

Local and Regional Economic Development (LRED): Paving Economic Growth in the Province of Leyte

Context

Results of an Inception Mission conducted in the Visayas in 2002 revealed that there was no dominant sub-sector in Leyte that harnesses the entrepreneurial potential of the province and promotes local and regional economic development.

Rapid Economic Appraisals were conducted in five select LGUs, and the results demonstrated that the LRED approach was suitable to four LGUs, namely: Baybay, Carigara, Ormoc, and Palompon. LRED Action Plans developed by the four LGUs were geared towards *improving business and investments* directly and partly towards *improving the institutional environment*. The stakeholders involved in the process consisted of LGUs, private sector including business/professional associations and chambers of commerce, NGOs, community and cooperatives.

Problem

The economic potential of Local Government Units (LGUs) in the province of Leyte is underutilized. As a result, economic growth and employment generation are held back.

Solution

Facilitate the implementation of the **Local and Regional Economic Development (LRED)** process.

Approach

The LRED: A Participatory Planning Approach for Economic Development

LRED is a participatory planning process wherein public and private stakeholders work together to improve conditions for economic growth and employment generation. LRED is about mobilizing people and making them work together in order to effect change.

The key stages in LRED are:

A. Preparatory (Timeline: 1-2 months)

- Defining selection criteria for LGUs with partners (dynamism of LGU; economic potential; logistical considerations)
- Selection process: Identification, short listing and final selection of LGUs based on criteria

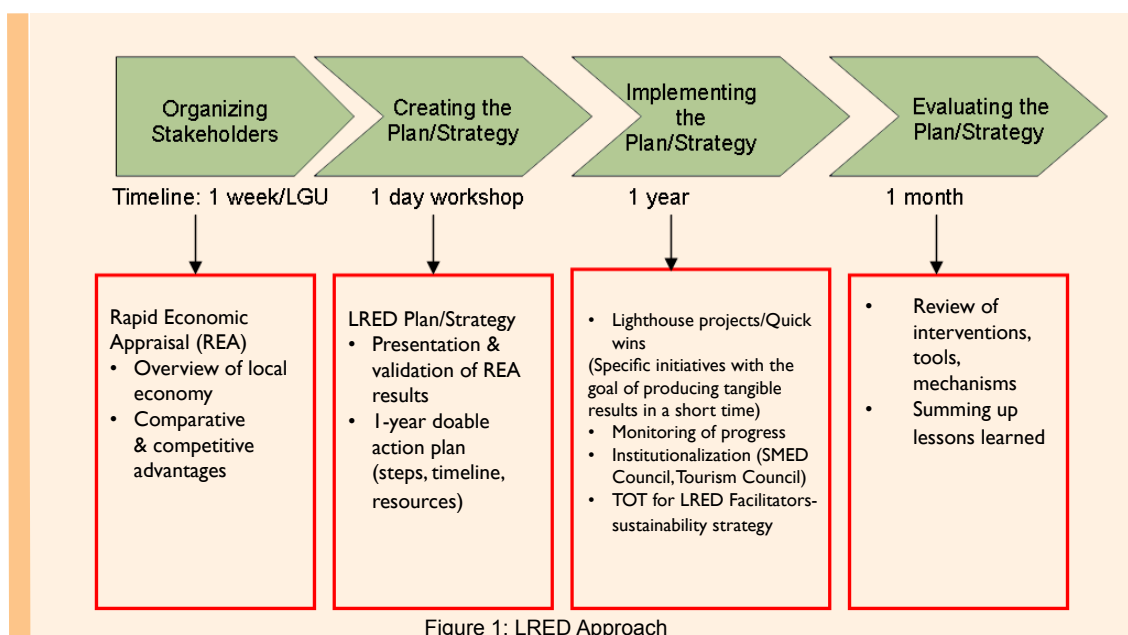
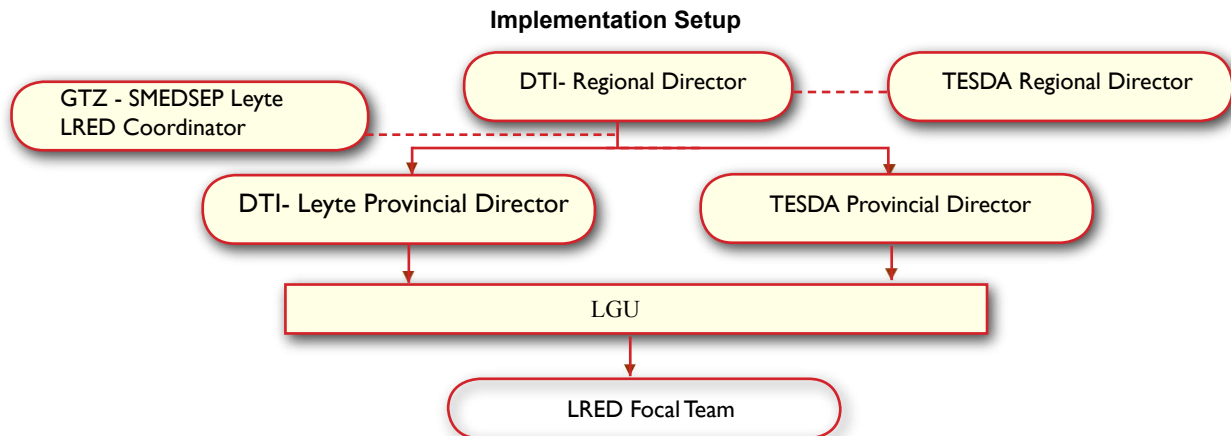


Figure 1: LRED Approach

B. Actual Implementation



The 2 important elements of the LRED process are:

1. Capacity building of potential initiators and facilitators to equip them with the basic knowledge on the LRED concept, tools, planning strategies
2. Integration of LRED process in the whole planning mechanisms of the target agency/organization

The LRED approach has been tested and piloted in different areas of varying size. Its tools and methodologies are proven, well-documented, user-friendly and readily available. Potential for replication is high.

Key Results

The following outcomes indicate that the LRED approach is becoming an integral part of the economic planning and implementation procedures of the four LGUs: Baybay, Carigara, Ormoc, and Palompon:

- Participatory and bottom-up planning processes strengthened
- Public-private collaboration strengthened and relations between the LGU and the business sector improved
- Service delivery through good local governance enhanced

The specific accomplishments/outputs that contributed to the outcomes are:

- LRED Action Plan in do-able, bite-sized pieces is harmonized with the comprehensive, long term Local Municipal Development Plan
- Facilitation and communication skills of core team significantly improved and strengthened the implementation process
- LRED projects served as a catalyst to secure funds and support from national, regional, provincial and local levels of government and facilitated the implementation of the action plan (e.g. Skills Training for Baybay to be funded by a congresswoman)
- DTI, TESDA, the Department of Agrarian Reform, and another GTZ Program are applying LRED tools

in their planning

- Sustainability/institutionalization strategies such as capacity-building and creation of ordinances implemented

Lessons Learned

- Crucial role of consultations and consensus-building
- Need to facilitate continuous dialogues between the public and private sector
- Need for on-going, iterative capacity building in LRED principles, methodologies and tools
- Value of flexibility and creativity in implementation of the approach.

CASE: Palompon and Baybay LGUs in Leyte Province

Public-private dialogue improved relations between LGUs Palompon & Baybay and the private sector in marketing potentials for investors through prioritizing investments potentials, drafting tourism plans, match-making meetings with potential investors, introduction of online-business registration,

Success Factors

- Local leadership and commitment from partner LGUs
- Participatory and action-oriented planning methodology
- Continuous facilitation of the LRED process with local stakeholders
- Credibility of LRED with the partners (partner agencies & LGUs)
- “Seed funds” for lighthouse projects/quick wins as catalyst for obtaining local and/or provincial funding support
- Mixture of activities targeting enabling environment and direct sub-sector promotion
- Involvement of stakeholders from the design of the strategy to the ownership and implementation of plans