



International Link and Services for

Local Economic Development Agencies

for a fair, human, sustainable and inclusive development

Models of Territorial Development Agencies in Europe and in the world

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Territorial Development Agencies and development committees in France

Development Agencies and Development Committee are officially born in 1954, thanks to the decree of December 11 1954. In reality these structures existed in the late '40s, especially in Britain, with René Pleven, or Alsace with the studies and action Committee for the Alsatian economy (CEAEA) created in 1950 by Pierre Pflimlin with a goal that is still relevant, that of "bringing together people who would work together to study the present situation our regional economy, to discern the dangers which threaten it and the opportunities available to them, finally to determine the actions to be undertaken in order to promote economic development of Alsace " . Their organization has been slightly modified and strengthened role by the decree and the circular of 20 January 1961.

The Agencies and Committees are currently governed by the Decree of May 5, 1995 and by a ministerial circular of 17 July 1996 .The role of agencies and committees has been reaffirmed by Voynet Act of 1999 which states in Article 49 that "the development committees and economic development agencies, associations of the Act of 1 July 1901, created at the initiative of local authorities, can assist local authorities in the development and implementation of their economic development strategies. "Development Agencies (DA) in France have almost exclusively an association status, Act of 1901 (1908 in Alsace-Lorraine).They are federated at the national level within the NCRE (National Council of Regional Economies), established in 1952 and whose role has also been confirmed by the decree of 1995. NCRE counted in France, in 2007, 122 organizations, including two inter-regional, 22 regional, 63 county and 33 local (city or urban community mainly).

Each agency or committee is in fact backed by one (or more) local authority which provides the bulk of its funding. Agencies and committees are places of dialogue, but also operational structures that develop and implement strategies and actions on their territory.

The DAs are relatively light structures that include, depending on the size of the territory and tasks assigned, between 8 and 30 employees. After 1991 also an European Association of development Agencies, EURADA has been created.

Governance of the Development Agencies

As far as the organization of agencies and committees, the 1995 decree establish they "are composed of representatives of local authorities, universities, chambers of commerce, transportation and banking, associations of entrepreneurs, trade union

organizations most representative of employees. Prefecture, region or department for the concerned areas participate to decisions. The act of July 17, 1996 goes further in defining the governance of agencies and committees as it states: "traditionally, the governing body of a committee of expansion is composed of four colleges:

- the college of representatives of local governments
- the college of chambers of commerce
- the college of employers' organizations and trade unions
- the college qualified individuals representative of education, banking, transport, etc.

The composition of committees and agencies, reflecting the partnership on which they rely to exercise their action, however, can vary from one structure to another. Depending on the size of the committee, the number might enable the council that administers most effectively fulfill its mission will be about 15 to 30 members.

The National Committee for Regional Economies (NCRE)

Since its creation in 1952, NCRE has a double function:

it is the national federation of development agencies and committees of economic expansion,

it acts as a forum, as place of proposal in the areas of economic development and territorial plan:

- 1 - Federation of development agencies and committees of economic expansion.

It brings together all development agencies and committees expansion spread all over, including overseas departments. Currently there are 123 organisation, 17 regional, 65 county, 41 local. Towards of its members, NRCE assumes the traditional missions of a federation.

- 2 – Forum are source of proposals in favour of territorial planning and management. NRCE is also a forum, a place for exchange and for meetings between development agencies, the expansion committees, governments, experts and specialists in regional planning and economic development. It disseminates the results of its activity, mainly through its bimonthly magazine "Inter Regions", which also helps to know the most original achievements implemented locally, on topics regarding development and management.

Finally, NCRE organizes every year, symposia, seminars and a conference of regional economies. For over fifty years, it has been an important moment of reflection and prospective issues regionalization, decentralization, territorial economy, openness to Europe, etc.

3 – It is a pluraliste association, that brings together in its Board of Directors, elected from all sectors: first, the presidents of development agencies and committees of expansion, but also representatives of the business world, government agencies, and qualified persons.

An example: MDER PACA (Regional Development Agency of Provence-Alpes-Côte d'Azur)

The MDER PACA (Regional Development Agency of Provence-Alpes-Côte d'Azur) was launched as an innovative partnership between Central Government, the Region and the private sector. It is a commitment of all the economics players in PACA: sub-regions (departments), consulates, local authorities, regional government and business groups.

PACA's Mission is to promote PACA as one of the strongest economic regions in Europe:

- in assisting businesses and business partnerships to re-locate in PACA
- in supporting business activities and companies already based in PACA (specifically helping them to remain competitive and safeguard employment opportunities)

MDER PACA is a catalyst organisation and delivers a range of services:

- Strategic analysis
- Support to regional structures/partnership projects
- Promotion of PACA's regional economy
- Production of marketing documents
- Supporting the restructuring of business sectors
- Promotional activities
- Networking activities

List of Board Members

President Jean-François Bigay, former President of Eurocopter

Vice President Patrick Allemand, 1st Vice President of the Regional Council of Provence-Alpes-Côte d'Azur

Vice President Jean Zieger, President of Mediterranean Technologies, representative of Chamber of Commerce and Industry Nice Côte d'Azur

Vice President Alain Lemaire, Chairman of the PACA Bank Committee of the French Banking Federation

Treasurer Dominique Poggi, Honorary President of the Chamber of commerce and industry Alpes-Alpes-Côte d'Azur-Corse

Assistant Treasurer Raymond Vidil, President of the Regional Employer Union

Secretary Jean-Paul Bonnetain, General Secretary for Regional Affairs

Regional Development Agencies in Spain

Spanish RDAs began to be created after the adoption of economic decentralization in the Constitution of 1978 and subsequent years of their Statutes of Autonomy, assuming responsibilities mainly in the field of economic promotion.

The reasons and circumstances justifying this birth are determined by the evolution in the changing objectives of regional policy.

Legal status and organization

During the period analyzed, there has been no significant change in legal rules that regulate each of the RDAs. In this sense, the legal form adopted almost unanimously is the public company, subject to private law. The reason for choosing this method reflects the need to give them more autonomy in managing their daily activities, such as hiring and patrimonial management. The RDAs that directed, primarily, their action in the industrial sector, as in the case of SPRI, the IFR and CIDEM IMPIVA depend organically from the Regional Ministry of Industry, Trade and Tourism. On the contrary, not sector-oriented RDAs are generally ascribed to the Ministry of Economy and Finance.

Financing of Development Agencies

Funding for Agencies come from the regional administration annual budget. Other ways to obtain financing are the following: loans received from public and private financial institutions, project financing, grants and contributions from other institutions, income from services performed and the income derived from goods and values of their heritage.

Finally, it is relevant the funds and loans received from the EU Structural Funds, of which are benefiting primarily the Objective 1 regions, through their respective RDAs.

Strategic Guidelines adopted

The main objectives by the RDAs for improving the productive and territorial competitiveness regard the following key areas:

1. Fostering and promoting entrepreneurship with specific programs for entrepreneurs (whether they are young, women or other groups) as a strategy for future development, also according to the EU Agenda for Entrepreneurship

2. Financial support for investment, mainly for SMEs and new initiatives through various programs and financial instruments, mainly , capital subsidies granted to companies. Other instruments are: the low mortgage interest rates, guarantees and venture capital.
3. The promotion of R & D and technological innovation, which gradually acquires greater weight, both qualitatively and quantitatively. This strategy seeks to accommodate the objectives of the Lisbon Agenda.
4. The provision of industrial and technological infrastructure (technology parks, or Institutes, European Business and Innovation Centers (BIC).
5. Internationalisation, through various programs to promote business regional abroad and by attracting foreign capital (providing open offices in major financial and business centers of world).
6. The provision of business services such as information on opportunities, human capital formation, the preparation of sectoral studies and for cooperation with other regional companies.
7. Promoting a more balanced territorial economic development

The National association of spanish regional development agencies, considering at the end very positive their impact on regional development, argues about critical constrains, such the following ones¹:

First, the lack of "management autonomy" of RDAs against regional political power that invalidates an agile, efficient, effective action and does not allow a strong and clear strategy in the medium to long term.

The regional government funds almost all the resources of the RDAs, and therefore "commands" appointing and removing directors (sometimes, changing the administration affects to all the fonctionnaires, even in the case of the same political party at the head of the regional government).

Secondly, the tendency to "recruit" workers and "staff" of other regional organizations and public bodies and also appoint people politically "married" causes the serious disadvantage of the lack of previous experience in the agency management. Thirdly, it is resurging a certain bureaucracy and "conservative" attitudes that prioritise legal control of spending on higher efficiency and effectiveness.

¹ ADR, Las agencias de desarrollo regional en España: balance de 25 años existencia

Finally the lack of new and innovative financial instruments, such as risk capital, mutual guarantee societies (MGS), seed capital, "business angels", microcredit, equity loans, etc. constrain local smme growth.

An example: IMPIVA

The Institute for Small and Medium Industry of the Generalitat Valenciana (IMPIVA) is a public entity of the Generalitat Valenciana, region created by the Law of the Generalitat Valenciana 2 / 84 and attached to the Ministry of Industry, Trade and innovation. Its role is to develop policies for promoting innovation of the Valencian Government in the field of small and medium enterprises. At this aim Impiva has programmes to support companies as well as public and private nonprofit serving small and medium enterprises in the fields of:

- Technology and R & D
- Development and creating undertaken
- Design
- Quality and environment
- Organization and Management
- Training
- Business Cooperation

The IMPIVA:

- Promotes a network infrastructure of technical support services to the Smmes, such as Technological Institutes: technological assistance, and BICs: support for the creation of innovative business projects
- Collaborates with business associations in developing strategic actions envisaged in the plans drawn up for better competitiveness consolidated and emerging sectors within the community of Valencia.
- Collaborates with public entities (universities, university institutes, public research centres, chambers of commerce, professional, local development agencies,) and private (business schools, associations, foundations and corporate Clubs) for generating and transferring research results , Knowledge and skills of business management.
- Collaborates with the Ministry of Industry, Tourism and Trade to coordinate actions and facilitate access by SMEs to Valencian programs and services.
- Coordinates the participation of corporations and other entities of the Comunidad Valenciana in EU programs.

Local Development Agencies in Italy

The local development agencies usually born through the actions of specific regional programming instruments, in large measure stimulated by European Union policies and regional negotiated plans.

Originally, regional development agencies born as specific regional emissions quests given by policy makers. We can summarize three types of models:

- A first type purely financial model: born in the '70s and more in the 80s to channel resources for development, with logics and practices close to those of traditional financial intermediaries.
- A second model is linked to the prospective of industrial development at regional level and predominantly it borns together with the configuration of industrial development consortia (italian districts), and the specific aim of promoting and developing new industrial areas or recovering them.
- The third model emerges where the processes of development have been guided by strategic plans that rooted local development. In this case fall all the early experiences of territorial strategic development and marketing.

In Italy, according to former FORMEZ data and updated by us, exist almost 46 territorial development agencies, of which 20 are established at local level (in the majority of the cases intermunicipal), 6 at provincial level, and 20 at regional level.

The regional development agencies are of two types: integrated regional development agencies in 7 regions, but also 13 specialized development agencies in fields such as agriculture, innovation, environment, attraction of investment.

The main tasks of the italian territorial development agencies are:

- Support to territorial planning
- Promotion and support for research and education
- Accompaniment of business initiatives (both individual firms and the business community)
- Provision of services

They perform primarily through connecting and building a network of relationships between different companies, different institutions and different skills (including organizations located in other areas), and integrating research, training and support-services.

An example: Sviluppumbria

Sviluppumbria was established by the regional law of 1973. It is the “in house” regional society for the promotion of economic development in Umbria. Its capital is entirely public and it works in favour of the other public members (Provinces, Municipalities, Chamber of Commerce). The shareholder group is made up of public services including local authorities, business groups, institutions credits and private actors. Thus, since the launch of its activity, Sviluppumbria is defined as an instrument of regional planning, which is still the current activity in new and more modern forms. Sviluppumbria has important roles in advising the Region and government agencies in many areas.

Sviluppumbria S.p.A. works for economic development and competitiveness of the territory in accordance with the policies and planning acts of the Region and in particular implements its mission through:

- Development and implementation of programs and measures to support and promote development within the regional planning;
- Development and implementation of local development projects as provided by the regional law July 9, 2007, No 23 (Reform of the administrative system, regional and local level - the European Union and International Relations Innovation and simplification);
- Animation and economic support by implementing regional development policies with particular reference to innovation and internationalization;
- Activities related to projects of international development cooperation, decentralized and transnational nature of the Region;
- Activities related to preventive policies to avoid unexpected sectoral and / or business.

Sviluppumbria S.p.A. in particular carries on activities and service as instrument of the Region and of the public members through:

- the administration and management of resources allocated by region and by local partners for regional development;
- the advice and assistance to for the regions and partners collaboration in the design and implementation of policies to support the competitiveness of the Umbria region and the business system;

- technical support to investment projects and territorial development promoted by the Region;
- support for business creation, with particular reference to women-owned businesses, youth and the third sector;
- monitoring and prevention of sectorial and business crisis;
- attraction of inward investment projects and activities related to international development cooperation, transnational and decentralized;
- management and exploitation of the region's real estate and other members with the exception of maintenance of the same;
- conduct of any other promotional activities, information dissemination, planning, implementation, and instrumental investigations, related to the above or specifically assigned by the Region or by the members.

RDA in England

Nine Regional Development Agencies covering the English regions were established in April 1999 under the Regional Development Agencies Act 1998 and are Non-Departmental Public Bodies (NDPBs), sponsored by the Department of Trade & Industry. The ninth, RDA, the London Development Agency, was created as part of the Greater London Authority under the GLA Act 1999 and has Local Authority status.

The statutory purposes of RDAs are:

- to further economic development and regeneration
- to promote business efficiency, investment and competitiveness
- to promote employment
- to enhance development and application of skill relevant to employment
- to contribute to sustainable development

The aim of RDAs is to be key drivers of economic regeneration and to do this by coordinating regional economic development and regeneration, enabling the English regions to improve their relative competitiveness and reduce the economic imbalances that exist within and between regions. The RDAs are not main delivery agents; they work with and depend on regional partners to deliver the agreed output in the regional economic strategy.

On a day to day basis the RDA'S activities which are set out in the Corporate Plan and Regional Economic Strategy, include:

- Working with regional partners (local authorities, local Learning and Skills Councils, the Small Business Service, higher and further education institutions, the voluntary and rural sectors etc.) to implement the region's economic strategy.
- Funding physical and social regeneration projects and monitoring those receiving RDA funding to ensure value for money are being achieved.
- Working with businesses and industrial sectors in the region to improve their competitiveness, innovation and productivity and with potential investors into the region providing an aftercare service to those already settled.
- Implementing Government policy as set out in White Papers, such as the Urban White Paper, the Rural White Paper and 'Opportunity for all in a world of change'.
- Working with the business and academic community and Trade Unions to improve learning and skills in the workplace and to develop the region's science base and enable technology transfer to enhance the knowledge based economy.

The Government announced the abolition of the nine Regional Development Agencies (RDAs) in England – eight regional agencies through the Public Bodies Bill and the London Development Agency through the Localism Bill - on 22 June 2010.

The RDA's employ around 3,400 people and spent millions for marketing and promoting their individual regions.

The TPA² (Tax Payer Alliance) argues their performance have been an expensive - failure. Over £15 billion of taxpayers' money has been spent over the past nine years, with little discernable impact. They have neither accelerated economic growth in the regions, nor reduced the disparities between them.

The TPA considers that causes of this failure are

- 1) RDAs were not local bodies, but part of central government, only properly accountable to Whitehall departments, their key executives and board members were selected by Ministers and their objectives set by ministers.
- 2) Many RDA responsibilities are duplicated by other organizations, creating significant waste.
- 3) There has been improper use of the funds, either realizing a lot of waste, or exaggerating in costs (missions, high salaries for management, etc.).

² TPA, "The Case for Abolishing Regional Development Agencies", Structure of Government No.3

The RDA's will be replaced by Local Enterprise Partnerships, which will be introduced through a white paper, which will be introduced at the end of the summer.

Territorial Development Agencies promoted by the United Nations and ILSLEDA

The Local Economic Development Agencies (LEDAs) promoted by United Nations since 1991 are legal, no profit public-private structures, through which the local actors plan and activate, in a shared way, initiatives for territorial economic development.

The LEDAs provide several services to population and institutions, with the objectives of supporting social and productive territorial development and innovation, within the perspective of an equitable, ecologic, and human development.

60 LEDAs with such characteristics are currently operating in many Latin American, African, East European, Middle East, and Asian countries, and they are gathered into the ILS LEDA network. These LEDAs are based on the experiences of the numerous similar structures operating in Europe since the '60s, introducing innovations about the service supply, the self-sustainability, and the integrated management of the economic promotion and the fight against poverty.

They integrate governance components (public-private partnership, local-national relation); strategic components (coherence between territorial planning and actions); human development components (social inclusion, gender vision, support to the vulnerable groups, environmental protection); components of the territorial promotion (project financing and international marketing); components of service supply to the enterprises (technical assistance, professional training, marketing and loans).

They contribute solving complex problems, such as the negative impact on the living conditions caused by poverty, unemployment, economic transitions, and the disadvantages of the marginal local economies in the current global arena.

These LEDAs are grouped in the ILS LEDA network and are sustainable. This sustainability is assured by several types of income, such as membership fees, sale of services to public and private entities of the territory, management fees related to the execution of the contracts with partners or donors, payments from services of intermediation; interest rates from the Guarantee Fund.

Only four LEDAs out of 60 since 1991 failed, and the rest of them has experienced a very good growth.

An example: AULEDA in Albania

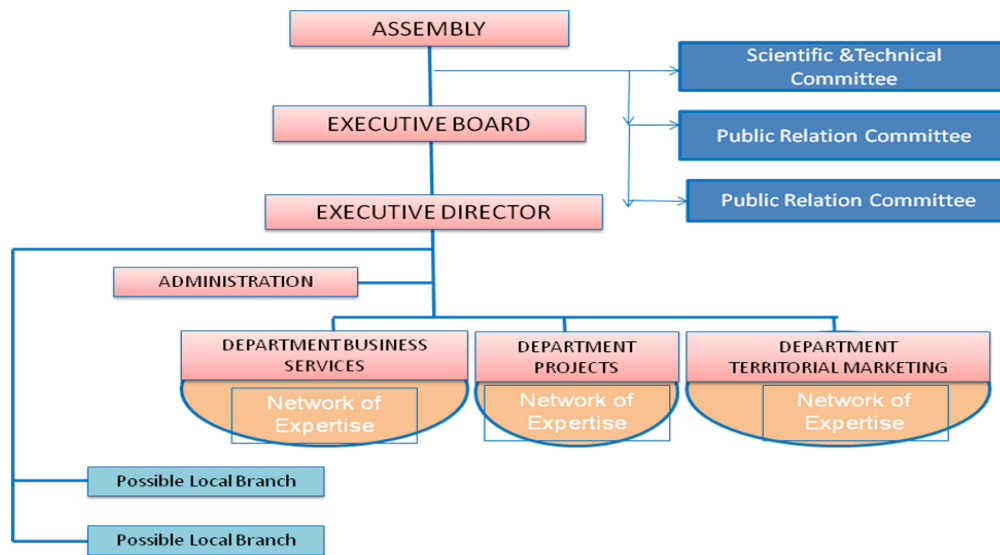
AULEDA is non party, autonomous, and non-profit-making association, established in 1993.

It provides services and realizes initiatives and projects for economic, social, cultural, and environmental development of the Vlora Region aimed at spreading a culture of integration and strengthening resources, skills and competences of the Region, according to human development principles.

Its vision is to be the most confident structure for realising services, initiatives, and projects for human and sustainable development of the region, and the reference model for Balkans.

Its current members are the Regional Council, the Prefecture, 4 municipalities, 8 Associations, 1 Research Institute, 8 Communes, 1 University, 1 Chamber of Commerce and Industry, 3 Government Directorates to strengthen and stimulate the local systems development in relations with government institutions, public organizations with economic, political, and social associations at the regional, national, EU and international level; to contribute to building and strengthening of scenarios and strategies for socio-economic planning at the local level, also in connection with networks at national, European and international level; to provide special attention at social and cultural areas and social groups affected by the phenomena of delay and slowdown, with the aim of including them in the social and economic development; to provide services and realize initiatives and projects at benefit of the regional population, to the local administrations and associations of the civil society for improving their capacities and performance to promote and participate with its partners in development programs contributing to the identification and collection of resources necessary for their implementation.

AULEDA ORGANISATIONAL CHART



AULEDA provides the following services:

- Business support
- Planning Support to local administrations.
- Local resources mapping.
- Territorial Marketing.
- Partnership building.
- Promotion and support to social enterprises.
- Business networking.

Auleda has been carrying on projects in the following areas:

- Tourism.
- Agriculture.
- Environment.
- Social inclusion and integration.

Auleda disposes of a Guarantee Fund for facilitating credit to Smmes, through an agreement with UNOPs and Credins Bank

Auleda is a full self-sustainable organisation, not using grants or subsidies. Its incomes proceed from:

- Interests from the Guarantee Fund mechanism
- Contracts with national and international organisations
- Projects

The main results during the last 8 years are:

- Almost 130 enterprises supported.
- 114,000 USD credit delivered, with 100% return rate.
- 120 jobs created.
- 1000 people trained.
- Multi-municipal and regional plans supported.
- The Map of local competitive potentialities realized.
- Social enterprises promoted and supported.
- A network of Adriatic area created for favoring faire activities.
- More then 600,000 Euro channeled in the region, through the implemented projects.

Future development plans include:

- Promote and strengthen the association of small farmers and producers
- Strengthen the valorization and the quality of the potential of the economic, social and cultural resources of the region.
- Support the regional and municipal strategic planning, according to the national strategies.
- Increase the opportunities of economic inclusion for the most disadvantaged people.
- Strengthen the capacities of local system for the environmental protection.
- Strengthen the alliance with European partners and the cross board partnerships, through improving the local capacities.