-tourism, farm tourism, food processing, diversification on Alpine farms, socio-cultural action and multi-sectoral co-operations. As Austria has created a panoply of high-quality products in food and tourism since the 1980s it is increasingly important to underline if and how they serve the increasing demand of society for these products. Mountain areas have many assets for producing sustainable products which might include a beneficial effect for protecting the sensitive environment. This is also true for the Lesser Caucasus region in which Borjomi Municipality is located. In this regard, examples from Austria can make available good practice examples that provide incentives and inspire people and stakeholders to pursue a place-based, integrated and sustainable development in an environmentally sensible region.

The transfer of knowledge from European cases of LEADER application to the regions of Georgia and the elaboration of local appreciation of 'traditional' know-how and enhancing capacity building processes follows knowledge-brokering practices that make use of the five K* ('Kstar') method, i.e. activities in the five areas of knowledge mobilisation (KMb), knowledge translation (KT), knowledge transfer and exchange (KTE), knowledge management (KM) and making use of knowledge brokers (KB) (Phipps *et al.*, 2017). After the first period of the pilot project and stepping into the extension phase, the long-term perspective underlying these activities is growing and will become even more important in the second phase. On the basis of an interim assessment it is reassuring that the participation process set in motion in 2015 was able to address important parts of these practices, in particular through (a) raising the understanding of the political, social and economic context of partners, (b) building trust among partners, (c) developing capacity for knowledge, (d) enabling knowledge to be co-constructed, and (e)

building a culture for knowledge for all participants (Phipps *et al.*, 2017). Of course, the latter aspects need considerable further enhancement and iterative problem appraisal (Matt *et al.*, 2017) to become effective in the long-term for rural regions in Georgia.

References

Augustyn, A. and Nemes, G. (2014): Catching up with the West? Europeanisation of rural policies in Hungary and Poland. Studies in Agricultural Economics **116** (3), 114-121. https://doi.org/10.7896/j.1419

Bedrac, M. and Cunder, T. (2010): "Leader" approach and local development strategies in Slovenia, in Fieldsend, A. (ed.), Linking competitiveness with equity and sustainability: new ideas for the socio-economic development of rural areas. Rural areas and development. Rural Areas and Development Series volume 7. Warszawa: ERDN, 245-256.

Bock, B. (2012): Social innovation and sustainability. How to disentangle the buzzword and its application in the field of agriculture and rural development. Studies in Agricultural Economics 114, 57-63. https://doi.org/10.7896/j.1209

Borjomi LAG (2016): Borjomi Local Development Strategy 2016-2019. Borjomi, Georgia.

Bosworth, G., Annival, I., Carroll, T., Price, L., Sellick, J. and Shepherd, J. (2016): Empowering Local Action through Neo-Endogenous Development; The Case of LEADER in England. Sociologia Ruralis, **56** (3), 427-449. https://doi.org/10.1111/soru.12089

Chevalier P. and Maurel, M.C. (2013): The LEADER Programme in Central Europe. A new local development policies. Acta Universitatis Lodziensis Folia Sociologica **44**, 39-53.

Dax, T. (2016): Mid-Term Evaluation, A new Approach for Rural Development in Georgia. Wien: BABF.

Dax, T. and Oedl-Wieser, T. (2016): Rural innovation activities as a means for changing development perspectives – An assessment of more than two decades of promoting LEADER initiatives across the European Union. Studies in Agricultural Economics **118** (1), 30-37. https://doi.org/10.7896/j.1535

Dax, T., Strahl, W., Kirwan, J. and Maye, D. (2016): The Leader programme 2007–2013: Enabling or disabling social innovation and neo-endogenous development? Insights from Austria and Ireland. European Urban and Regional Studies **23** (1), 56-68. https://doi.org/10.1177/0969776413490425

Doitchinova, J. and Stoyanova, Z. (2014): Activation of local communities for development of rural areas. Economics of Agriculture **61** (3), 661-675. https://doi.org/10.5937/ekopolj1403661d

EU (2015): ENPARD Newsletter Issue 3. Available at http://enpard.ge/en/wp-content/uploads/2015/05/ENPARD-newsletter-issue3-July-2015-English.pdf (accessed 22 September 2016).

EU (2016): ENPARD Newsletter Issue 5. http://enpard.ge/en/wp-content/uploads/2016/06/ENPARD-Newsletter-_-June-2016-_-Eng.pdf (accessed 22 September 2016).

Kopoteva, I. and Nikula, J. (2014): From Social Innovation to Innovation System: LEADER in European and Russian Rural Areas. Journal of the National Research University Higher School of Economics **23** (3), 95-123.

Kull, M. (2014): European Integration and Rural Development. Farnham: Ashgate.

Lauer, T. (2010): Change Management. Berlin, Heidelberg: Springer Gabler. https://doi.org/10.1007/978-3-642-04340-6

Marquardt, D., Möllers, J. and Buchenrieder, G. (2012): Social Networks and Rural Development: LEADER in Romania. Sociologia Ruralis **54** (4), 398-431. https://doi.org/10.1111/j.1467-9523.2012.00571.x

Matt, A., Pritchett, L. and Woolcock, M. (2017): Building State Capability. Evidence, Analysis, Action. Oxford: Oxford University Press.

Maurel, M.C. (2008): Local Development Stakeholders and the European Model: Learning the LEADER Approach in the New Member States. Sociologický časopis / Czech Sociological Review **44** (3), 511-529.

MoA (Ministry of Agriculture) (2014): Government's Agriculture Sector Strategy. Tbilisi: Ministry of Agriculture.

MoA (Ministry of Agriculture) (2016): Rural Development Strategy of Georgia 2017-2020. Tbilisi: Ministry of Agriculture.

Mohan, G. (2001): Participatory development, in: V. Desai and R.B. Potter (eds), The Companion to Development Studies. London: Hodder Education, 49-54.

Neumeier, S. (2012): Why do social innovations in rural development matter and should they be considered more seriously in rural development research? Proposal for a stronger focus on social innovations in rural development research. Sociologia Ruralis **52** (1), 48-69. https://doi.org/10.1111/j.1467-9523.2011.00553.x

Phipps, D.J., Brien, D., Echt, L., Kyei-Mensah, G. and Weyrauch, V. (2017): Determinants of successful knowledge brokering: A transnational comparison of knowledge intermediary organizations. Research for All **1** (1), 185-197. https://doi.org/10.18546/RFA.01.1.15

Schedler, K. (2012): Multirationales Management. Ansätze eines relativistischen Umgangs mit Rationalitäten in Organisationen [Multirational management. Approaches of a relativistic approach to rationality in organisations]. dms – der moderne staat – Zeitschrift für Public Policy, Recht und Management **5** (2), 361-376.

Szilágyi, A. (2016): Rural Development experiences of Hungary. Paper presented at the conference entitled Transferring the EU LEADER/Local Action Groups approach to Georgia, Tbilisi, Georgia, 24 November 2016.

Willke, H. (2001): Systemtheorie III: Steuerungstheorie [System Theory III: Control theory]. Stuttgart: Lucius&Lucius.

Willke, H. (2005): Systemtheorie II: Interventionstheorie [System Theory II: Intervention theory]. Stuttgart: Lucius&Lucius.