

Preliminary guidelines proposal for establishing a integrated service system for economic development in the Rabat Region

1. Background about LEDA

A Local Economic Development Agency, according to an international accepted definition is a “legal, none profit structures, generally owned by the public and private entities of the territory” which act as a mechanism through which "local actors plan and activate, in a shared way, initiatives for territorial economic development; identify the most convenient instruments for their realization; and enhance a coherent system for their technical and financial support".¹

This statement will identify the main characteristics of a LEDA, as:

1. The **ownership**, relied in the local actors of a determined territory, better through an alliance between the public and the private sector.
2. The **governance**, as a participatory mechanism devoted to actuation, an instrument for implementing strategies and pursuing shared objectives, realizing coherence among the various existing instruments and services and filling up holes, through orientating them towards common objectives.
3. The **aim**, that is the sustainable and permanent development of the territory.

According to OECD² about 15,000 development agencies exist in the world, of which about 500 in Europe.

Since local economic development processes are universally considered path-dependent, i.e. dependent on the historical and cultural background of the territory, its socio-economic characteristics and paths, its political institutionalism, and also on legislation, every LEDA is different from the other ones on specific elements, such mainly as:

- a) geographic reference
- b) legal status
- c) objectives
- d) organizational chart and organization
- e) typology of activities and services
- f) means of financing

Nevertheless the learned lessons from the experience at least led to consider the following main criteria for establishing these elements:

- a) Geographic reference

The right geographic area of attention of a LEDA should match the following criteria:

- It should have a critical mass of economic and human resources for facilitating sustainable and efficient development
- It should allow real participation of the local actors and population

¹ OECD, “ ; llsleda, cccccc

² OECD, ibidem

- It should correspond to an administrative division of the state
- b) Legal status

It should allow the participation of the public and private sector, according to the current legislation of the State, and the particular contingency generating the LEDA.
 - c) Objectives

They should be established by the local actors, according to the national development strategies and objectives, and possibly match economic goals (employment, income, smme development etc.), social goals (social inclusion and equity, gender equality, improvement of the living conditions, etc.), and environmental goals
 - d) Organization

It should foresee bodies, that allow participatory direction and effective/efficient delivery, transparency and collective control
 - e) Typology of activities and services

It should reflect the needs for development of the region, and define the matrix products/users for each one of the activities. Generally the activities correspond to services, initiatives, and projects
 - f) Means of financing

It is recommendable the LEDA is financed by a multiple source of income, according to the principle of being as much as independent from one only, for assuring permanent sustainability.

For more information about the Leda a bibliography is annexed at the end of the document

2. General Objective of the initiative

The general objective of the initiative is to establish in the Rabat Region a structure able to favor and support sound and sustainable development of the region, and to support the Moroccan Residents Abroad (MRA) either in their economic relation with the territory or to facilitate their return.

3. Sponsors of the initiative

The sponsors of the initiative are the Foundation and the UNDP ART Gold Program, that will put at disposal the financial and technical resources for its design and start up.

4. Methodology and Process

The establishment of the structure goes through the following phases:

- i) Pre-feasibility
- ii) Feasibility
- iii) Design
- iv) Start up

Pre-feasibility

Step 1: The sponsors help constituting a Promoting Group (PG), formed by the most relevant and leading actors of the territory. The task of this group is to lead all the following steps.

Step 2: The Program, involving the PG, carries on an analysis of the local context referred to the trend of the territorial economy in the last five-ten years, the most important economic potentialities of the territory, the presence of development plans (at national, meso and local level).

Step 3: The Program, involving the PG, carries on an analysis of the remittances, and the situation/behavior of the regional MRA, possibly through contacts with their organizations

Step 4: The PG, assisted by the Program, shares the objectives of local economic development (through a workshop)

Step 5: The program, involving the PG, carries out an analysis of needs and services needed for achieving the established objectives

Step 6: The PG, assisted by the Program, verify that there are conditions for establishing a possible structure (needs, commitments)

Feasibility

Step 7: The Program, involving the PG, carries on a survey on the existing service providers, through individual meetings

Step 8: The PG, assisted by the Program, realize the matching between the needs (step 5) and the supply of services, and identify possible coordination strategy

Step 9: A study tour at existing experiences is carried out

Step 10: Analysis of the interest of MRA organization is carried out

Step 11: A preliminary map of possible services is drawn, including the existing ones and the lacking ones

Step 12: The Program and the PG organize a workshop for presenting the results of the previous steps to the local and national actors , including the service providers and the MRA organisations, with the final aim of :

- a) defining the nature of the structure (LEDA?),
- b) defining its objectives and priorities
- c) collecting interests and commitments in being involved in the initiative.

The PG is extended to the interested organizations. It becomes a kind of Committed Task Force (CTF).

Step 13: A survey on the availability of funds for the start up is conducted by the Program and the CTF

Step 14: The CTF, assisted by the Program, verify that there are conditions for establishing a LEDA (commitments, type of services, funding the start up).

Design

Step 15: The Program assists the CTF in verifying the legal frame for the LEDA, according to the national legislation

Step 16: A special commission is named for drafting the statute

Step 17: A special commission is named for drafting the organization: organisms, their tasks, activities and users

Step 18: Agreement with a financial institution for managing a special for loans

Step 19: Meetings with national and international organizations for partnerships

Step 20: A financial plan is drafted for looking at the sustainability of the LEDA in the first 5 years

Step 21: Meetings (also at distance) with the MRA organization for partnership

Step 22: The Program and the CTF organize a workshop with the aim of sharing and finally approving the statute, the organization, and the financial plan.

Step 23: The commitment of the actors for being members of the LEDA is collected

Step 24: The first official assembly is convened, and all the official establishment acts performed

Start up

Step 25: The management board is trained

Step 26: The technical staff is contracted and trained

Step 27: An action plan for the first year is drafted and approved by the management board

Step 28: The action plan is put at work, with the accompaniment and support of the ART GOLD Program, which foresees financial support and technical support, mainly for strengthening capacities (training cycle), realizing tools (Management an Handbook and internal regulations), and tutoring operations.

Step 29: Partnerships and tutorship are look forward through the support of the ART GOLD Program

5. Operational options

About the business support

One of the almost certain activities of the LEDA (or similar structures) is the support to business development. This can be done on various way, according to the objective, priorities, and resources.

The service could include some of all of the following ones:

- Continuous survey on the local endogenous potential, for detecting what products and services could improve the territorial competitiveness.
- Technical assistance for improving the performance of the existing businesses, with particular reference to the small and medium ones, and to what contribute to the territorial competitiveness
- Support to the creation of new businesses
- Support to the financial capitalization (access to financial tools, use of personal patrimony, collective guarantee funds, etc.)
- Support to the commercialization
- Facilitating innovation (through various means)
- Building territorial value chains
- Reinforcing the entrepreneurship associations
- Facilitating the inclusion of the most disadvantaged people in the economic mainstream
- Open up a special desk for women entrepreneurship

About the relationship with the MRA

This service could be delivered through a special desk for the MRA, that could provide some or all of the following services:

- Maintain contacts with the MRA associations, mainly those with relevant participation of the Moroccans from Rabat.
- Stimulating, informing the MRA about the businesses opportunities in the region, and the new instruments at disposal .
- Establish agreements with these associations and abroad correspondent organization for realizing common initiatives for MRA, such as training, diffusion of information, exchange of best practices, etc. . Agreements for selling typical Moroccan products for MRA market is a good example.
- Providing technical assistance (for instance on the business ideas and to the elaboration of the business plan) to MRA interested to come back or to help setting up an enterprise managed by others (partners, family, etc.).
- Providing guidance and information to the MRAs, who are interested in investing on enterprises existing in the region.
- Establishing a special fund for supporting and complementing the MRAs' capital for new or existing businesses .

About the business capitalization

A special fund shall be established for financing or co-financing business investment, that are coherent with the strategy of a sustainable, fair and human development.

In this framework the fund could:

- be established with the UNDP ART initiative resources or this fund could be matched with other ones from other entities (national, international)
- be implemented directly from the LEDA. In this case the LEDA has a bank account, that is used for financial operation at benefit of the LEDA customers
- be implemented through an agreement between a financial institution (in charge of delivering loans), and the Foundation
- be used as seed or guarantee fund for financing through grants or loans for business initiatives, that will use a comprehensive support (also technical, commercial assistance and training), for co-financing investment of MRA.

About the services for territorial innovation

Innovation is key element for business competitiveness. A LEDA or similar structures should organize proper services at this aim.

Some or all the following services could be provided:

- support the establishment of a network of actors (entrepreneurs, consumers, providers, public administrations, universities and research centers, traders, etc.), for multiplying the occasions and the stochastic creation of new ideas for resolving territorial problems
- transfer of existing innovations
- survey on hidden and unknown innovation of the territory, classify and diffuse them
- support the entrepreneurs in identifying innovation needs and possible solutions
- support the creation of specialized satellite structures, such as Business Innovation Centers, Centers university-enterprise; Scientific and Technological Parks, etc.

Other possible fields of services are: territorial marketing, support for employment, project development and financing, information services, tourism related services, economic studies and surveys.

For each one of these services, the need analysis and the financial constrains will orientate their implementation.

About partnership and tutorship

Partnership and possibly tutorship with other institutions are very useful.

Below possible LEDA's tasks are described:

- continuous search of abroad regions where Moroccan live, and development of contact with the regional and local administrations
- make agreements with the abroad regional and local administrations for joint actions at benefits of Moroccan, or elaboration of joint projects to submit to national and international organization
- make partnership agreements with regional and local development agencies abroad for joint actions and projects
- make agreements with international professional organism (such IIsLeda, Eurada, EBN, etc.) for tutorships
- maintaining fruitful relationships with UNDP and the ART Initiative, for fruitful exposure to international practices.