

## Rapid Economic Appraisal: Facilitating Local and Regional Development

### Context

At the initial stage of undertaking the Local and Regional Economic Development (LRED) process, Rapid Economic Appraisals were conducted in five selected LGUs. The results of the study demonstrated that the LRED approach was suitable in four LGUs in Leyte Province, namely: Baybay, Carigara, Ormoc, and Palompon.

### Problem

There is a lack of result-oriented, participatory tools for assessing strengths and weaknesses of a local economy. Existing comprehensive assessments are costly and time consuming.

### Solution

Identify the burning issues and offer ways for the local stakeholders to find the right answers through the conduct of **Rapid Economic Appraisal (REA)** under the Local and Regional Economic Development (LRED) process. Compared to traditional assessments or feasibility studies, rapid appraisals save financial resources and time and still come up with results that are fairly accurate.

### The Rapid Economic Appraisal: A Results-Oriented and Participatory Assessment of the Local Economy

Rapid Economic Appraisal (REA) is a tool to assess the comparative (*natural*) and competitive (*man-made*) advantages & disadvantages of a local economy (see Figure 1: The Competitiveness Matrix). *Rapid* involves approximately one week of preparatory work and another one week of field work in a local government unit (LGU).

It is not the intention of a rapid appraisal to delve into details and provide ready solutions. The thrust of the process is to identify “burning issues” and offer ways for the local constituency to find the right solutions. An assessment is undertaken through a series of interviews and focus group discussions, with public and private players, guided by questions based on the 5 fields of analysis of the Competitiveness Matrix. Perceptions of resource persons drawn from the process are then subjected to debate and discussions among local stakeholders and experts.

### Approach

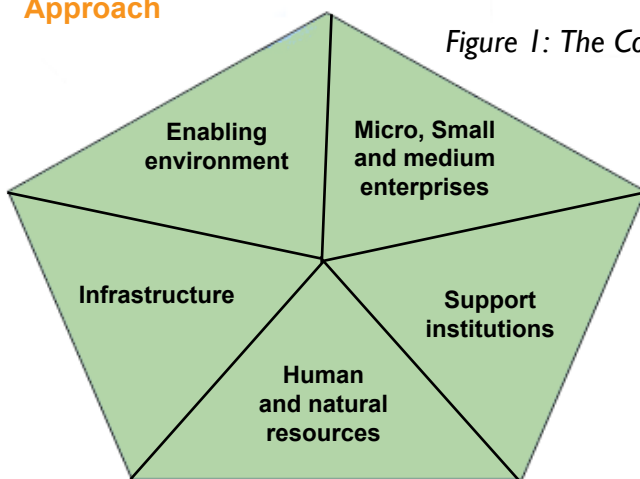
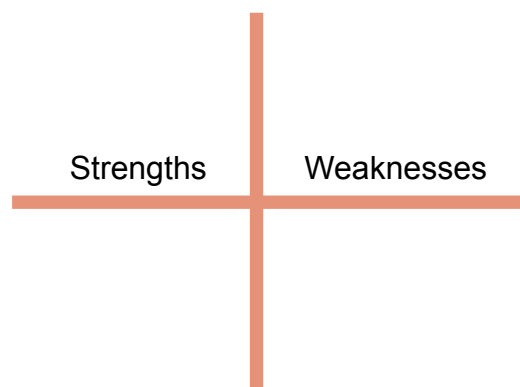


Figure 1: The Competitiveness Matrix



### Principles of Appraisal Methodology

- Rapid/quick assessment
- Stakeholder participation
- Action orientation

## Conduct of REA

Preparations	REA Proper (1 Week)		
3-5 Days	1-4 Days	½ Day	½ Day
<b>Preparatory Work</b> <ul style="list-style-type: none"> <li>• Orientation to local administration</li> <li>• Obtaining approval of Local Chief Executive (LCE)</li> <li>• Identifying stakeholders for field interviews (Resource persons)</li> <li>• Arranging/Finalizing schedule for interviews</li> </ul>	<b>Field Work</b> <ul style="list-style-type: none"> <li>• Overview of local economy</li> <li>• Conduct of interviews with public and private stakeholders</li> <li>• Gathering, Analysis of data</li> </ul>	<b>Presentation and Validation of Findings with Stakeholders</b> <ul style="list-style-type: none"> <li>• Strengths/weaknesses</li> <li>• Key/burning issues</li> <li>• Getting the support from the stakeholders (specifically LCE and key business leaders)</li> </ul>	<b>Creation of LED Plan / Strategy</b> <ul style="list-style-type: none"> <li>• Field of interventions</li> <li>• Action Plan/Strategy</li> </ul>

Challenges faced during the conduct of the Rapid Economic Appraisal (REA) were:

- Over-optimism on part of the participants and facilitators in one of the Validation Workshops in terms of the “doability” of the activities.
- The institutional set-up of the LRED in the pilot LGU of Ormoc City lacked clarity
- Balance representation of public and private stakeholders in the conduct of REA

Learning from these challenges, the program put more emphasis on the following critical steps in the 2<sup>nd</sup> Appraisal Mission held in January 2005: sound planning, identifying focal persons in organizing the REA and mobilizing stakeholders, and ensuring the support of local administration in the 2<sup>nd</sup> conduct of REA.



Stakeholders from the public/private sectors during an REA

## Key Results

The application of REA tool in the pilot LGUs, partner agencies and organizations of the program has gained a positive response

- REA as a planning tool applied by other LGUs in Leyte, NGOs and various line agencies like DTI, TESDA, NEDA and DAR, NGO, through GTZ EnRD
- Stakeholder participation (LGU, DTI and TESDA) promoted

- Public-private collaboration strengthened
- Systematic process in identifying priorities and determining next steps enhanced

## Success Factors

- Sound planning & realistic timeline in organizing and conducting the REA
- Identification of clear objectives
- Availability of financial and human resources
- Competent lead REA facilitator
- Right people for the interviews, validation & action planning (public and private sector)
- Support of local administration
- Participation of public and private stakeholders from gathering of data/interviews to the creation of the LED Strategy/Plan

**CASE:** Public and private stakeholders in 4 LGUs in Leyte (Baybay, Carigara, Ormoc and Palompon) appreciated the participatory, systematic and quick assessment process in REA. As such, all areas developed LRED Actions geared towards promoting investments directly and partly towards improving the institutional environment.