



International Link and Services for

Local Economic Development Agencies

for a fair, human, sustainable and inclusive development

Specificity of local economic development processes and strategies in development countries

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Background

ILSLEDA is an organization which works since 1990 in supporting local actors to promote and support LED strategies and instrument specifically in developing and in-transition countries.

The way in which it has been working on it is -first of all- breaking several firewalls

- between central government and peripheral contexts, in absence of any or little tracks of decentralization
- between public authorities and private and social/communitarian sectors
- between the producers themselves

and creating horizontal and vertical bridges and networks, aimed at sharing:

- a) strategies focused on valorizing the endogenous potential
- b) long terms plans at national and local level
- c) instruments for a permanent support to the strategies, such as resulted being the local economic development agencies (LEDA) in the majority of the cases.

ILs Leda has been working in 25 countries and 63 regions of all the continents, supporting the creation of more than 60 LEDAs, involving 1500 local institutions and forming about 500 managers and 500 specialized technicians¹

Together with Eurada a Quality Label has been created for accrediting the LEDAs as human development performance (see www.ilsleda.org)

ILS LEDA works for several UN agencies (UNDP-ART, ILO, UNOPS, UN-Women, UNDP-Kosovo) European Union, National Government of Colombia, and the International school for Human Development.

Contexts

The countries where ILS LEDA has been working have several common characteristics, such as:

- mainly rural areas, with high weight of the primary sector
- poverty in many developing countries

¹ Cuba (3), Dominican Republic (5), El Salvador (3), Nicaragua (4), Costa Rica (1), Guatemala (3), Honduras (3), Belize (1), Colombia (10), Ecuador (3), Bolivia (2), Uruguay (3), Argentina (1), Albania (2), Serbia (2), Bosnia-Herzegovina (1), Kosovo (1), Libano (4), Tunisia (1), Morocco (2), South Africa (3), Mozambique (3), Angola (3), Sri Lanka (1), Indonesia (1).

- sometime recently coming from conflicts (Central America, Colombia, Mozambique, Lebanon, ex-Yugoslavia) or disasters (Sri Lanka)
- high centralisation
- scattered micro enterprises (often in the informal sector) and with limited markets (mainly at local level), with scarce propensity to associating themselves
- scarce public support and low capacities of local administrations in supporting economic activities and employment
- lack of access to financial and no financial opportunities (capacity building, technical assistance) and very low or zero capacities of services
- scarce opportunities for women to access to the economic activities
- Very low infrastructure networks

The main development objectives expressed by the national and local actors are:

- Jobs and income (all)
- Improvement of capacities (all)
- Balance among the various parts of the territory (at national and meso-level)
- Consolidation of the peace (in the case of conflicts)

The main common explicit demands of the local actors for achieving the objectives are:

- Grants for projects (all)
- Infrastructure (governments)
- Foreign enterprises investment (governments)
- Capacity building (all)
- Support for commercialization (producers)
- Support for maintaining the local values and cultures
- Support for maintaining an healthy environment for agriculture and natural resource preservation (from producers, but not in all the cases)

According to the abovementioned conditions one would not recommend any intervention on LED, because of the absence of the minimum conditions for it: entrepreneurial background and capacities, presence of a minimum service organizations, aptitude to cooperation, etc.

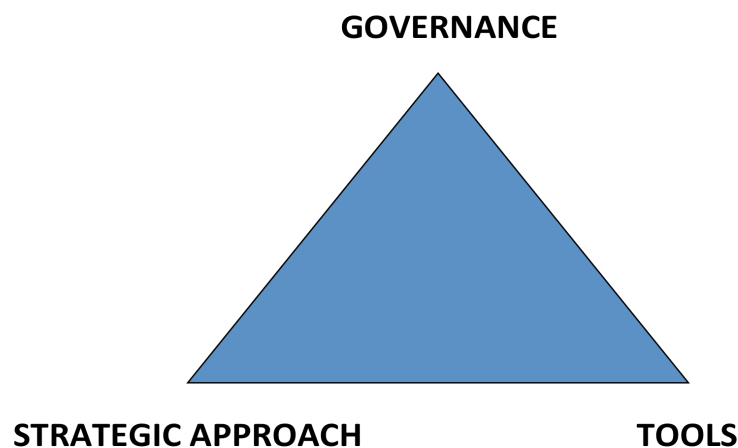
Nevertheless it occurred, and it was also possible thanks to the support of the international cooperation, mainly through various programs realized by Unops (Prodere in Central America), Appi (in Latin America, and Balkans), PDHL (in Africa and Central America), UNDP ART (in Latin America, Mediterranean, Sri Lanka, Central America and Caribbean), ILO (in central America, and Africa, Asia, and Balkans).

Strategies

Due to the above mentioned constrains the ILS LEDA approach could not have been other than a not-only-economist rather comprehensive one aimed at:

- a) not reproducing inequalities
- b) building territorial cohesion and relational capital
- c) including women in the economic circuits
- d) reducing dependence on external investment
- e) protecting environment
- f) building entrepreneurship
- g) building government capacities and LED approach

through working with the following triad:



Governance

Building bridges between the local actors (public-public, private-private, public-private), through constituting informal Local Task Force (LTF) through which they discuss and share development objectives, endogenous potential and constrains.

Building capacities with very low “traditional training actions”, and more through learning-by doing processes, adjusting errors and practices, exposing to best and worst experiences.

Involving national government in the process

Strengthening national government internal cooperation, for including territorial development in their strategies and addressing correspondent sectoral plans.

Strategic approach

Participatory diagnosis of the economic potential for sustainable competitiveness, through various steps, such as:

- focus groups envisaging competitive and sustainable advantage, and constrains
- prioritization of the main potential with better opportunities for sustainable competitiveness
- setting up shared development strategies, aimed at being inclusive and environment friendly, through the value chains approach and which include the local network needed by the value chain, with a specific focus on the comprehensive territorial service system

Tools

- 1) Self-sustainable LEDAs, providing comprehensive services to the local population, business, and local authorities, such as economic animation, business support, support to planning, territorial marketing, with specific attention to disadvantaged people and women.

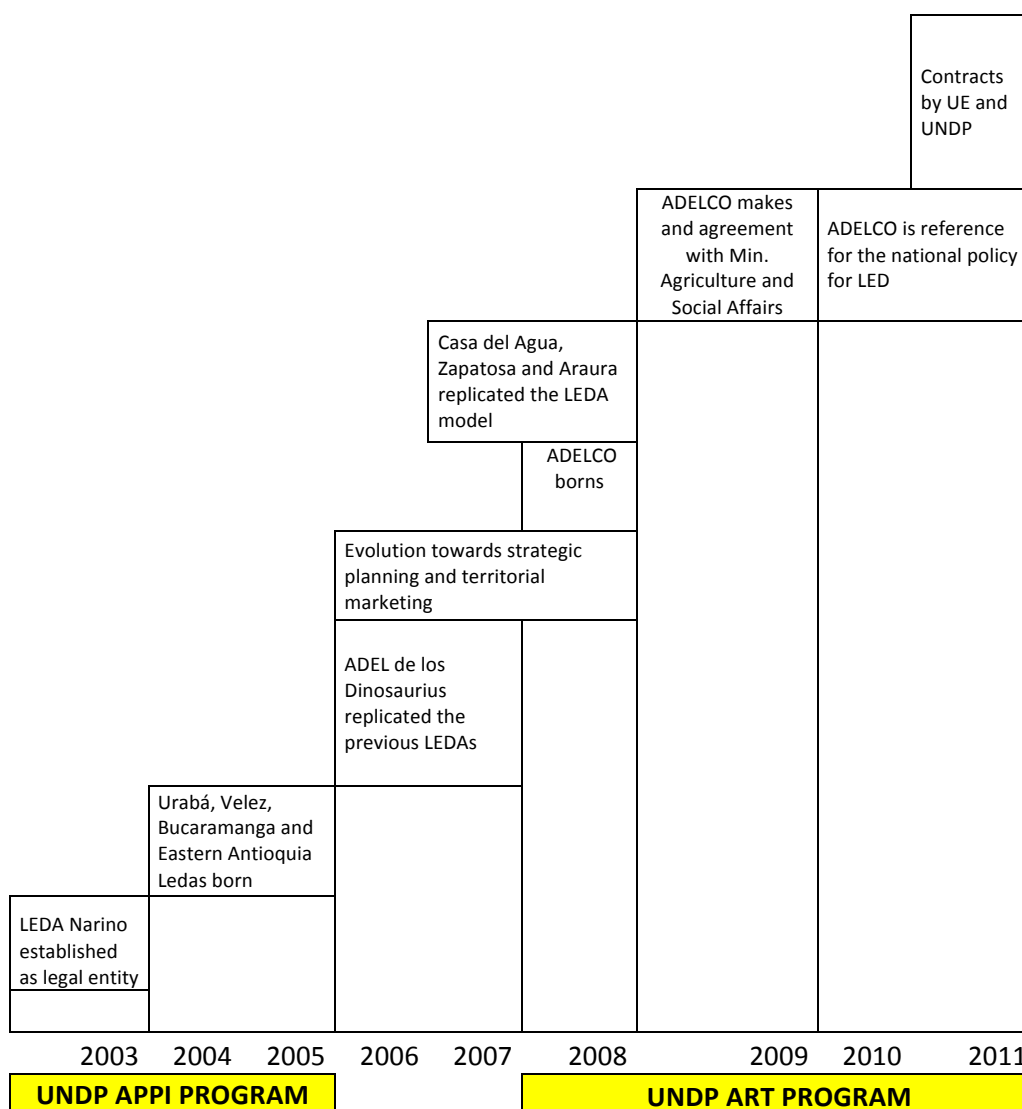
Surprisingly, OECD took our approach as reference for defining LEDAs (15,000 in the world, 500 in Europe, 65 in the ILS LEDA network), as a legal, none profit structures, generally owned by the public and private entities of the territory, which act as a mechanism through which "local actors plan and activate, in a shared way, initiatives for territorial economic development; identify the most convenient instruments for their realisation; and enhance a coherent system for their technical and financial support.

Some significant results of this experience are:

- Ownership
 - Impact, mainly in terms of employment, social inclusion, enterprises development, strategic plans' implementation, human capital improvement, and many other secondary indicators, such as innovation, finance channeling, international networking, impact on national policies, etc. A LEDA supports an average of 30 micro and small enterprise per year, and creates an average of 150-250 permanent jobs per year. The significant result relies on the stability of these jobs, due to a not random choice of the enterprise to be supported, rather those responding to the goals of the shared strategic planning, and to the value chain approach.
 - Investment/Job rate of 311 USD per job!, calculated on a period of 15 years
- 2) Financial facilities for disadvantaged people, such mainly local-managed Guarantee Funds
 - 3) Territorial marketing

The Case of Colombia: 10 years of LED increasing impact

Colombia has been an emblematic case, where from the first step consisting in establishing a Departmental Economic development Agency (2003), other 10 have been established in 7 years, a national association of LEDA also established, the recognition of the LEDA as reference for national plans achieved, up to the elaboration of a public policy for LED and LEDAs. UNDP has provided a relevant support to this history, thanks to two programs, such as PDHL (Program for human development at local level) from 2001 to 2005 and ART (Support of Territorial Networks) from 2008 to 2011, that has particularly improved the LEDA impacting capacities, strengthened their national association, and facilitated its relationships with national and international partners.



In the framework of APPI Program, the first Colombian LEDA was established as a legal entity in the department of Nariño in 2003.

In 2004 and 2005 four LEDAs were established in the subregion of Urabá Darien Caribe, in Vèlez Province, and in Eastern Antioquia.

From 2006 and 2008 - in the framework of UNDP ART Program - ADEL de los Dinosaurios (Alto Ricaurte and Chiquinquirá Province), Casa del Agua (North-Eastern Cauca), ADEL Zapatosa and Araura replicated the experience of previous LEDAs.

The new experiences have been strengthened by an evolution towards strategic planning and territorial marketing.

In 2008 was born ADELCO - National Network of Colombian LEDAs, and in 2009 it made an agreement with the Colombian Ministries of Agriculture and Social Affairs.

In 2010 and 2011 ADELCO is become a reference for governmental policy on LED at national level and in 2011 it obtained contracts by European Union and UNDP.