



# ENERGIZING ENTREPRENEURIAL COMMUNITIES

*A Pathway to Prosperity*



## Learning Theme 10 – Community Capacity Building as a Prerequisite for POWER

ARC's POWER initiative was launched in 2015 with the goal of targeting federal dollars to communities that experienced significant job losses related to the downturn in coal mining, the closure of coal power plants, and associated declines in supply chain industries as the country's energy sector evolved. The intent was to help those places negatively impacted by the movement toward cleaner and more renewable energy – to ensure that environmental goals were not achieved at the expense of these communities and regions. Through POWER, [“ARC has invested over \\$195 million in 242 projects touching 350 counties...projected to create or retain more than 23,000 jobs, leverage more than \\$900 million in additional private investment into Appalachia's economy, and prepare tens of thousands of workers and students for opportunities in entrepreneurship, broadband development, tourism, and other industry sectors.”](#)

While POWER continues to deliver important impacts to communities in the region, the E Communities process and our overall engagement with the POWER initiative process highlighted just how important initial community capacity can be to the success of investments of this magnitude. Several lessons seem to be most important:

- More ready, higher capacity communities and sub-regions were able to quickly respond to the POWER opportunity. ARC recognized this disparity and worked hard to provide training and support to communities interested in putting forward grant applications. Philanthropic funders were also engaged, providing grant support through the Just Transition Fund to help with grant applications and other technical assistance. After the first round of POWER funding resulted in few projects in West Virginia, the Hub took a leadership role in coordinating efforts to seek POWER funds across the state, including bringing prospective grantees together and providing technical support.
- In many cases, multiple POWER-funded projects were approved in sub-regions like eastern Kentucky and Appalachian Ohio. These projects were not well coordinated, even when they addressed related issues like entrepreneurship. The task of coordination fell to the partners in each region, a daunting task for groups with limited resources and a scope of work related to POWER that did not always include funding for collaboration with other grantees.
- At the community level, these overlapping projects created some confusion and also potential competition for their limited leadership capacity. Local leaders needed to decide in which projects to engage – a decision often driven solely by resources.

But community capacity also became an issue in other ways. A prerequisite for launching and sustaining an E Communities effort begins and often ends with leadership. As described in Learning Theme #1, the loss of a single leader can be devastating for a community's momentum particularly when there is limited leadership bench strength. The E Communities experience in Appalachia was quite distinct from that in southern Minnesota. Similar size communities there had benefitted from decades of investment in the state – by community foundations and other philanthropy – in building community capacity. As a result, those community leaders did not have as steep a learning curve related to creating a team, setting an action agenda, and making progress. In Appalachia, significant time was needed to build community leadership teams and to find and keep the right champions.

The question this raises for important efforts like POWER is whether investments in leadership and organizational capacity are needed **first** before project-level investments can be most effective. Time will tell how much stickiness POWER investments have in the region. However, recent work by the Aspen Institute Community Strategies Group, with funding from the Robert Wood Johnson Foundation, points to the importance of [Rural Development Hubs](#) – “a place-rooted organization working hand-in-glove with people and organizations within and across a region to build inclusive wealth, increase local capacity and create opportunities for better livelihoods, health and well-being.” Investing in these types of organizations – or networks of organizations working collectively as a hub – is viewed as essential to the long-term success of rural development efforts.

