

MANAGING THE ECONOMY LOCALLY IN AFRICA

ECOLOC HANDBOOK

PLANNING THROUGH DIALOGUE

Volume 2

Édition 1

ECOLOC, a participatory approach
to local economic development



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Feedback

Feedback on this volume of the ECOLOC handbook is welcomed from interested parties. This is a field-testing version of the handbook and will be updated and reviewed on an on going basis. We will benefit from feedback which should be addressed to Mr François Yatta, LED Special Adviser MDP at fyatta@pdm-net.org.

Disclaimer

The usual disclaimer applies and any omissions and errors are the responsibility of the authors.

Foreword

Foreword by Jean-Pierre Mbassi, Secretary General of the Municipal Development Partnership

My message “we know that more and more African policy makers and practitioners will engage with local economic development to shape the future of their communities; the ECOLOC approach can help them in this essential endeavour

Throughout the continent, local governments are becoming key players in the development process of Africa. Among the missions African local governments should fulfil, local economic development appears as one of the most challenging. The challenge is that for a long time, LED was not a local government concern. Managing the economy was seen as national government business, and local governments paid little interest to it, unless when they faced problems of economic decline or jobs losses. The 20 year focus of African countries on structural adjustment policies did not help in bringing to the attention of decision-makers and practitioners the crucial role LED should have in the development strategies of African countries.

This situation is changing drastically. In fact, most of the decentralisation policies underway in the continent require that local governments elaborate and adopt local development plans. In some cases this is defined by legislation. Many of these local development plans have an LED dimension. But most of the local authorities do not know how to address this issue even though they consider it critical. The ECOLOC approach can be considered as a good response to the need for local authorities to have an appropriate LED tool for the African context.

The fundamental hypothesis of the ECOLOC approach is that the national economy comprises a set of local economies centred geographically on cities and towns with identifiable rural hinterland. The local economy is necessarily both urban and rural. It also shows that it is possible to analyse and describe how local economies function by identifying their main driving forces and interactions with the rest of the country and the world at large. The ECOLOC methodology reveals both the potential as well as the obstacles to the development of these local economies. It identifies how they can be revitalised in a sustainable manner. It allows understanding the roles of the various public and private, local and external stakeholders. The methodology clearly sets up conditions for more effective dialogue between these various stakeholders. By so doing, it assists the emergence of a coalition of interests towards the both the design and implementation of the LED strategy. This process clearly improves local governance and municipal management.

One of the key requirements of the ECOLOC approach is the application of the principle of “empowerment through knowledge”.

The ECOLOC approach has three core elements: first a study period lasting four to six months; this is linked into a consultation and policy dialogue phase of the same length. The implementation period for the local development and economic revitalisation strategy, which begins after the consultation phase, lasts for an indefinite period.

The **study phase** leads to the production of a set of coherent retrospective and prospective analysed data on the local economy, its actors, issues, and trends, expressed quantitatively (as urban-rural Social Accounting Matrices), qualitatively and spatially. The research is steered by an ECOLOC committee made up initially of the local mayor or mayors and local authorities, and a few economic agents or representatives of chambers of commerce, gradually extended to other stakeholders. The study phase ends with a public reporting-back of results in the presence of all stakeholders. The study phase formed the main focus on the first volume of the ECOLOC manual.

The **consultation and policy dialogue phase** starts as soon as possible during the study phase. It consists of a series of targeted consultations and negotiations under the auspices of each local authority with the participation of members of the study team and resource persons. The aim is to gradually construct a shared vision of how the local economy functions, its strengths and weaknesses as well as opportunities and threats. The aim is to reach, if not a broad consensus, at least a coalition of interests around a strategy for local development that will enable local institutions and stakeholders to direct and

control their own economic future. The policy dialogue phase culminates in a Local Forum where the Local Economic Development Strategy and Action Plan as well as the Local Economic Development Charter are endorsed. This dialogue phase forms the main focus of this second volume of the ECOLOC manual.

The **implementation phase** for the local economic development and revitalisation strategies concerns, first as individuals and then in partnership, every major decision-maker and group of local stakeholders: local authorities, administration and public services, professional organisations, business entrepreneurs, local and external partners. This phase may involve the creation of associations of municipalities to lobby the national authorities on common issues (such as improving the local network of markets) and, in the case of border municipalities, the creation of consultative bodies with the local authorities in neighbouring countries to discuss common issues, particularly regional planning and the encouragement of regional trade.

This manual provides a set of tools to conduct the dialogue process in the framework of the ECOLOC approach. It comprises five milestones as follows:

1. **Organising the effort:** deciding scope, setting up structures, planning the process, training of stakeholders
2. **Knowledge to vision to programs:** defining the vision, going from vision to goals and from goals and programs
3. **Programs to projects:** prioritising and selecting projects through dialogue processes
4. **LED strategy and Action Plan:** definition of the planning document and a charter, and ratification by a Public Forum
5. **Implementation and monitoring:** Developing systems to ensure momentum for the implementation of the strategy is maintained and that the strategy can be updated

The division between phases should be seen as incremental but as increasingly overlapping. This will call for a continuous revision of the Manual to get it more and more integrated, drawing from lessons drawn from the numerous ongoing ECOLOC processes in West and Central Africa.

This volume two of the handbook is a “field-testing” version. Given the variability of situations and contexts on the continent it is important the manual is tested in multiple environments. In the forthcoming months it will be tested and updates will be made available on line. We call for collaboration of all those interested to its improvement and we welcome your comments and inputs.

Thematic and conceptual work will continue and will be made available on the Internet as well, specifically on implementation and monitoring.

Contents

GLOSSARY	9
ABBREVIATIONS	11
TERMINOLOGY FROM PAST ECOLOC PROCESSES	13
INTRODUCTION	15
The ECOLOC program	15
The purpose and structure of this handbook	18
MILESTONE 1 : ORGANISING THE EFFORT	21
SECTION 1.1 LED & ECOLOC: PRINCIPLES AND PRACTICE	23
1.1.1. <i>What is Local Economic Development?</i>	23
1.1.2. <i>Informing the process: taking stock of knowledge</i>	26
1.1.3. <i>What is the LED Strategy and Action Plan?</i>	28
SECTION 1.2 DIALOGUE: PRINCIPLES AND PRACTICE	31
1.2.1. <i>ECOLOC Dialogue: What is it?</i>	31
1.2.2. <i>Who is involved in the dialogue?</i>	32
1.2.3. <i>Dialogue Addressing the practical challenges</i>	38
SECTION 1.3 STARTING THE PROCESS: KEY TASKS	45
1.3.1. <i>Deciding the scope of the ECOLOC process.</i>	45
1.3.2. <i>Identifying the stakeholders</i>	46
1.3.3. <i>Synthesising the knowledge: SWOT Analysis</i>	50
1.3.4. <i>Budget: Mobilisation And reality check</i>	51
1.3.5. <i>project selection and prioritisation processes.</i>	52
1.3.6. <i>Drafting the Schedule</i>	63
1.3.7. <i>Preparing the actors: capacity building</i>	65
MILESTONE 2 : KNOWLEDGE TO VISION TO PROGRAMS	67
SECTION 2.1 KNOWLEDGE TO PROGRAMS WORKSHOP	70
2.1.1. <i>SWOT Prioritisation.</i>	70
2.1.2. <i>SWOT to Vision</i>	75
2.1.3. <i>From Vision to Goals.</i>	76
2.1.4. <i>Agreeing project application, assessment and scoring</i>	78
2.1.5. <i>Forming the dialogue groups</i>	78

SECTION 2.2	VISIONIONING AND GOALS: DIALOGUE PROCESS	78
MILESTONE 3	PROGRAMS TO PROJECTS.	85
SECTION 3.1	PROGRAMS TO PROJECTS WORKSHOP.	87
3.1.1.	<i>Brainstorming and prioritisation tools</i>	87
SECTION 3.2	PROJECT PROPOSALS: DIALOGUE PROCESS.	94
SECTION 3.3	FINAL PROJECT SCORING	96
MILESTONE 4	LEDSAP FINALISATION AND RATIFICATION	101
SECTION 4.1	Finalisation of LED SAP	101
SECTION 4.2	Charta	105
SECTION 4.3	Ledsap ratification and forum.	105
MILESTONE 5	IMPLEMENTATION AND MONITORING	107
SECTION 5.1	Implementation	107
SECTION 5.2	Monitoring and evaluation	109
SECTION 5.3	Strategy Review	111
ANNEX:	Key Resources.	113

Boxes, practice tips, experience examples and fiches

Diagram 1:	Ecoloc Milestone Overview	17
Diagram 2:	Organising the Effort: overview of Milestone 1	22
Diagram 3:	Dialogue structures: purpose, roles, questions and challenges	33
Diagram 4:	Participation in ECOLOC: how, who and challenge 'red areas'	38
Diagram 5:	Milestone 2: Knowledge to Vision to Programs.	69
Diagram 6:	Prioritised SWOT to Vision Map	74
Diagram 7:	Vision to goals color coding	76
Diagram 8:	Vision to programs tree	77
Diagram 9:	Milestone 2: Knowledge to Vision Dialogue Process	80
Diagram 10:	Milestone 3: Programs to Projects overview	86
Diagram 11:	Vision to programs and projects brainstorming tree or map	91
Diagram 12:	Program to Projects brainstorming	92
Diagram 13:	Programs to projects prioritisation tree	93
Diagram 14:	Milestone 4 LEDSAP Ratification	119
Box 1.	Some Guiding Local Economic Development Principles.	23
Box 2.	Typical Program Types in LED Strategies	24
Box 3.	Some Important Categories of Data Collected in the ECOLOC Process.	27
Box 4.	Business Enabling Environment : Key Issues to Address	28
Box 5.	Local Economic Development Strategy and Action Plan: Key Components	29
Box 6.	SWOT Analysis for LED Key Components	50
Box 7.	Project and Prioritisation process IDEAS	59
Box 8.	ECOLOC schedule: a rough guide to timing	63
Box 9.	Sample Training Programme.	65
Box 10.	Suggested Schedule for knowledge to programs Workshop	71
Box 11.	Suggested Schedule for 2 day Programs to projects Workshop.	88
Box 12.	Proposed Outline for ECOLOC Local Economic Development Strategy and Action Plan	102
Box 13.	Step by step design and suggestions on how to write and design the Local Economic Development Strategy and Action Plan	103
Box 14.	Differences Between Monitoring and Evaluation.	110
Practical Tips 1:	Examples of hard and soft infrastructure Investment	25
Practical Tips 2:	Examples of integrated and inclusive programs and projects	25
Practical Tips 3:	Example of community projects in ECOLOC: Koutiala, mali	26
Practical Tips 4:	ECOLOC Committee	34
Practical Tips 5:	Dialogue groups	36
Practical Tips 6:	Technical and Moderation Support Team	37
Practical Tips 7:	Reaching consensus and conflict resolution.	39
Practical Tips 8:	Options and considerations in designing group activities	40

Practical Tips 9:	Inclusive representation	41
Practical Tips 10:	Meaningful consultation.....	42
Practical Tips 11:	Accessible dissemination.....	43
Practical Tips 12:	Building networks	44
Practical Tips 13:	Monitoring the dialogue.....	44
Practical Tips 14:	Identifying linkages and DEciding scope	45
Practical Tips 15:	Sample Eligibility/Gateway Criteria	53
Practical Tips 16:	Considerations in Drafting a schedule	63
Practical Tips 17:	Combining different forms of training	66
Practical Tips 18:	Prioritising the swot: suggested process	72
Practical Tips 19:	Examples of visions from international experience	75
Practical Tips 20:	Developing visions: SWOT to Vision mapping.....	75
Practical Tips 21:	Key Issues in Implementing the LED Strategy	107
Practical Tips 22:	Example of Events to Measure Project Progress.....	112
Practical Tips 23:	Issues to Include in the Revision of the LED Strategy.....	112
Fiche 1:	Stakeholder Analysis.....	47
Fiche 2:	Institutional Matrix	48
Fiche 3:	Representation checklist	49
Fiche 4:	Project Application Form/Action Plan – Model Form.....	54
Fiche 5:	More Complex Project Application Form	57
Fiche 6:	An Example of a project scoring methodology	61
Fiche 7:	SWOT Analysis Matrix	72
Fiche 8:	Vision to projects matrix	89
Fiche 9:	Strategy Implementation Plan: Model Framework	97
Project Scoring Basics		69
Experience example 1: ECOLOC Committee		34
Experience example 2: Dialogue Groups in Segou and Kaya.....		35
Experience example 3: Project Application Form/Action Plan – Completed Form as submitted by an Eastern European City.....		55
Experience example 4: An example of project prioritisation methodology from a city in Albania		62
Experience example 5: Prioritised SWOT Matrix.....		73
Experience example 6: Developing the vision in Segou.....		81
Experience example 7: Developing the vision: Bobo.....		82
Experience example 8: Developing the vision : Kaya		83
Experience example 9: Vision to projects matrix.....		90
Experience example 10: Programs to projects : Segou		95
Experience example 11: Programs to projects : Kaya		96
Experience example 12: Programs to projects: Bobo Dioulasso.....		98
Experience example 13: Strategy Implementation Plan: Sample Adapted by an Albanian City		99
Experience example 14: Development and adoption of the charta in Bobo.....		105
Experience example 15: Ratification forum : Segou		106
Experience example 16: Ratification forum: Bobo		106
Experience example 17: Project implementation Bobo		108

Glossary

Brownfields:	This is a general term used for sites that have been developed in the past that may or may not be contaminated and are no longer in economic use. Sustainable economic development strategies encourage the productive reuse of these sites.
CHARTA:	A short document which outlines the main elements of the public agreement on long-term vision for the development of the city and its area action plans and reforms to be implemented in the medium term conforming with this vision; concrete projects which enable the aims of the local stakeholders to be realised; the commitment of the various stakeholders to the implementation of these programs and projects.
Clusters:	An industry cluster is a grouping of related industries and institutions in an area or region. The industries are inter-linked and connected in many different ways. Some firms in the cluster will be suppliers to others; some will be buyers from others; some will share labour or resources. The important thing about a cluster is that the industries and businesses within the cluster are economically linked. They both collaborate and compete, and are, to some degree, dependant upon each other. Ideally, synergies are produced by these clusters.
Community Chest:	A special fund which may be allocated to community projects.
Community Projects:	Projects identified as necessary and feasible in the course of ECOLOC dialogue but which are not central to the ECOLOC focus on the main axes of development. These may be small projects to be implemented by the community or large projects which are the responsibility of other government departments or donors.
Dialogue:	Discussion and negotiation of the ECOLOC vision, goals, programmes and projects through representative structures (ECOLOC Committee, dialogue groups and municipal council) and community consultation (in civil society organisations and targeted focus groups).
Dialogue groups:	Groups of resource persons who facilitate and conduct in-depth discussion of the goals, programs and projects.
ECOLOC Committee:	An advisory body of about 20-30 representatives of key local organisations and stakeholders. This also includes members of the Municipal Council.
Evaluation:	Evaluation involves a 'stepping back' to gain a deeper perspective on what effects and impacts have been achieved.
Goals (in French "ambitions"):	Goals are extracted from the overall vision. They specify desired outcomes. Goals are much more concrete than a vision statement, and should be directly related to the findings from the local economy assessment. Good practice indicates that in selecting goals, a manageable number is usually no more than five. In keeping with the ECOLOC vision, one of these ideally should address the local Business Enabling Environment and one inclusion.
Greenfields:	Refers to land that has not yet been built upon.
Foreign Direct Investment (FDI):	Investment that is attracted from abroad. It can mean either Greenfield investment (i.e. investment in building new facilities on hitherto undeveloped sites) or portfolio investment (i.e. buying into an established business) or Brownfield investment (investing in land that has already been used).
Hard Infrastructure:	This includes all the tangible physical assets that contribute to the economy of a city\region. For example, transport infrastructure (roads, railways, ports and airports), industrial and commercial buildings, water, waste disposal, energy, telecommunications etc.
Indicators:	Proxy measures to provide operational definitions to the multidimensional components of LED. Indicators are expected to serve the function of defining policy problems and informing policy formulation. They should provide a basis for policy discussion and planning.
Inputs:	Measures of costs, staff, material and equipment required to implement a project.

Inward Investment:	Similar to foreign direct investment but attracted from within the country
Key Performance Indicators:	Proxy measures to provide operational definitions to the multidimensional components of LED. Indicators are expected to serve the function of defining policy problems and informing policy formulation. They should provide a basis for policy discussion and planning
Monitoring:	A continuous process of collecting and analyzing data to compare how well a project, program or policy is being implemented against expected results.
Moderator:	In French the term used is Mediator.
Objectives:	Objectives establish measurable targets for activities. Best practice suggests that objectives should be SMART, which is that they should be Specific, Measurable, Agreed, Realistic and Time-bound.
Outcome:	Outcomes refer to the wider changes in the social, economic and physical environment in a target area that are attributable to the intervention. For example: the incidence of limiting long-term illness, or the employment rate.
Output:	Outputs quantify what is done in the name of a project (e.g. provision of training places) and the direct benefit from that intervention (e.g. trainees gaining qualifications). More sophisticated monitoring and evaluation frameworks distinguish between what is done, the direct benefits and their ultimate impact.
Programs:	Programs are individual elements contributing to each goal and usually have a number of individual interrelated projects within them.
Projects:	Projects implement specific program components. They must time-bound, be prioritized and costs (capital and operational) need to be established.
Red Tape:	A generic word used for all the procedures (registration, reporting, zoning and licensing) that businesses need to undertake in order to function.
Soft Infrastructure:	Soft infrastructure relates to the less tangible aspects of LED such as education and training provision, quality of life infrastructure such as park, leisure and library services, housing, business support, business networking and financing services etc.
Stakeholder:	Those people who have an interest in, or are affected by, a particular process, program or project.
Stakeholder analysis:	Identifying stakeholder groups of people with common interests or experience. When used for planning stakeholder analysis commonly identifies three main types of stakeholder: knowledgeable stakeholders or resource persons, powerful stakeholders or community leaders whose support may be needed and affected or vulnerable stakeholders whose interests should be taken into account.
SWOT:	Strengths (local assets); Weaknesses (obstacles to growth); Opportunities (favourable exogenous [external] conditions and Threats (unfavourable exogenous [external] trends and conditions
Technical Support and Moderation Team (TSMT):	The team members normally include consultants as well as technical experts from within municipalities and elsewhere if possible.
Vision:	The vision is a description of the stakeholders' preferred economic future for the community, that is, where the city\region, town or community wishes to be in the future (in the ECOLOC Case 20-25 years).

Abbreviations

ECOLOC	Managing the Economy Locally
FDI	Foreign Direct Investment
KPI	Key Performance Indicators
LED	Local Economic Development
LEDSAP	Local Economic Development Strategy and Action Plan
SMART	Specific, Measurable, Achievable, Relevant and Time-bound
SWOT	Strengths, Weaknesses, Opportunities and Threats
TSMT	Technical Support and Moderation Team
WALTPS	West African Long Term Perspective Study

Terminology from ecoloc processes

CRDE: Frame of Reference for Local Economic Development (Cadre de Reference pour le economic developpement local) strategic document containing the vision, goals and objectives.

Livre Blanc (White Paper): Outcomes from the community consultations and portfolio of proposed projects which then feeds into the PPDEL.

PPDEL: Local Economic Development Plan (Plan Programme de Developpement Economique Locale) Final operational document from the process containing the PPPT, PIP, PEP, PAF, PRM and PPR.

PPDT: Plan for Spatial Development (Le Plan Programme de Développement Territorial) Component of the PPDEL which defined the management and development of physical space in the local development framework.

PEP: Maintenance Plan (Le Programme d'Entretien Prioritaire) Component of the PPDEL which analysed the maintenance costs of existing and proposed local infrastructure for local development.

PIP: Priority Investment Program (Le Programme d'Investissement Prioritaire) Component of the PPDEL which defines the actions and investments to be implemented in order to resolve the priority problems of local development.

PAF or PMR: Fiscal Adjustment Plan or Programme for Mobilisation of Financial Resources (Le Programme d'Ajustement de la Fiscalite or Programme de Mobilisation des Ressources financiers) Component of the PPDEL which identified the procedures to be put in place in order to increase the municipal revenue in order to support municipal expenditure, investments and maintenance.

PRM: Programme for Reform of Municipal Management (Le Programme de Réforme et de Management Municipal) Component of the PPDEL which specify the objectives, tasks and role of each actor, as well as the procedures to put in place in municipal management to launch the economic development process.

PPR: Portfolio of Projects for Economic Revival (Le Portefeuille de Projets de Relance Economique) Component of the PPDEL which contains the portfolio of projects of local economic operators which will contribute to economic development.

Introduction

The ECOLOC program

The ECOLOC approach is based on a number of guiding principles derived from the findings of the West African Long Term Perspective Study (WALTPS) carried out by the Club du Sahel with support from a number of African states and donors (Jean-Marie Cour).¹

ECOLOC also adopts global good practice in local economic development (LED) strategic planning and citizen engagement. It is based on a 20-25 year vision and consists of three dimensions which feed into and mutually reinforce each other:

- *Understanding the local economic and social context of the target city and region*
- *Stakeholder dialogue to design and agree a LED Strategy and Action Plan*
- *Strategy implementation, improvements in municipal finance and management and monitoring the whole process*

The ECOLOC programme was launched in 1997 with an experimental phase comprising eight secondary towns in West Africa:

- Bobo Dioulasso and Kaya in Burkina Faso
- Daloa, Korhogo and San Pedro in Ivory Coast
- Segou and Sikasso in Mali,
- Saint Louis in Senegal.

This experimental phase was used to make sure it was possible to develop a comprehensive understanding and measurement of the economies of secondary cities and their regions in West and Central Africa. These experiments show that, using the ECOLOC methodology it is possible to measure and understand these local economies as well as long term changes that affect them. The experiments also identified that there are a number of local levers which would enable local operations and officials to monitor the long term social and economic future of their locality and its hinterland. This was necessary in order to design appropriate local economic development strategies that would exploit the advantages and opportunities of each locality whilst addressing weaknesses and to a certain extent threats.

Since this first experimental phase, the ECOLOC programme has been applied to ten secondary cities and their hinterlands in West Africa:

- Bondouckou and Odienné in Ivory Coast
- Koudougou, Banfora, Ouahigouya, Tenkodogo, Dédougou, Dori, & Ziniaré - Burkina Faso
- Koutiala in Mali.

1. This analysis is based on a number of assumptions: A national economy can be perceived as a collection of local economies developing around urban centres that extend their influence over mostly rural hinterlands; Urban areas account for a growing share of economic activity; The urban economy will long exhibit a sharp duality between the modern and informal sectors; Urban markets drive patterns of agricultural change.

ECOLOC process

The main purpose of the ECOLOC process is to improve the local economy. It does this through developing and then implementing Local Economic Development Strategy and Action Plans (LEDSAP), in five year cycles. The LEDSAP includes a balanced portfolio of feasible projects which contribute to a widely agreed 20-25 year vision and strategy for the city and its hinterland.

This involves a number of stages or 'Milestones' indicated in Diagram 1:

- A preparatory **research stage** that develops an understanding of the local economy.
- **Milestone 1: Organising the Effort: *setting up the institutional structure*** for the process of designing and implementing the LEDSAP.
- **Milestone 2: Knowledge to Vision to Programs:** agreeing a ***vision, goals and objectives*** based on the analysis from the earlier research and dialogue and beginning of discussion of programs and projects.
- **Milestone 3: Programs to Projects:** building on discussions in Milestone 2 to design a ***coherent and prioritised set of programs and projects*** based on the vision, goals and objectives. This includes supporting programs to improve both ***municipal finances and municipal management***.
- **Milestone 4: LED Strategy and Action Plan (LEDSAP) Ratification:** agreeing the LEDSAP together with annual (or multi-annual, where circumstances allow) implementation plans and individual project action plans for the strategy ratified by the Municipal Council. Once the LEDSAP is agreed it is adopted in a local ***Charter*** and presented to the community in some sort of public event or ***community forum***.
- **Milestone 5: Implementation and Monitoring:** implementation of the LEDSAP and monitoring, reviewing and finally evaluating the LEDSAP.

One of the distinctive features of the ECOLOC approach to LED is its emphasis on the preparatory research process. This provides detailed quantitative and qualitative knowledge on the local economic, spatial, social and institutional environment that collectively inform decisions at all stages and levels. Much of this research is done immediately prior to the first stage of the strategy design and dialogue process, organising the effort. A full account of the research process used by ECOLOC can be found in Part 1 of this Handbook.²

A second distinctive feature of ECOLOC is its spatial scale. It carefully addresses the functional economic space of a city and its rural hinterland, which means that it takes both the urban space and its surrounding rural space as the unit of analysis. It clearly addresses urban and rural linkages, essential in designing city regional economic development strategies. This spatial scale is recognized internationally as an appropriate scale in which to address sub-national economic development.

The third distinctive feature of ECOLOC is its scope. Whilst the aim is to improve the local economy, it interprets this very broadly. Whilst projects to support improvements in the local economy form the major part of ECOLOC strategies, environmental and social projects are also included, especially where there are potential economic gains for the city and its hinterland.

A final distinctive feature of the ECOLOC approach is its commitment to local accountability. The aim is:

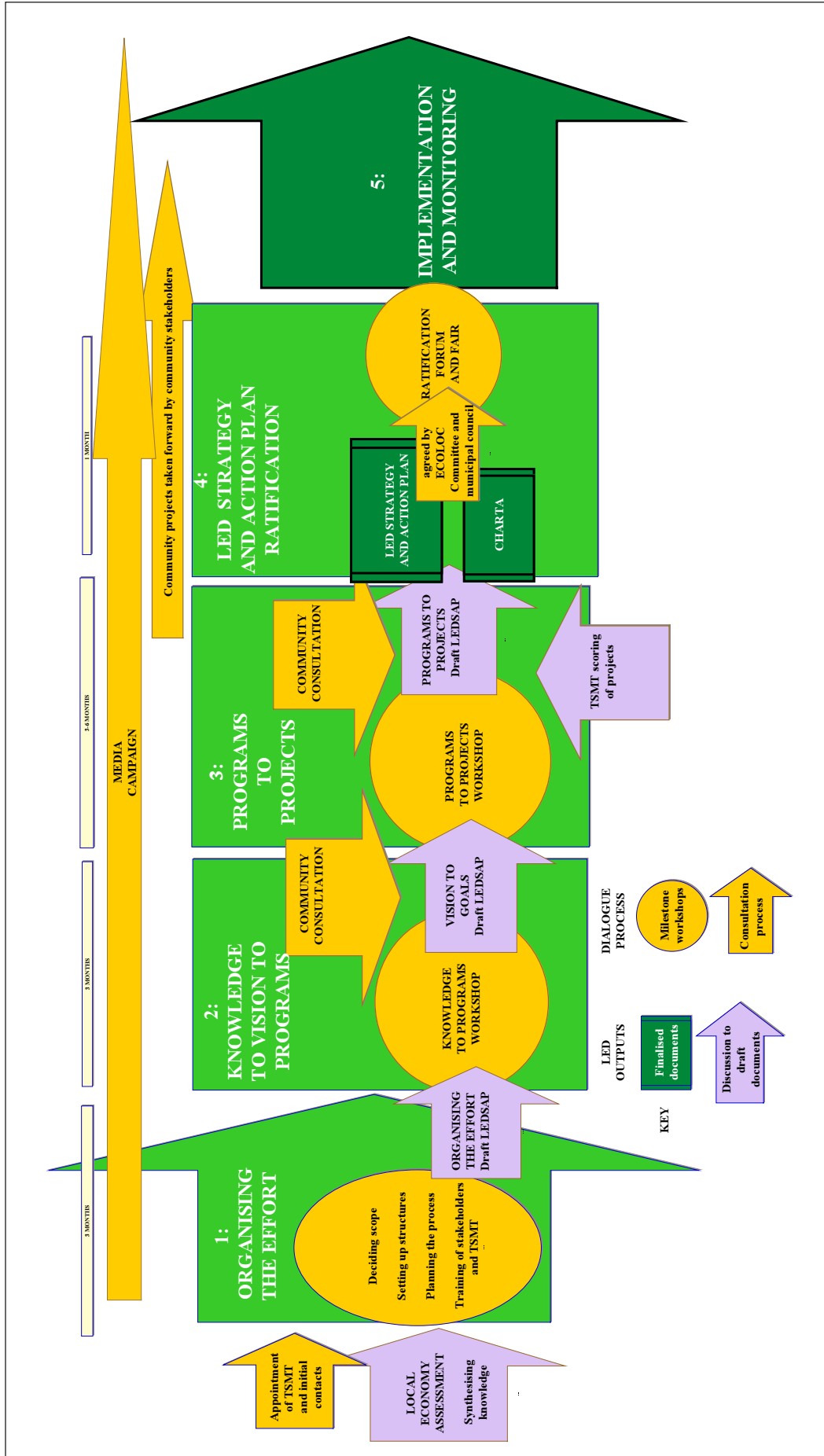
- To benefit from the full skills, knowledge and resources from many different sections of the community in both designing and implementing the strategy.
- To have open, fair and transparent decision-making
- To build local capacities, networks and structures to ensure sustainability.

ECOLOC therefore facilitates a carefully planned dialogue process involving the following actors:

- ***Municipal Council(s)***: the main decision-making and implementation body.
- ***ECOLOC Committee***: an advisory body of about 15-20 representatives of the main local orga-

2. Details can be found at www.oecd.org search ECOLOC

Diagram 1 : ECOLOC Milestone Overview



nisations, other key local stakeholders, this also includes members of the Municipal Council(s) and the hinterland's community and local governments.

- **Dialogue groups:** groups formed to support each goal and they develop ideas, elaborate and discuss projects relating to the main goals and programme areas identified. The dialogue groups also act as a lobbying group with the ECOLOC Committee to promote programs and projects within their identified goals.
- **Local communities** are consulted through their various organisations, supplemented where relevant by focus groups. This process is decided locally according to good practice, local norms and context and capacity to conduct the consultation.

These four different structures ensure that all possible resources can be brought to bear on the programme. They allow views of different sections of the community, including formal and informal sectors, civil society, academics and the public sector to inform the process.

The whole process is supported and advised by a **technical support and moderation team (TSMT)** composed of municipal staff, consultants and others as considered appropriate to local circumstances.

The dialogue is achieved through sequencing a number of activities in each milestone:

- **Effective, transparent and representative 'decision points' or 'Milestone workshops':** the main planning fora bringing together the key stakeholders involved in that particular milestone. Here the findings and outputs from previous activities and milestones are presented and agreed, followed by first discussions of issues and tasks the current milestone. These workshops are supplemented by regular meetings of the different dialog structures: Municipal Council, ECOLOC Committee and dialogue groups.
- **Inclusive community consultation:** these workshops are followed by a locally decided process of community consultation whereby those present at these workshops then feed back information and develop ideas with their various constituencies and communities. The outcomes of these consultations are then fed back to the regular meetings of the relevant dialog structures.
- **Capacity Building processes:** According to local needs and resources, capacity building and networking opportunities are put in place to enable effective dialogue and decision making.
- **Media Campaign:** Again, according to local priorities and norms, a media campaign is implemented throughout the process to ensure transparency.
- **Progressive development of draft Chapters for the LEDSAF:** After each Milestone workshop the Technical and Mediation Support Team (TSMT) prepares a document based on the discussions. This then forms the respective chapter of the LEDSAF. In this way the LEDSAF is built up cumulatively through the process and should need minimal revision to tie the various parts together at the end.

The outcomes of the dialogue in each Milestone are then confirmed by the ECOLOC Committees and Municipal Councils according to local circumstances.

The purpose and structure of this handbook

This volume comprises Part 2 of the ECOLOC Handbook. Part 1 addressed the research and data analysis work. This volume addresses the development of the ECOLOC strategy and the related dialogue process. It is designed for facilitators of the ECOLOC process, key actors in the Technical Support and Mediation Team, ECOLOC Committees and dialogue groups.

This Handbook is a step by step guide through each of the five milestones of the ECOLOC strategy design process, describing in detail each Milestone. It incorporates experiences from a number of established ECOLOC processes, particularly Bobo Dioulasso, Kaya, Koudougou and Dedougou in Burkina Faso and Segou, Koutiala and Sikasso in Mali. It also introduces new concepts and international experience in local economic development. Each 'Milestone' chapter contains diagrams of the process, sample fiches which are the main components that form the LEDSAF, summary boxes of the main issues, practical tips and experience examples.

This volume, Part 2 of the ECOLOC Handbook, starts from the point where the research has already been undertaken. For this part of the handbook we assume that detailed research reports have been written, summarized and consolidated into a short report. Individual draft SWOT analyses will have been prepared for each research report, and they too will have been consolidated into a 'meta' SWOT matrix by consultants and local actors.³ These then form a chapter in the final strategy document called "The Local Economy Assessment". This Local Economy Assessment will be the basis upon which the visioning process occurs.

Milestone 1: Organising the Effort gives an overview of the elements of the LED planning and dialogue needing to be understood from the beginning of the process and the tasks involved in setting up the institutional structures and process.

Milestone 2: From Knowledge to Vision to Programs gives details of the Knowledge to Programs Workshop and the tools used and the subsequent dialogue process.

Milestone 3: From Programs to Projects gives details of the Programs to Projects Workshop, tools used, and the dialogue process to develop the project proposals including the scoring process.

Milestone 4: LEDSAP Ratification gives a detailed account of the contents of the final LEDSAP document, Charta and suggestions for the community fair.

Milestone 5: Monitoring and Evaluation gives initial suggestions related to implementation, monitoring and evaluation are raised in this part of the handbook but will be more fully elaborated in a future Part 3 of the ECOLOC Handbook.

3. For a full understanding of the research program readers are referred to Part 1 (volume 1) of the ECOLOC process. www.oecd.org Search ECOLOC



Milestone 1 : organising the effort

OVERVIEW

Time schedule: 3-4 months

Process:

This Milestone is concerned with planning the organization of the whole process:

- 1– Planning the design and development of the local economic development strategy and action plan, the LED SAP: clarifying exactly what is required and how each of the Milestone stages can feed into this in an effective manner.
- 2– Organising and planning the dialogue process: which stakeholders will be involved, who does what, where and when.
- 3– Establishing the local scope of ECOLOC and how ECOLOC may relate to other development processes going on in the city and its hinterland.
- 4– Setting up the institutional structures forming the ECOLOC Committee, formalizing the appointing the TSMT, starting the media campaign and drafting LED SAP Chapter 1 (Organising the Effort)
- 5– Synthesising the knowledge: validating Chapter 2 (the Local Economy Assessment, including SWOT) of LED Strategy and Action Plan by TSMT.
- 6– Starting to understand the resource envelope for the strategy
- 7– Agreeing project selection and prioritisation criteria and processes
- 8– Designing the schedule
- 9– Training the main actors: the TSMT, Municipal Council and ECOLOC Committee.

Inputs

In what follows it is assumed that the extensive quantitative data and qualitative data on the economic, spatial, institutional and social context have been researched, gathered analysed, documented in the Local Economy Assessment and validated as described in ECOLOC Handbook Part 1. It is assumed that the Mayor(s) and Municipal Council(s) are by now fully supportive of the process and that at least some of the main stakeholders have already been contacted and involved in the research. In some ECOLOC processes the ECOLOC Committee would have been formed already, at least in nucleus, during the preparatory (research) period. Where this occurs there is enhanced continuity between the research and dialogue periods. The other main local development actors will also have been identified.

Main outputs:

- Institutional context matrix and list of stakeholders to be involved
- Formation and/or formalisation of ECOLOC Committee
- Appointment of TSMT to facilitate the dialogue
- Draft Chapter 1 of the LED SAP (Organising the Effort)⁴

4. It is important that this is drafted at this stage, as this will enable everyone to understand how the process is going to take place and who is involved. It will need to be adapted in Milestone 4 to take account of what actually happened.

- Validation of Chapter 2 of LED Strategy and Action Plan (Local Economy Assessment with included SWOT analyses)
- A perspective on the financial envelope for implementing the strategy, or at least an understanding of how this will be addressed in the process?
- Provisional schedule for the process
- Training of key actors

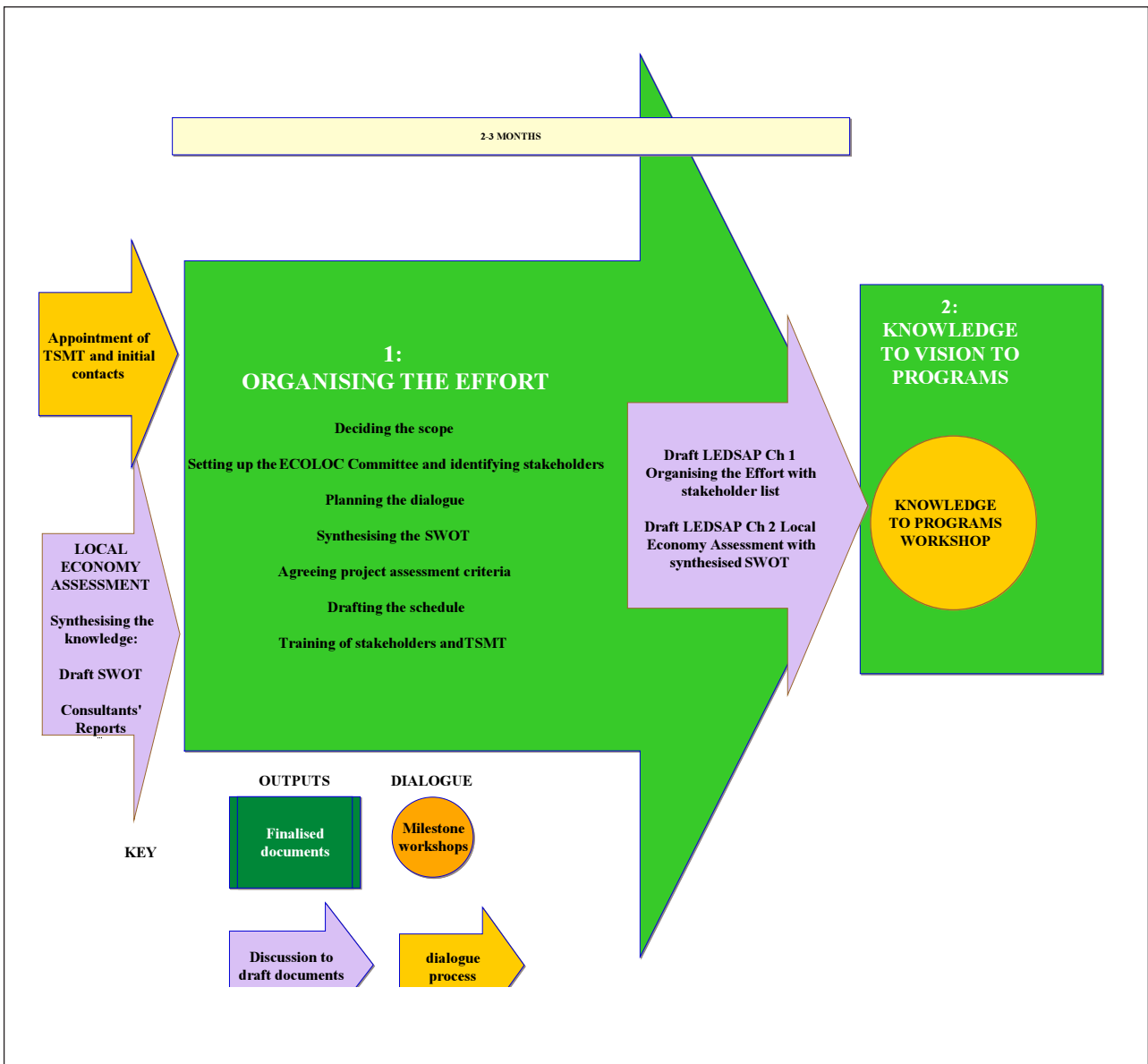
This chapter is divided into three key sections

1.1. An introduction to guiding principles and practice in International and ECOLOC approaches to LED which underpins the LED planning process.

1.2. An overview of the different structures involved in ECOLOC dialogue process and some practical tips on dialogue facilitation which guides the dialogue.

1.3. An overview of the different tasks in Organising the Effort at the beginning of the process.

Diagram 2 : Organising the Effort: overview of Milestone 1



1.1.1. What is Local Economic Development?

Introduction

The economic success of communities today depends upon them being able to adapt to the fast changing local, national and international market environment. To respond to these changing conditions strategically planned local economic development is increasingly being used as in this ECOLOC process. There are many definitions of LED but they all very similar, just to give one example:

*The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and to improve the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation.*⁵

The ECOLOC definition is more specific as it is adapted to the West African context:

The purpose of LED for ECOLOC is to accelerate the transition from the informal to the formal market economy. This is achieved through sound analysis, visioning, careful strategic planning and resource mobilization. It is lead by local government in partnership with the private sector and community stakeholders.

As is clearly recognized in the ECOLOC process, building a strong local economy requires that each community undertakes a collaborative, strategically planned process to understand, and then act upon, its own strengths, weaknesses, opportunities and threats. This process identifies ways in which local areas can become more attractive to business, workers and supporting institutions.⁶ International experience indicates that the most effective LED follows a number of ECOLOC main guiding principles (See Box 1) which are then tailored to local conditions.

Box 1. ECOLOC LED GUIDING PRINCIPLES

1. LED long term visions are based on sound demographic and economic data and projections.
2. LED strategies are based on sound spatial analysis to take advantage of urban and rural linkages.
3. LED strategies identify levers to accelerate the transition from informal to formal market economies.
4. LED strategies discover competitive advantages to position the local economy in national, regional and international markets.
5. LED strategies improve the local business enabling environment.
6. LED strategies are driven by local government through enhanced municipal management and information systems.
7. LED strategies overcome capacity constraints through public, private and community partnerships.
8. LED strategies are based upon an elaborate social dialogue.
9. LED strategies comprise a balanced portfolio of short, medium & long term projects, both hard & soft infrastructure as well as inexpensive and more expensive projects.
10. LED strategies engage stakeholders to mobilise additional local resources and taxes for implementing programs.

5. Swinburn et al. LED Primer 2006.

6. This Manual draws heavily from a recent DFID funded LED Knowledge development and capacity building programme, based in the World Bank. The knowledge resource found at www.worldbank.org/urban/led reflects a wide range of experiences and knowledge resources, as well as pilot programs, undertaken by a wide range of donors and NGOs experience in LED Strategic Planning. With permission this Manual has extracted and adapted from Swinburn et al. 2006 'LED Primer' and Swinburn 2006 'LED Quick Reference Guide'.

ECOLOC, in common with the guiding principles of LED goes beyond the narrow interests of particular economic sectors or economic clusters to address the fundamental foundations for economic success through:

- Broad-based business enabling environment improvements
- Programs to enable a more inclusive, better performing economy.
- Municipal finance and management strategies and actions to enable success.

This means that sectoral and cluster programs form only part of a broader programme portfolio to strengthen the local economy through promoting an enabling environment for business as a whole. It will be important, in facilitating the process, to encourage project proposals for a range of programme types and that address the needs of different sections of not only of the formal, but also the informal, economy (See Box 2).

Success is unlikely to occur without the strengthening of local government management and financial systems (both capital investment planning as well as operational spending). It is therefore a key ECOLOC priority to position local governments to both act in a leadership and enabling role in this process. All ECOLOC strategies necessarily include specific measures to improve municipal finance and municipal management.

Box 2. TYPICAL PROGRAM TYPES IN LED STRATEGIES⁷	
Broad based business enabling environment improvements	<ul style="list-style-type: none"> • Improving the local business investment climate • Investment in hard strategic infrastructure • Investment in sites and premises for business • Investment in soft infrastructure: training, environmental management
Programs aimed at business growth and development	<ul style="list-style-type: none"> • Encouraging growth of already established local businesses • Encouraging new enterprise and innovation • Promoting inward investment
Targeted strategies	<ul style="list-style-type: none"> • Sector and business cluster development • Area targeting/regeneration strategies • Strategies targeting vulnerable or disadvantaged population groups

Encouraging a balance of project types

All LED strategies seek to achieve a balance of project types as calibrated for each community. The ECOLOC process helps communities balance between these choices. Some of these difficult balancing choices need to be made between:

- Hard and Soft Infrastructure projects: In essence hard infrastructure investment is investment in tangible goods, mainly capital projects, investing in things you can see and touch. Soft infrastructure investment is about investing in less tangible goods, such as investing in people, knowledge development, business networks, not physical investments normally (see practical Tips 1).
- Projects supporting public economic infrastructure versus projects subsidizing support to individual businesses⁸.

7 . For a fuller listing of the types of projects in each of these categories please refer to the LED Primer Swinburn et al 2006.

8. The terminology for supporting private projects needs to be clearly stated here. Where money or goods in kind (for example public land) is transferred directly to a private business, this is a private project. Where, for example, a road is built to a new manufacturing facility for example, then this is not normally counted as a private sector project, rather it is enabling private sector investment. The road remains a public good and in public ownership so it is a public project.

- Projects supporting formal and informal businesses
- Long, medium and short term projects
- Lower priority projects that may have access to funding versus higher priority projects with no resource envelope.

Practical Tips 1: HARD & SOFT INFRASTRUCTURE PROJECTS

Hard infrastructure project examples

- Transport infrastructure: Roads, railways, port and public transport facilities, e.g. bus terminals
- Business site preparation and business premises for example constructing a market
- Area development e.g. improving the built environment of a town centre or industrial area
- Building an abattoir

Soft infrastructure project examples

- Vocational and skills building programs
- Supporting the development of business networks and associations
- Business advisory and development services
- Programs to reduce the burden of business regulation “red-tape” reduction programs
- Programs to help the unemployed to access work (e.g. interview skills, literacy training)
- Red Tape reduction programmes

The ECOLOC process is first and foremost a **local economic development programme** which aims to increase sustainable local economic growth. Its focus is to establish and implement strategies that will result in a better business enabling environment within which businesses, informal and formal can flourish. However it is recognised that issues such as environment and health are also important in creating an environment conducive for private investment. For example a tourism programme is unlikely to be successful if the city/region has an unattractive and polluted environment and tourists think they are likely to get sick. It is therefore appropriate to include projects addressing the environment and health issues insofar as they contribute to the economic strategy.

ECOLOC also aims to be inclusive, therefore strategies will include projects addressing the needs of both formal and informal sectors, thus reaching and benefiting poor as well as better-off. Gender issues are likely to be important in every strategy because women, particularly in West and Central Africa, form such a large proportion of the informal economy and agricultural sector. Attention to the needs of youth is also likely to be important to take advantage of their generally higher levels of education and potential in spearheading innovation. There are many ways in which both integrated development and inclusion can be directly addressed through ECOLOC, see Practical Tips 2.

Practical Tips 2: INTEGRATED, INCLUSIVE PROJECT EXAMPLES

Integrated programs and projects

- Waste management businesses that create employment for disadvantaged groups as well as make a cleaner environment to improve the general physical environment for business and tourism
- Agriculture or livestock modernisation programs which include health and safety provision for workers and/or pollution reduction and environmental protection
- Tourism programs that include waste management and primary health care in order to attract visitors as well as benefit the local population

Inclusive programs and projects

- Training programme for the unemployed/youth/women in new technologies (targeted)
- Abattoir project which includes provision for livestock normally owned by women
- Modernisation of agriculture programme which also includes projects in female areas of activity like food processing, horticulture

Community projects

ECOLOC may also provide a forum for the discussion of some projects which, whilst not the 'core business' of ECOLOC, are identified by stakeholders as important for economic development. It may be decided that ECOLOC institutions cannot, within the capacities and resources available, organize, fund, implement, monitor and evaluate these projects. However such projects can be implemented by local actors: local government and/or the private sector (formal and informal) and/or the community, in its broadest sense. In some cases the project ideas, large or small, will concern different local and national government departments. These will require lobbying relevant agencies based on networking between the different project sponsors. The smaller project ideas could be developed into a 'Community Chest' of economic and social projects for which a separate budget could be identified as is the case in some LED processes in OECD countries and elsewhere.⁹ Such a Community Chest may be of particular interest to donors (especially if there are projects that respond to donor as well as local priorities (such as gender or youth projects) as donors will rightly see that these projects as being demand led and associated with a broader strategic planning process. This then is a potentially "win-win" situation, for the community, for donors and for ECOLOC itself there are positive externalities through broadening the potential impact of the process and hence local commitment to the effort as a whole.

Practical Tips 3: COMMUNITY PROJECTS KOUTIALA, MALI

ECOLOC has led to identification of many problems at community level in Koutiala. Even during the research process some of the problems have been addressed through community initiatives. In particular a series of competitions in schools and neighbourhoods around environment and waste management were started at minimal cost. Competition between schools and neighbourhoods for small prizes succeeded in clearing most of the waste, plastic bags and so on from the City\region and even starting groups which were responsible for ensuring this is maintained in future. A clean city\region is attractive for citizens and investors alike.

1.1.2. Taking stock of knowledge

Once there is a broad understanding about what LED is and the range of initiatives that can be addressed through the process, the next step is to understand as much as possible about the local economy. Knowing the context of the local economy is crucial to help the stakeholders strategize for the future. The ECOLOC process rightly recognizes that the analytical boundaries of the local economy assessment should not be limited by an administrative jurisdiction such as a municipality, but rather defined by the economic relationships (functional economic space) in a geographic area, such as the metropolitan region or a city and its rural hinterland. This good practice is one of the core principles of the ECOLOC approach.

In the preparation phase the Local Economy Assessment will have already been prepared, this section therefore contextualizes the assessment for those who are not heavily engaged in the research preparatory work.

Good local economy assessments will use and analyse available quantitative and qualitative knowledge of the sources, structures and trends in production and employment and consumption, skills, and other resources to help understand the economy (see Box 3 for an overview). It will take an audit of local economic, physical, municipal, institutional and social conditions, assets and liabilities. As in the ECOLOC process, where information is not readily available, efforts are taken to both disaggregate national information to the local level and commission new research to address gaps. The ECOLOC research process uses all these approaches, again an example of good practice. It also puts extra weight on addressing municipal finance and management systems, considered crucial for effective implemen-

9. Information on Community Chests in many different countries can be obtained through doing an Internet search on the words 'Community Chest'.

Box 3. SOME IMPORTANT ECOLOC CATEGORIES OF DATA

	KEY QUESTIONS	TYPES OF DATA
ECONOMIC RESOURCES	<ul style="list-style-type: none"> • Understanding: sectoral strengths and opportunities • local business enabling environment constraints • economic trends, good and bad 	<ul style="list-style-type: none"> • current economic activities and trends • inventory of businesses, formal and informal • business culture and business networks • local private sector development and management capacity • availability of finance • local research and development and technological facilities • other local conditions affecting business e.g. red tape • household consumption/expenditure patterns
PHYSICAL RESOURCES	<ul style="list-style-type: none"> • Understanding hard infrastructure constraints and opportunities 	<ul style="list-style-type: none"> • spatial issues, including land for development • natural resources • local geography • hard economic infrastructure
MUNICIPAL AND INSTITUTIONAL RESOURCES	<ul style="list-style-type: none"> • Understanding municipal financial perspective and institutional opportunities and constraints 	<ul style="list-style-type: none"> • municipal assets • municipal capital and operating budgets • municipal tax collection policies and practices • local government structures, capacity and resources • local organisations and local leadership • donor programs and opportunities • local training and higher education facilities • donor programs
HUMAN RESOURCES	<ul style="list-style-type: none"> • Understanding human resource constraints and opportunities. 	<ul style="list-style-type: none"> • Population characteristics: gender, ethnicity, age • human resources and skills • population trends • cultural characteristics – types of networks, allegiances and conflicts • diaspora (international linkages, remittances etc)

tation of the identified strategies. The level and depth of data studies used will depend on its availability, budget and nature of the local economy.

The ECOLOC local economy assessment, as is good practice, also identifies public, business, non-governmental and donor assets and resources that could possibly be drawn upon in the strategy implementation process.

ECOLOC already commits significant resources to trying to understand the local economy as well as municipal management and financial capacities. This is done through both analyzing secondary data sources and statistics at the national level and local level, as well as undertaking a series of targeted surveys to gather more up to date quantitative and qualitative data. These comprehensive surveys gather information on household income and expenditure, on the informal and modern economies as well as the agricultural economy. These instruments and methodologies are all addressed in the ECOLOC Handbook Part 1.

In order to ensure that all possible knowledge is captured to design the strategy the ECOLOC design process is being strengthened by obtaining business perceptions on infrastructure issues, on red tape and understanding their views on the potential economic opportunities the region could address in its strategy. This buttresses the already strong information and analytical ECOLOC underpinnings by extending its research to adopt best practices from the OECD and World Bank. In particular the focus is now being made to develop a deep understanding of business perceptions (formal and informal) on specific constraints and opportunities for growth.

The standard comprehensive ECOLOC surveys of the informal and modern sector will be augmented in future programs to include new components on the business enabling environment. The purpose is described in Box 4. It is important that in the analysis of these new components the key findings of the business enabling environment are presented separately with a SWOT framework is prepared from these components to include the infrastructure issues, red tape and economic prospects issues. ECOLOC committees, may, for example, wish to use the key issues identified by the BEE survey as part of the project selection criteria.

Box 4. BUSINESS ENABLING ENVIRONMENT : KEY ISSUES

Four specific dimensions are examined as follows:

- Understanding the hard infrastructure constraints and opportunities
- Understanding sectoral strengths and opportunities
- Understanding local business enabling environment constraints on local businesses
- Understanding human resource constraints and opportunities.

In terms of sustainability it is necessary to establish an accessible 'repository' for this information, and all the research. This repository would normally be in the public domain, often held in Municipal offices. If the ECOLOC process is to be sustainable, it is important for the ECOLOC Committee to address this issue of where and how this information will be held as early as possible. Knowledge management and recording systems will be needed for future use in monitoring and evaluation as well as in strategy updating. Also important is comparative information on the resources and activities of neighbouring communities or other regional, national or international competitors.

In the ECOLOC process, particular attention is given to supporting municipalities in improving their finance and management systems. That is why in this process, there is a specific chapter and action plan for improving municipal management and finance. The whole economic development process will rely heavily not only developing more effective municipal management processes but also on enhancing municipal budgeting practices, enabling improved revenue generation and collection strategies. The enhanced revenue will then enable resources to be released for improved service delivery and maintenance.

1.1.3. What is the LED Strategy and Action Plan?

Once it is understood what LED is and how the strategy is informed by knowledge, it is then necessary for the actors to be clear about where they are going and what the final output is likely to look like. It may seem strange to focus 'on the paper' but it is the paper that will record the strategy and it will be the paper on which donors and others will provide resources and it will be the paper which will be used to monitor and evaluate the strategy. A common complaint from evaluations of ECOLOC and other programs is that there is too much paper and not enough synthesis. So ECOLOC has resolved to produce one short sharp strategy document that can easily be understood.

Using best international practice, the document will comprise just six sections and the aim is to have the core document less than 50 pages long. Box 5 gives an outline of the document; each milestone will add depth and substance to each section, there is also a more comprehensive outline in Section 4.1. It will, of course be based upon many hundreds of pages of research as well as extensive consultation. Only the very essence of this needs (and should) be in the LEDSAP. All the research and analysis however needs to be kept available and one key repository is found at www. In addition, ideally, there should be a local office where all documents should be filed and available for the public and researchers. In terms of institutionalizing the process local actors will need to make arrangements for this.

Box 5. LEDSAP: KEY COMPONENTS

CHAPTERS	WHAT'S IS IT?	WHEN IS IT DONE?
1. Organising the effort	A description of who is involved in the process, what they do, when and how	Drafted by TSMT in Milestone 1 and amended and finalized by the TSMT at the end of Milestone 3 based on what actually happened.
2. Local Economy Assessment	A short summary of the local economy and institutional context, including prioritized SWOT analyses.	Drafted by the consultants in the preparatory research period, ready for validation and prioritization confirmation in Milestone 2. It is finalized following dialogue by end of Milestone 2. For discussion and examples of SWOT prioritization see Section 1.1.3.
3. Strategy Development	A matrix showing agreed vision goals, objectives, programs and accepted projects.	Draft vision, goals and objectives drafted in preparation for workshop I and consulted upon in Workshop 1 with Programs and Projects added by end of Milestone 2. This chapter need have nothing more than the matrix. See Section 3.1.1 for discussion and examples.
4. Strategy Implementation Plan	A strategy implementation plan listing all accepted projects with their resource requirements, timescales etc in one matrix together with individual project proposal/action plans for each accepted project.	The strategy implementation plan is in two parts. First it is one matrix which is a consolidation of the key details of each project. See Tables X and X for examples. In addition at this point or shortly after, each project that has been approved needs a completed Project proposal/Action Plan, see examples in Tables x and x. Output from Milestone 3
5. Municipal Finance and management	A plan to improve municipal finance management, capital and operational budgets and a municipal management improvement plan	Output from Milestone 3
6. Implementation, monitoring and evaluation	A section on implementation and monitoring and evaluation arrangements.	Drafted by the TSMT in Milestone 3 and agreed in Milestone 4.
<p>For those who would immediately like more information about this document, there is a more detailed breakdown in Boxes 12 and 13.¹⁰</p>		

10. For examples of similar LED strategy documents, each adapted to local needs please find many examples on www.worldbank.org/urban/led

Dialogue: principles and practice

1.2.1. ECOLOC DIALOGUE: WHAT IS IT?

The goal of the ECOLOC dialogue process is effective and accountable LED Planning. The stakeholder dialogue aims to:

- Increase the **accuracy** of the information on which decisions are based
- Maximize the **ideas** and **creativity** of the **different parts of the community** in both strategy design and implementation
- Increase **transparency** and **accountability** in decision-making and minimise the potential for corruption and possible misuse of funds
- Reduce conflict and **promote consensus**
- Increase **local support** for the process and hence the likelihood that plans will be implemented
- Promote **social inclusion** and hence increase potential positive outcomes for the most vulnerable and minimise potential negative impacts on these groups
- Build **channels** and **networks** for communication between local government and local communities to strengthen civil society and local democracy
- Increase **local capacity, local networks and local ownership** of the process and hence the sustainability of an effective LED planning process in the long-term.

The ECOLOC dialogue process contains a series of decision and brainstorming workshops to link the different milestones and keep things on track (See ECOLOC Overview Diagram 1):

- Workshop 1: Knowledge to Programs where the main findings and analysis of the local economy assessment are presented this feeds into the beginnings of discussion of the vision and goals and thence to programmes and projects takes place.
- Workshop 2: Programs to Projects: where the final decision on the vision and goals is presented and leads into the full brainstorming and development of programs and projects.
- Ratification Forum and Community Event: The final stage in the dialogue, following production of the Strategy and Action Plan by the ECOLOC Committee and TSMT and its agreement by the Municipal Council, is a public ratification forum and community event open to all.
- Between each of the milestones there are opportunities for **community consultation**. Here the outcomes of the workshops can be fed back to the local community. This can be done by ECOLOC Committee members, dialogue group members as well as local leaders and the TSMT through a locally decided process. For example in some of the current ECOLOC processes there is an agenda item on ECOLOC in the regular meetings of professional bodies, business and civil society organisations. The reactions and ideas of the participants at these meetings are then fed back in turn to regular meetings of the dialogue groups and ECOLOC Committee.

The outcomes of these discussions and consultation process are then presented to the ECOLOC Committee by the TSMT.

This dialogue process and the content of discussions and documents at each milestone are described in detail in the following chapters. What follows in the rest of this Section are discussions of:

- The different dialogue structures and the types of considerations to bear in mind in selecting/encouraging stakeholders to participate in each.
- General challenges in dialogue facilitation and how they can be addressed

1.2.2. Who is involved in the dialogue?

The ways in which ECOLOC dialogue has taken place in practice has varied between the different ECOLOC sites. This is inevitably so because of the different institutional, social and political contexts. These will affect the ways that the different stakeholders relate to each other and the ways they are used to working together. Equally importantly much depends on where the expertise needed for the process is located. The framework in Diagram 3 and what follows should therefore be treated as a guide only.

Municipalities: Municipal Councilors and municipal staff

The existence of commitment to the ECOLOC process by municipalities, particularly the Mayors, is a key factor in deciding whether or not the City\region is suitable for the ECOLOC process. Where such commitment does not exist ECOLOC cannot be successful. This commitment is in keeping with international experience which also shows that successful local economic development strategic planning is most likely when it is supported by committed and active local governments.

ECOLOC involves the Municipal Council(s) members and staff in three main ways:

- ***Political leadership in decision-making and implementation:*** From the Mayor(s) and Municipal Council(s) that are the main decision-making bodies, actively involved in both design and implementation of the process. As the elected representative body of the whole population with resources at their disposal, they are the main institution which can make the process meaningful and sustainable.
- ***Advisers and representatives on the ECOLOC Committee:*** Municipal Councillors and Mayors are often business people in their own right, their skills, experience and networks are therefore very valuable for the process.
- ***Technical leadership and support*** from municipal technical experts who are recruited to the technical support and moderation team (See below)

ECOLOC Committee

The ECOLOC Committee is the main representative body, acting also as a support and check for the Municipal Council(s). They have a central voice in the design of the whole process and they have influence in decisions at all stages. They are the main body responsible for initial mobilisation of the dialogue groups. They synthesise the findings of these working groups, negotiate differences and conflicts of interest and submit recommendations to the Municipal Council(s) for approval. The Committee is formed to both oversee the design of the strategy but good practice would indicate that that committee (with locally agreed changes in membership if deemed appropriate) would continue through the implementation period too.

It is important to get appropriate representation of all relevant stakeholders on this committee. Experience shows that membership of this committee works best at between 15-20 people. The composition of the Committee is dependent on local circumstance. Efforts should be made to involve the following:

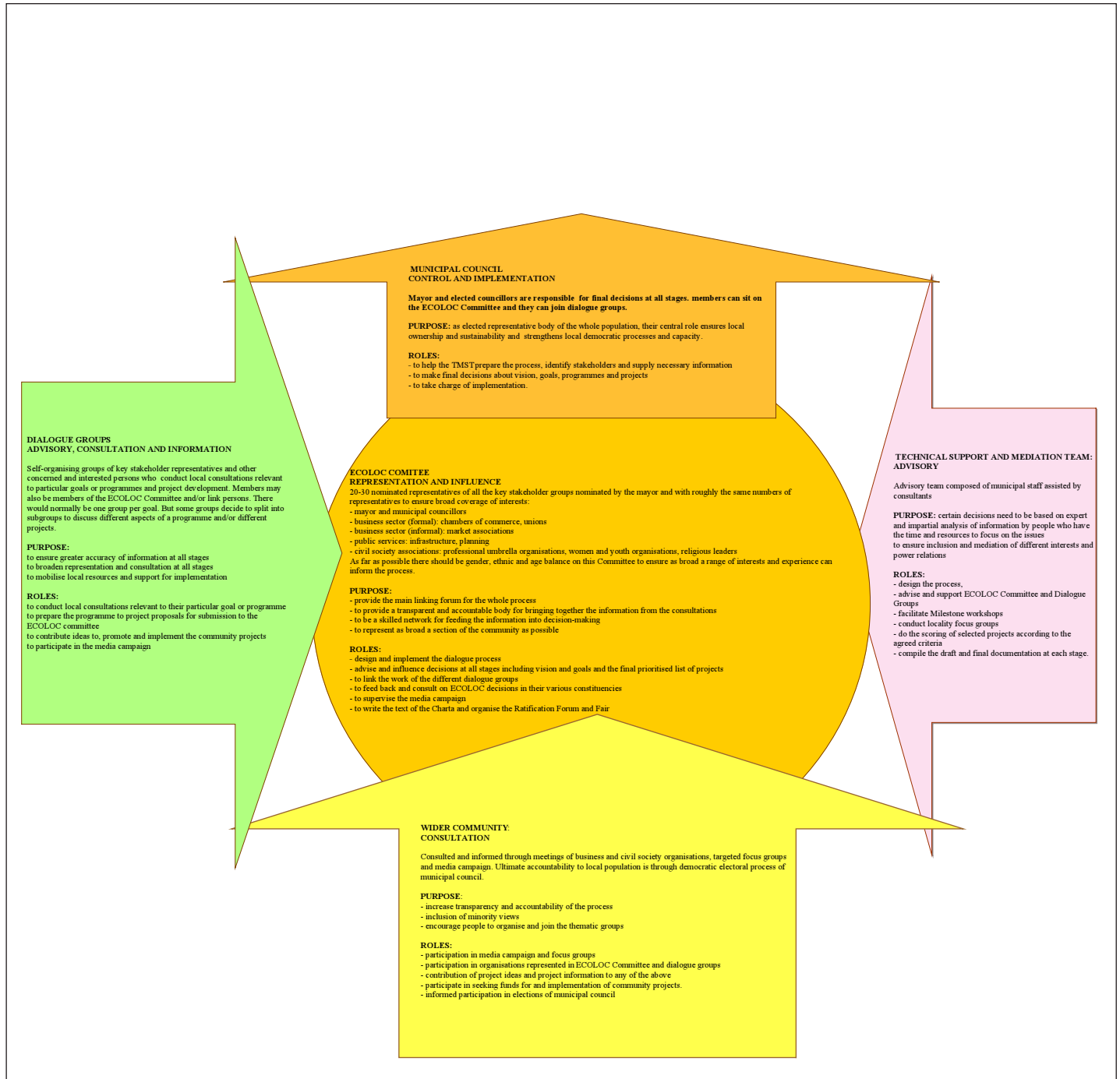
- The Mayor(s) and Municipal Councillors
- Business sector (formal): e.g. chambers of commerce, unions and influential entrepreneurs
- Business sector (informal): e.g. market associations, representatives of main informal activities
- Public utilities and public services e.g. water companies, universities.
- Civil society associations: e.g. professional associations, women and youth organisations, religious leaders

As far as possible, in the interests of inclusion, an effort is made to have a gender, ethnic and age balance on this Committee.

As well as formal members of this Committee, there is the possibility of inviting knowledgeable local resource persons to meetings and to the Milestone Workshops to give advice and information.

Facilitating this Committee will also be a major challenge to both maintain interest and ensure that all voices are heard fairly. It is important that there should be, from the start, a strong commitment to the good of the whole community and developing a broad based enabling environment for growth rather than focusing on more narrow sectoral or individual interests. To encourage attendance these meetings should be as lively and enjoyable as possible.

Diagram 3 : Dialogue structures: purpose, roles & challenges



Experience example 1: ECOLOC COMMITTEE

Segou

In Segou the role of ECOLOC Committee was filled by a Planning Cell. Led by the financial secretary to the Mayor, the programming cell was composed of two facilitators, general secretary of the Mayor's Office, one representative from each dialogue group, one representative of the urban department, one from the sanitation and environment department and one from the social department.. This team had the following tasks:

- Follow and support the dialogue groups
- Ensure the cohesion and mutual interchange of ideas between the dialogue groups
- Develop the strategy and action plan

The Cell met three times during the Knowledge to Vision Milestone to assess the first outcomes from the dialogues, to synthesise these towards the end of the discussions and finally to examine the draft version of the Strategy and Action Plan developed by the facilitators.

KAYA

The ECOLOC Committee (16 persons including professional people, Union and NGO representatives, municipal councillor and staff and religious leaders) was the guiding force and coordinator for the process. It played the following roles:

- Setting up and organising the dialogue groups
- Coordinating and putting in place a framework for discussion between the local actors
- Organising the meetings and workshops
- Bringing together and dissemination of information and identification of the priority project proposals for the Municipal Council(s)
- Promote the continuity of the dialogue groups and follow their work
- At the end it amended the various documents produced before they were presented and adopted by the Municipal Council(s) and prepared the Charta

Practical Tips 4: ECOLOC COMMITTEE

- Based on experience in Bobo Dioulasso and Kaya.

DO

- ☺ Identify people who are knowledgeable about the local economy – particularly business people and people with easy access to the municipal council(s)
- ☺ Have a clear methodology for effective facilitation of the meetings of the Committee
- ☺ Appoint an effective, respected and knowledgeable president
- ☺ Have a good balance of membership in terms of gender, ethnicity, religion, and age, etc
- ☺ Maintain continual contacts and communication with the TSMT and easy access to the mayor
- ☺ Establish mechanisms for communication between representatives of umbrella organisations on the ECOLOC Committee and their respective organisations, particularly the business community where feedback is often lacking.
- ☺ Maintain follow-up of the dialogue groups e.g. identify volunteer Committee members responsible for follow-up of each of the dialogue groups
- ☺ Ensure that training and support is given where necessary

CHALLENGES

- ☹ Lack of continuity between the research process and the dialogue
- ☹ Frequent absence of representatives from hinterland
- ☹ Lack of feedback and communication between representatives and their respective organisations.
- ☹ Change of representatives from hinterland during the process
- ☹ Fluctuation in number of members attending meetings (between 23 and 6) leading to duplication of content of meetings.
- ☹ Time needed for mobilization of members (agreeing meetings, reminders) considered as an extra activity

ECOLOC dialogue groups

Dialogue groups are the main forum for community consultation as well as for leading activity in individual goals. They have the main responsibility for in-depth consideration of the different goals and programs and mobilisation of project ideas from the community. In some cases these dialogue groups have divided into smaller subcommittees in order to discuss different aspects of the programme or different projects. Exactly which groups should be set up, how many and how they should be composed and organised will depend on the vision and goals and the local context.

Following the logic of encouraging broad based economic growth, it is desirable that at least one dialogue group would focus on issues in developing a better Business Enabling Environment.¹¹ One other would work on integrating the needs and interests of marginalised groups for example, women, disabled, youths, ethnic minorities and disadvantaged artisan communities. These groups working on transversal themes can also give suggestions on how these cross-cutting concerns can be followed through across all the goals as well as in individual programs and projects.

Experience example 2: DIALOGUE GROUPS IN SEGOU AND KAYA

Segou

In total, 5 dialogue groups were formed on the basis of the principal axes of development of the economy. At the beginning about 30 volunteers signed up to discuss and stimulate popular debate on these programme areas. Of these 23 people were regularly active in the groups (ie 2-6 per goal) including business people operators, Councillors and representatives of NGOs and technical services. They had the following role:

- To define with the different actors a vision and objectives for their particular goal
- Identification of problems which need to be addressed in relation to the weaknesses and threats identified in the ECOLOC research;
- Identify the strategies and actions to be implemented;
- Identify the means for implementing the strategies including sources of finance.

The groups developed in parallel after organising themselves with a president, rapporteur, meeting place and dates and times for meeting.

KAYA

Dialogue groups formed the link between local actors and the ECOLOC Committee with whom they maintained a close collaborative relationship. Their role was the following:

- Dissemination of information and community mobilisation
- Coordination of the relevant stakeholders to identify the strengths, weaknesses, opportunities and threats and the strategies needed for implementation
- Identification of the action priorities to realise the goal
- To submit and defend the different project proposals to the ECOLOC Committee, in collaboration with the TSMT.

Wider community

The local population as a whole needs to be kept informed of the process to ensure its transparency and accountability. This is primarily through the media campaign. It is also desirable that community consultation through the dialogue groups and focus groups is as wide as possible in order to take advantage of the large pool of knowledge, ideas and initiative which exists within communities, but which often needs a catalyst like ECOLOC to help it come to the fore. At the same time, it is important particularly at this level, not to raise expectations too high given the limited resources.

The local community is represented first and foremost through their elected representatives on the Municipal Council(s). They are also more directly represented in the process through their professional, business and civil society organisations on the ECOLOC Committee. As far as possible ECOLOC

11. See Box 2 for a reminder of the 10 possible programme areas

Practical Tips 5: DIALOGUE GROUPS

- Based on experience in Bobo Dioulasso, Segou and Kaya

DO

- ☺ Promote broad outreach of the dialogue groups
- ☺ Develop methodologies, tools and formats for interviews and people to interview and establish clear terms of reference and give ongoing support for facilitators of the groups, but without stifling initiative
- ☺ Select suitable meeting places
- ☺ Plan a budget for the meetings
- ☺ Involve the dialogue groups in the whole process from knowledge through to final strategy and action plan and in mobilisation of key stakeholders for meetings and interviews.
- ☺ Make sure there is a good rapporteur and produce regular reports of meetings Encourage rich exchange of ideas between the dialogue groups to encourage cooperation
- ☺ Encourage rich exchange of ideas between the dialogue groups to encourage cooperation

CHALLENGES

- ☹ Reliance on voluntary functioning of groups
- ☹ May be difficult to fully involve certain stakeholders : business people, neighbourhood leaders, leaders from hinterland
- ☹ Insufficient or even complete lack of development of budgets for the programs and this needs clear guidance.
- ☹ Delays in production of reports of investigations
- ☹ Aborted meetings because of lack of quorum

consultation should seek to work through and strengthen these organisations. In earlier ECOLOC processes, meetings of participating organisations have often had a specific 'ECOLOC slot' and space to discuss outputs from and inputs into the process. Good practice would be to encourage this as much as possible. Ensuring it happens is however the responsibility of the organisation representatives and individual members to request information and discussion, not ECOLOC itself. Those who are not represented in this way may be consulted through targeted focus groups and interviews as considered appropriate and possible.

Technical support and moderation Team (TSMT)

The ECOLOC process is supported by a Technical Support and Moderation Team (TSMT). Certain decisions in LED Planning need experts, impartial technical analysis and or facilitation. Certain issues and tasks also require considerable input from people who have the time and skills to put to the task. This team has only advisory status. Its tasks include:

- Engaging the actors at the beginning of the process
- Training the actors and provision of information
- Mediating the dialogue and establishing linkages between the actors
- Supervising the media campaign
- Facilitating and preparing draft documentation and necessary information for the workshops
- Conducting focus group sessions and interviews in particular localities and parts of the community
- Drafting the LED SAP
- Elaborating the projects if the sponsors need help
- Scoring the projects to submit to the ECOLOC Committee and Council(s)
- Preparing the final documents
- Elaborating the projects if the sponsors need help
- Supervising the media campaign
- Preparing the final documents
- Ensuring that all reports are held somewhere locally, accessible to all
- Organising the Forum
- Maintaining general pace and momentum

This requires a team which combines the following skills:

- Expertise in LED and business
- Spatial analysis and planning
- Facilitation, moderation and organisation skills

International experience indicates that LED strategic planning also needs inputs from specialists from almost all municipal departments. To achieve this experience shows that this can be accomplished through informal or formal interdepartmental workings group of technicians who have responsibility for inputs into the strategy. Ideally this team should report directly to the Chief Executive, Mayor or Municipal Council(s). In small municipalities a proven approach is to have one lead person responsible for the strategy who could report directly to the Mayor and or Chief Executive. This function could be based in one of the 'line' departments, assuming appropriate management inputs to ensure appropriate balance across all municipal functions. In any event, the TSMT should comprise at least some of these municipal staff, to build capacity, consistency and sustainability.

As LED is a new competency in many municipalities it is more important that the right TYPE of person is appointed to lead the technical effort that their specific competencies. What is needed is an inclusive and open minded person who has the trust and confidence of technical staff, politicians and stakeholders. As this position is normally new, as well as an integrating role, there needs to be support and weight given from the leadership for this person. In any event, ideally as well as being part of the TST, the lead LED specialist should supervise the consultants and learn from them.

The TSMT should be set up as early as possible and liaise with the Mayor and Municipal Council(s). Particularly in the early stages, in many ECOLOC sites there is a need for external technical support to build up the capacities of the municipality and local actors who will eventually take charge of the LED planning and implementation process. For this reason local and/or external consultants are employed in the first planning round. ECOLOC experience to date has normally involved recruiting an economist, an urban geographer and sociologist employed on a part-time or full-time basis depending on the types of skills in the Municipal Council(s) and other agencies. Recent thinking is that the role of the economist ideally would involve recruiting a consultant with business management skills and experiences as well as being an economist.

But external consultants should at no stage substitute for local actors, rather they should fill in gaps, augment and develop the capacity of local actors to fill these gaps in the longer term. Over time ideally all functions of external experts need to be handed over to a local team, including municipal technicians, academics and private sector actors.

Practical Tips 6: TECHNICAL AND MODERATION SUPPORT TEAM

- Based on experience in Bobo Dioulasso and Kaya

DO

- ☺ Appoint a multidisciplinary team and maintain team spirit throughout the process
- ☺ Have a team with good knowledge and good relations with the different stakeholders
- ☺ Have a municipal staff member (e.g. economic advisor) close to the mayor and to the administration on the team.
- ☺ Have someone on the team who can enable good linkage between the research and dialogue processes
- ☺ Ensure sufficient capacity for institutional analysis on the part of the person charged with the financial and institutional audit.
- ☺ Draft of the monthly reports by the team.
- ☺ Have direct contacts with the individual stakeholders and groups for sensitisation and mobilisation of the ECOLOC Committee and the dialogue groups
- ☺ Help with the development of methodologies, tools and interview formats for the dialogue groups.
- ☺ Be creative to fill any gaps and maintain momentum between production of documents and consultations.

CHALLENGES

- ☹ Insufficient specificity of roles in the team – this can lead to confusion of roles
- ☹ May be little institutional memory in the Municipal Council(s) leading to problems in management of the process.
- ☹ If consultants are not local then their travel, and possible difficulties in travel at some times of the year, needs to be taken into account in their contracts and schedules.

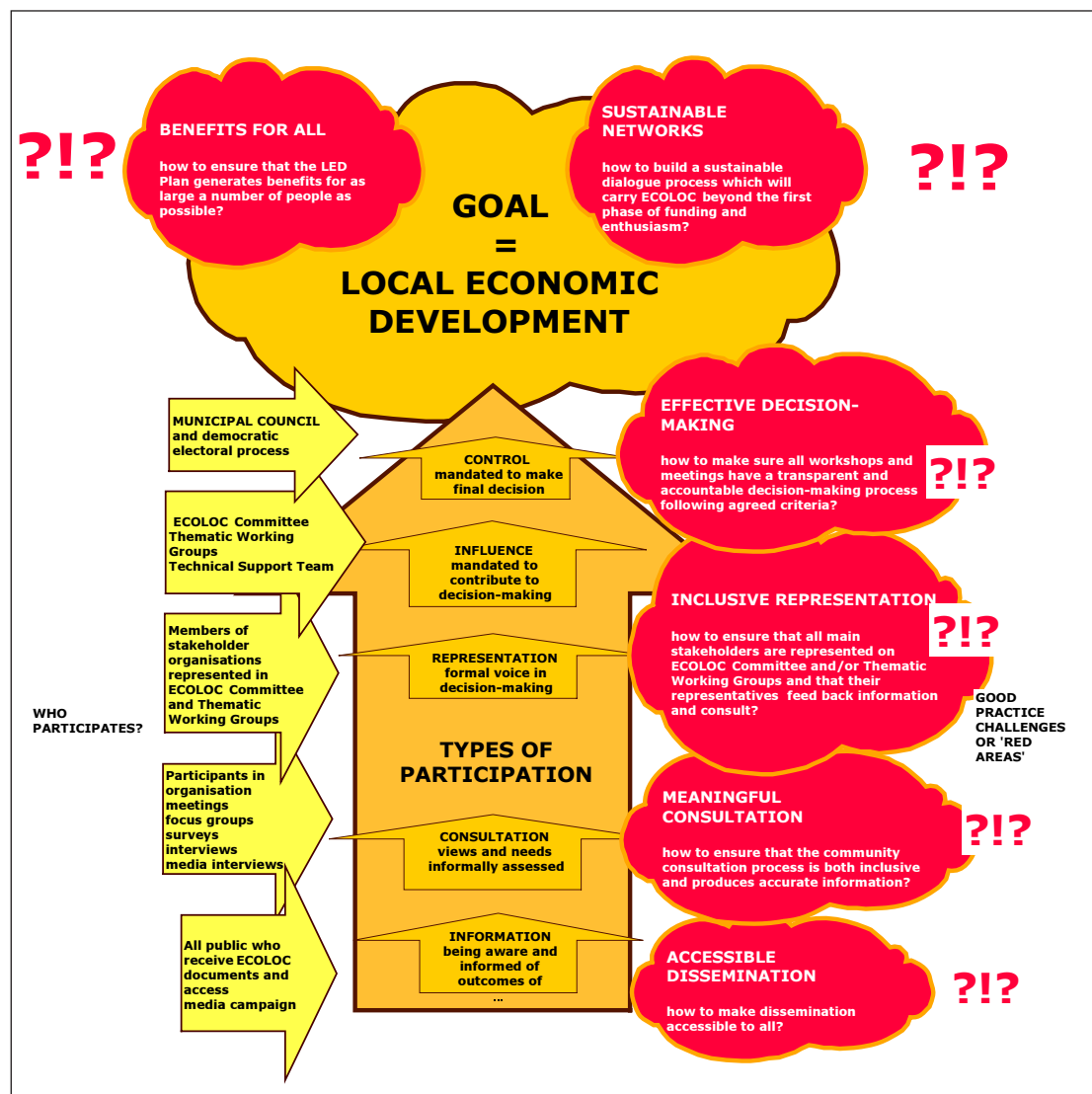
1.2.3. Dialogue Addressing the practical challenges

Dialogue in the ECOLOC process does not mean trying to bring as large a number of people as possible together in large meetings to receive a long wish-list of their demands. However many people can be accommodated in a meeting hall, it will never be completely representative or participatory. This can waste everyone's valuable time and resources raise expectations which cannot be fulfilled. It is also clearly not feasible for everyone to have control over all decisions. This is not even desirable, but a recipe for chaos and inaction and often leads to bad economic decisions. A summary of the different types of participation involved in the ECOLOC process is given in Diagram 4.

It is also important to realise that, even with the best will in the world, no dialogue process will ever be perfect. It will never be possible to please everyone all of the time As can be seen from Diagram 4 there are some challenge 'red areas' which will inevitably need to be addressed. The more important the decisions, the more difficult the process is likely to be. The ECOLOC process will therefore inevitably involve conflicts and tensions and it will be important that the main lines of tension and conflict identified in the Sociologist's report are borne in mind throughout the dialogue process, together with ways in which local cultural traditions and ways of resolving conflicts identified.

Effective ECOLOC dialogue will also require training of the actors in a variety of skills including participatory methods. What follows here is a brief introduction to some well-established ways of helping the dialogue process to be better. For further ideas and suggestions the reader is referred to the resources in the Annex.

Diagram 4: Participation in ECOLOC: how, who and challenges



Dialogue facilitation

Participatory processes for decision-making will never be easy. The ideal will always be to achieve a reasonable level of consensus – particularly important in the African context with its traditional cultural focus on consensus in community affairs. Voting does not carry the same weight in the African context as in many others – though secret or open voting is useful in indicating the relative weight of different opinions prior to full discussion in attempt to reach consensus. Experience shows that people who do not agree with the majority vote or grudgingly give consent are unlikely to implement decisions made. It is important to manage and negotiate these conflicts to ensure consensus.

One first step is to discuss and establish clear criteria against which different options or decisions will be assessed, together with norms of behaviour at meetings. In ECOLOC these first would correspond to ECOLOC principles of LED good practice (See Box 1). In particular they are likely to focus on considerations of public rather than just private benefit, and also concerns of inclusion and accountability. Establishing these norms is discussed in more detail in Section 1.3.5. There also should be agreement on norms for conducting meetings – either at the beginning of the process or time allocated to this as, if and when problems start to arise and people can be convinced of their necessity. These would normally include agreement on mutual respect, letting everyone have an equal voice, possibly limitations on length of time people can talk, no talking while others are talking etc and maybe practical issues like switching off mobile phones and no smoking.

A second method is through incorporating group discussions and activities rather than only plenary discussions into meetings and workshops wherever possible. Many conflicts arise through frustration and the feeling that ones views are not being treated fairly by people who do not understand what one is trying to say. Group activities can be designed sometimes to enable different points of view to be fully articulated through like-minded people working together. Sometimes through bringing people with different points of view together in one group to increase their mutual understanding. It is often better to do this last in small groups which may come up with a range of possible options rather than only in a plenary where there are too many different voices trying to speak all at once. One alternative to small groups is a methodology called ‘Open Space’ developed by Peace Corps (See Practical Tips 8).

Practical Tips 7: REACHING CONSENSUS

DO

- ☺ Make sure everyone is respected and equal and feels they have an opportunity to be fairly heard
- ☺ Make sure that background resources are disseminated, clear and understood by all at all stages to provide an objective frame of reference
- ☺ Establish objective and agreed criteria according to which different options or decisions will be made. This enables personal clashes to be resolved through focusing on broad interests and the agreed criteria rather than individual positions.
- ☺ Give space in separate discussions for different opinions to become well articulated and thought through (See Practical Tips 8 on Open Space and Small Group works below) .This allows differences to surface so that they can be dealt with rather than hiding them and leaving them unresolved.
- ☺ Allow space and time for individual reflection before group or plenary activity to generate a range of options for discussion and increase participation.
- ☺ Use forms of secret voting rather than open voting and see voting as ‘testing the water’ prior to detailed discussion to reach consensus rather than end product in itself.

DON'T

- ☹ Don't let any one person or group dominate – refer to agreed norms and criteria in order to avoid causing offence - these may need to be revisited. Or a quiet word might be needed after the meeting.
- ☹ Don't let discussions deviate from the agreed agenda – make a list of topics and issues to be covered at a future date or in private discussions.
- ☹ Don't let disagreements simmer and fester or try to cover them by forced consensus – have a vote and/or set up a small group discussion to enable them to be properly presented and fairly considered.
- ☹ Don't let disagreements or positions become personalised – maintain focus on underlying issues

Careful design of group activities even in small meetings can often serve to diffuse inter-personal differences and conflicts through letting people let off steam with people who understand what they are trying to say. It is often best to give people 5-10 minutes individual time for reflection so that they can make the most meaningful contribution to group discussions. Usually 5 to 10 minutes individually or in pairs is sufficient – or some questions can be left for reflection between meetings. Group activities when well designed and focused can also be very powerful ways of helping people who would not normally meet or talk to each other to work constructively together and better understand different points of view. Building peoples' willingness and ability to work effectively together through careful design of group activities in workshops and meetings may be almost as important as the actual outputs in contributing towards future effective implementation. Some of the considerations to be borne in mind when designing group activities are given in Practical Tips 8.

Practical Tips 8: DESIGNING GROUP ACTIVITIES

groups of people with similar opinions or backgrounds

It is usually best to start workshops with group work where people with similar opinions or backgrounds and experience work together. This is the best method when issues are particularly sensitive and/or disagreements most intense. The aim is to maximise creative input of different ideas and options for discussion, and minimise overt personal confrontation. Usually having an opportunity to 'let off steam' with likeminded people helps participants to release their anger and become calmer in voicing the opinions which are better and more rationally articulated. Once that has happened it is easier for the facilitator or participants to think of ways of resolving differences and underlying issues and tensions.

groups of people with differing opinions

It is also often useful to have one or more sessions where people with differing opinions are brought together. Several such groups can generate a range of different and more nuanced options and ways of resolving differences and conflicts. In these groups in particular it is important to ensure that everyone has an equal chance to talk and everyone is listened to. In some cases it can be useful to have a set time for each person to talk, during which time no one else is allowed to interrupt or comment and after which they are not allowed to speak again. This is a technique which has been used in pairwise face-to-face reconciliation processes in situations of very serious conflict and suffering like South Africa and Northern Ireland.

open space

Open Space is a technique which was developed by Peace Corps. In this technique flipcharts are placed in different corners of a room corresponding to different questions or different options. At each flipchart one person agrees to moderate and write on the flipchart to maintain continuity of discussion. But everyone else is allowed to circulate and contribute to one or more discussions as they wish. The fact that everyone is standing and circulating helps to maintain energy. This technique can be used where the range of different options/opinions is not clear – start with two options and ask people to start with these but feel free to split and start their own new flipchart. This can also be a means for dissipating tensions because people simply contribute to those flipcharts with which they most agree.

individual reflection

In many cases any or all of these group activities are best preceded by 5-10 minutes of individual reflection so that people can start by clarifying their views before sharing them with others. This means people are less likely to feel excluded, particularly people with less confidence.

Representation of stakeholders

The ECOLOC process cannot be responsible for changing local organisations represented in the process. It can however clearly state and continually reinforce the values of inclusion and mutual respect for all. This can be done through the way the Milestone Workshops are conducted, ensuring that these are participatory with well-sequenced group activities and give equal respect to different participants as discussed above. The attitudes and conduct of the main facilitators can also contribute to questioning discrimination and prejudice in the community, as can the media campaign.

ECOLOC can also encourage, though it cannot enforce, equal representation of different groups in the ECOLOC Committee and dialogue groups through ensuring space for feedback of discussions and showing that these are valued. This then sets the precedent whereby those with nothing to feed back feel they have not fulfilled their role so well. Involvement in the ECOLOC process may in some orga-

nisations be a very good focus to increase interest of members and encourage greater accountability. Keep an attendance register with details of the different stakeholder groups represented and make sure this is analysed from time to time to pick up any exclusions. It is also good practice for these groups to keep registers of attendance and summary of main issues discussed. One common register with list of names and boxes for signature is better and easier to analyse than lots of separate bits of paper. These registers should avoid acronyms which cannot be understood by outsiders and ideally should also contain some indication of the particular stakeholder group participants represent so that the TSMT can monitor which groups are being excluded (Practical Tips 13 in Monitoring the Dialogue).

Shortcomings in representation of some sections of the community through these methods can be addressed through targeted focus group consultations, building links between these groups and the media etc to ensure that these voices are heard. It may be necessary for example to hold special meetings with people in disadvantaged localities where regeneration would be desirable, with women or youth involved in identified priority sectors but who are underrepresented in the sector organisations. These focus groups can be conducted either by ECOLOC Committee, delegated to dialogue groups or by the TSMT.

Although ECOLOC cannot monitor in detail the degree to which feedback from the Committee meetings and discussions takes place, it can show that this is valued by providing a slot at the beginning of each meeting for members to feed back on discussions, discuss issues and problems they have with feedback etc.

Practical Tips 9: INCLUSIVE REPRESENTATION

DO

- ☺ Values of inclusion and mutual respect for all to underlie facilitation of all meetings and organisation of groups and committees.
- ☺ Try as far as possible to attain a balance of gender, ethnicity, age and other relevant local distinctions in all meetings and organisations, reflecting stakeholder diversity.
- ☺ Include a space for organisation or dialogue group representatives to exchange experience.
- ☺ Keep an attendance register with details of the different stakeholder groups represented and make sure this is analysed from time to time to pick up any exclusions.

DON'T

- ☹ Allow prejudice or discrimination against certain groups. Use statistics from the survey or other sources to counter these prejudices and reference to ECOLOC vision.
- ☹ Let any people feel uncomfortable by use of language, jokes or other behaviour – refer to the agreed norms and/or have a private word with both parties to find out how the offended party would like to overcome the problem and make sure the offender understands (generally these problems are because of thoughtlessness and lack of empathy rather than malice).

Community consultation

Community consultation is central to maximising the information going into the decision-making process and to maximising inclusion of different sectors of the community. There are many Manuals on participatory tools which can be used for different types of investigation. A list of these is given in the Annex. At least one member of the TSMT should have experience of using these different methodologies. This Handbook confines itself to discussion of a few proven Tools which can be used by communities themselves. These are have the best fit with the standard Tools used in Local Economic Development and sufficient for the ECOLOC process, within the normal resource and time constraints. If members of the TSMT are more familiar with other Tools and/or there is more time and resources available, then other tools can be used to collect more information or to substitute the ones given here. This would be particularly applicable for research on the local economy as a complement to the survey tools.

It is important however, to realize that it is not any one particular tool that is important, but the LED discussion and outputs which they help to facilitate. It is therefore desirable to keep these Tools as few and as simple as possible so that people do not become mesmerised by too many different types of diagram, and focus firmly on the LED content. It is also advisable that within any one city\region diagrams should be consistent to avoid confusion. Information obtained needs to be broadly comparable so that it can be aggregated into the broader picture by the TSMT and/or ECOLOC Committee in a manageable way. Otherwise the outputs will be unusable and the consultation exercise will raise unrealistic expectations of meaningful input into decisions which cannot be fulfilled.

It is the process of facilitating these meetings as much as the diagrams themselves that is important. It is important that people have the necessary information about the process, the aims and expected outputs as well as any necessary background information so that they can make a meaningful contribution. Meetings and workshops need to bear in mind the aspects of decision-making and conflict resolution discussed above and the same principles of group activities and design apply. It is often tempting for the facilitator when dealing with communities who are not used to being consulted and expressing themselves to talk too much. This then becomes a self-fulfilling cycle whereby people maintain silence through lack of confidence and facilitators think they have nothing to say. It is important to let silences happen and views and opinions emerge, rather than intervening too much and not giving people the space to reflect and contribute.

It is also good practice to leave any diagrams and outputs from these meetings with the group or community for their own record, or return them after a short time. In most cases it is possible to photograph diagrams and outputs with a digital camera for input into discussions at other levels, except where it is necessary to show the actual flipchart at a meeting. It is also good practice to feed back the outcomes of the process as a whole so that they are aware of the broader picture and what they have contributed. This is particularly important if it has not been possible to address their specific needs and opinions so that they understand why this has been the case in relation to criteria which were formally agreed.

Practical Tips 10: MEANINGFUL CONSULTATION

DO

- ☺ Make sure people have the information necessary to make a meaningful contribution and in an accessible form
- ☺ Give everyone time and space to really think through what they want to say
- ☺ As far as possible feed back information to those consulted and ensure they have benefited in some way from the interaction in the form of new knowledge or even just fun – then they and others are more likely to give time to any future consultations

DON'T

- ☹ Don't speak too much - The interviewer or facilitator should speak as little as possible
- ☹ Don't waste peoples' time – be clear about the objectives and outputs required and that these are understood.

Documentation and media campaign

The basis of good dialogue is ensuring that available resources are clear and widely understood at all stages. This means making documentation as short as possible, or producing short versions of longer documents for wide dissemination. Diagrams should be used to clarify and summarise text. These can also use symbols and logos for dissemination to people who cannot read and write. Details of the content of each of the documents are given in the relevant sections below. But in each case these broad dissemination guidelines should be followed as far as possible.

One of the most accessible forms of dissemination is through the media campaign. Local radio and newspapers are a very good way of publicising the process and outcomes from the different stages. It can also play a central role in clearly explain the difference between the ECOLOC process and previous experience of other interventions. In many places where ECOLOC works people have become disillusioned with similar processes. In the informal sector in particular people are often fearful of an administrative culture which is not favourable to local enterprise (requirement of many different documents to fulfil legal requirements at national level).

In some ECOLOC processes local radio has had a regular spot for ECOLOC discussions, either on its own or part of another community programme. Regular updates and information can be sent to local newspapers also to disseminate information both effectively and cheaply.

The media campaign plays a key role in sensitising and keeping the community informed and engaged with the process. It also plays a key role in ensuring transparency and continuing questioning of the decision-making process and the subsequent implementation. The two Milestone Workshops and the final Forum could be covered by the media. In between these events in some past ECOLOC processes there have been designated slots for ECOLOC in community radio programs and articles have been produced for local newspapers.

Practical Tips 11: ACCESSIBLE DISSEMINATION

- documentation.

DO

- ☺ Begin with a summary page or paragraph and for longer documents produce a separate stand-alone Executive Summary.
- ☺ Make it short with headings rather than a lot of long paragraphs. Few people have time, even where they have the ability, to read long documents.
- ☺ Use diagrams wherever possible rather than text. For people who cannot read and write diagrams using symbols can be drawn. These are also useful for communication with people who do not know French.
- ☺ Use the local media as much as possible, including radio.

DON'T

- ☹ Don't disseminate long documents late – be realistic about how long dissemination will take and how long people will need for proper reading. If communications are difficult for unexpected reasons at least disseminate a summary
- ☹ Don't exclude people who cannot read or write French through only having long written documents

- media campaign

DO

- ☺ Plan the media campaign from the beginning of the process and develop a strategy for regular media coverage
- ☺ Include a budget for this campaign
- ☺ Look for different ways of reducing costs – for example in Koutiala a small local newspaper was subsidised to include regular bulletins at a fraction of the cost which would be charged by larger publications
- ☺ Look for sources of sponsorship for media dissemination and/or partners who might share the costs of an article or programme on a theme of mutual interest

Building networks

The main goal of ECOLOC is not production of the LEDSAF, but its implementation. ECOLOC needs to be sustainable from local resources in the longer term.

It is therefore important for ECOLOC to start building networks and communication between participants right from the beginning. This can be inbuilt into the process itself with no extra cost. It requires simple measures such as designing group discussions to help people get to know each other as well as produce outputs, circulating a register not only of names, but also interests and concerns with contact details to encourage independent networking around production of different projects. This is particularly important for community projects (Section 1.1.3) which will not be facilitated by ECOLOC itself. Experience in Africa and elsewhere indicates that where people are interested in a particular issue and introduced to others with similar concerns, they often show initiative in taking these issues forward.

Practical Tips 12: BUILDING NETWORKS

DO

- ☺ Wherever possible use meetings to help people get to know people they did not know before through introducing those who come early and the design of group work
- ☺ Ask people to put down their names, contacts and interests and circulate these (with their permission of course!!)

DON'T

- ☹ Don't leave people who come early or on time to meetings sitting with nothing interesting to do while others arrive – they will come later next time or not at all. Make sure they are introduced to new people and/or have some questions to discuss between themselves until the main meeting starts. Make sure the outcomes of this are fed back to the meeting to make late comers feel they have missed something – or those coming on time wish they had come earlier!

Monitoring the Dialogue

Monitoring the dialogue helps ensure transparency. This need not be a complicated or time-consuming process (See Practical Tips 13). All that is needed is some record of how well-attended meetings have been at different levels, and how broad representation has been in terms of the main stakeholder groups identified by the sociologist. Most meetings for example keep a record of attendance, often in order to budget expenses etc. However these are often done on separate sheets and are not aggregated. It is possible to improve on this by simply having a registration book like that in schools (rather than separate bits of paper) where everyone's name is written only once and then signed each time. This means it is very easy to calculate frequency of attendance. It is also possible to include some sort of categorisation of members according to the stakeholder categories identified in the sociologists' report.

The figures recorded in this way are then reported to the ECOLOC Committee as the process goes on and recorded in a single chart by the Sociologist. The sociologist can also add any further remarks following the analysis of stakeholder alliances and conflicts to serve as a guide to further improvement in future. This can then be fed into the revised first chapter, Organising the Effort for the LEDSAF and it will also serve to help design the dialogue in the implementation period.

Practical Tips 13: MONITORING THE DIALOGUE

- ☺ Register attendance at meetings in register books rather than on many separate sheets of paper
- ☺ Registers should ideally contain also some details of who the different stakeholders represent
- ☺ Registers should avoid using organisation acronyms so that they are clear
- ☺ Attendance patterns should be periodically reviewed by meeting rapporteurs or organisation representatives and reported by to ECOLOC Committee or TSMT

Section 1.3

Starting the process: key tasks

The discussion above has laid out the underlying concepts and guidelines of ECOLOC LED and dialogue. It is important that these are understood at the start of the process and referred back to where necessary in the subsequent Milestones.

What follows in this Section now outlines the main tasks in Organising the Effort:

- Deciding the scope and limits of the ECOLOC process
- Identifying the stakeholders to be involved in the different dialogue structures
- Synthesising the knowledge from the consultants' reports into a consolidated SWOT
- Clarifying the budget available
- Agreeing clear project assessment criteria
- Drafting a schedule for the process
- Preparing the actors

1.3.1. Deciding the scope of the ECOLOC process

One of the first steps in designing an ECOLOC planning process is to decide its scope and limits. This will depend largely on the type of budget and resources available. It will be very important to:

- Be realistic about what could be achieved of ECOLOC at least in the first and then five year period.
- Try and identify and implement some “quick-win” projects as soon as possible during the planning process itself, even if dialogue is somewhat limited.

The initial ECOLOC Research will start establishing some of the resource windows, at least from the municipality and donors. It will also have identified other development initiatives, in the pipeline or ongoing that could effectively link with, buttress as well as broaden the impact of the ECOLOC process. It is important at this stage to contact all development actors to engage them in the ECOLOC process and ensure there is full integration and coordination of the various actors. Working together normally increases effectiveness and impact as well as decreasing costs. For example the LED forum at the end could be part of a community fair in combination with a local poverty reduction program.

Practical Tips 14: IDENTIFYING LINKAGES AND DECIDING SCOPE

Identifying linkages

- 1) Are there any other planning processes with similar or complementary goals to ECOLOC?
- 2) What are their goals and aims? Who is involved? What are their time schedules?

Deciding scope of ecoloc

- What are the implications for ECOLOC goals? Do other programs increase potential for finding funding for any particular types of projects/reduce or increase the need for ECOLOC to consider these?
- What are the implications for types of people who should/can be involved in ECOLOC? Are key local actors already over-committed? Are other programs developing capacities of marginalised groups which would enable them to play a meaningful role in ECOLOC dialogue?
- What are the implications for the timing of ECOLOC activities? In order to avoid overload of the same people at the same time? In order to combine complementary activities to increase effectiveness and reduce costs?

1.3.2. Identifying the stakeholders

The next task is identifying which stakeholders should be contacted and encouraged to participate in the different dialogue structures discussed above.

As part of the research phase a consultant's report will have been prepared on the local social and political context which:

- Identifies the main stakeholders and associations in the locality who might be involved in the ECOLOC process
- Discusses how the different actors and groupings relate to each other: commonalities of interest and networks between them which can be built on, how they relate to the local government and how they relate to the local economy
- Identifies any likely lines of conflict and tension which need to be borne in mind in facilitating the dialogue process.

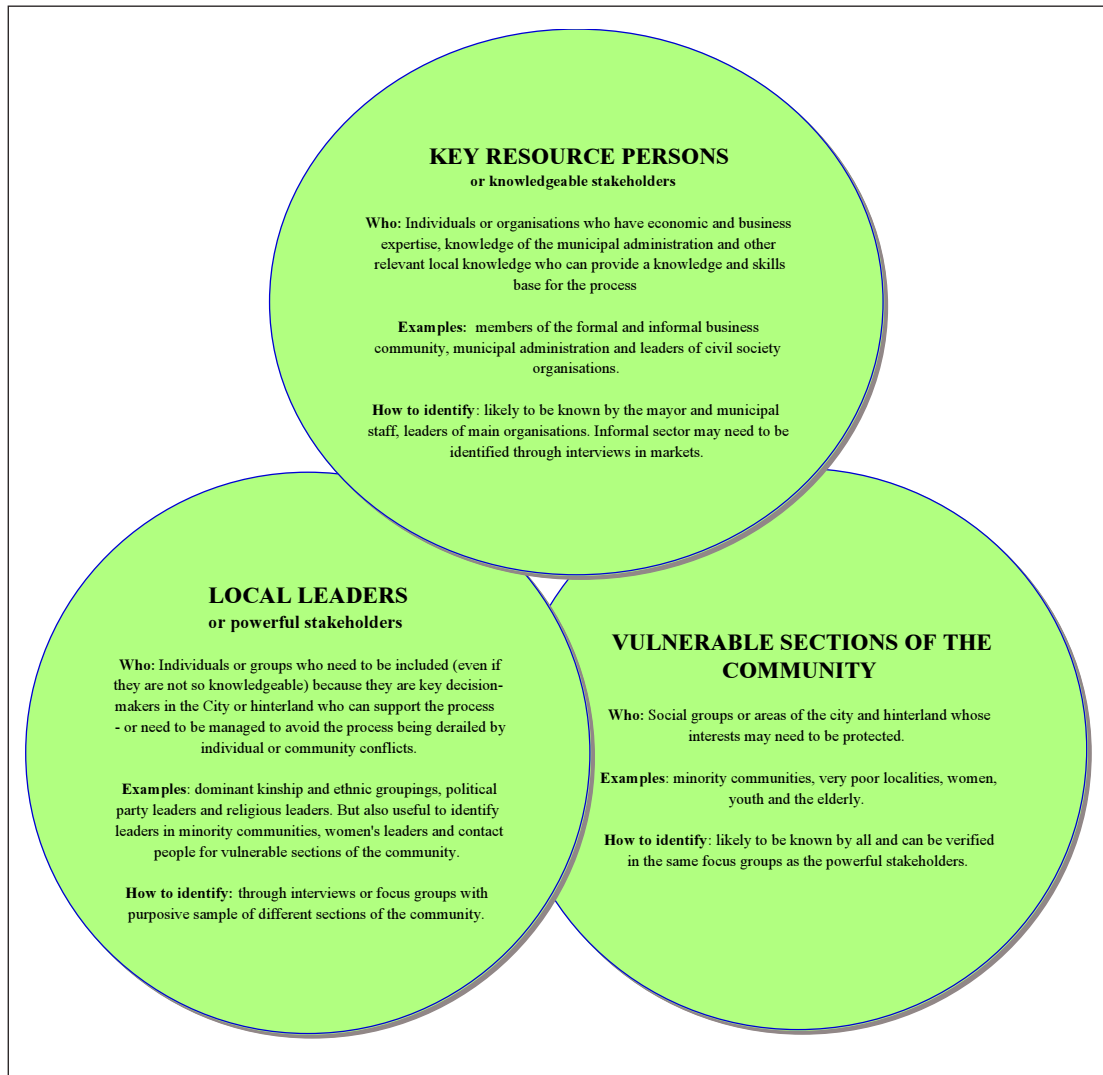
Although who is actually involved in the dialogue process will depend largely on who is available and committed to putting in the necessary time and resources, there should at least be an overview plan of who should be contacted and encouraged to be involved. It is important to have as balanced a representation as possible of different interests and skills on the ECOLOC Committee and in the dialogue groups, and also to bear in mind the requirements for subsequent implementation.

Stakeholder analysis in local planning typically differentiates between three main types of stakeholder in planning a dialogue process:

- Key resource persons or knowledgeable stakeholders who can contribute their experience and knowledge about the local economy, municipal functioning and local context
- Local leaders or powerful stakeholders who can help or hinder both the planning and implementation processes
- Vulnerable sections of the community whose interests may need to be taken into account when assessing programs and projects proposed.

Examples of who these different groups might include and suggestions as to how they may be identified are given in Fiche 1.

Fiche 1 : Stakeholder Analysis



This stakeholder analysis need not be very detailed – it is likely that the key knowledgeable stakeholders in the formal economy and local government will be known to the mayor. But there will also be other actors in the informal economy that could bring valuable expertise to the process and would need to be identified through focus groups in markets and elsewhere. The powerful stakeholders are likely to be known to everyone, but it may also be useful to identify key contact people in minority groups, women’s leaders and so on and also representatives of vulnerable groups. Identification and verification of the powerful and vulnerable stakeholders is normally done through focus group questioning with a purposive sample of different sections of the community.

The information obtained could be listed in a matrix, or presented in a venn diagram as in Fiche 1. The advantage of the diagram is that some individuals may belong to more than one category e.g. powerful businesspeople that are knowledgeable about the economy, leaders of minority communities powerful within their own sphere and so on. It is possible to place these people in the overlaps between the relevant circles. Different stakeholders can be colour-coded to highlight the ones likely to be most supportive or needing most persuasion. Any likely allegiances or conflicts can be marked with different kinds of arrows. In some contexts some of the qualitative information obtained, particularly on the powerful stakeholders, may be both sensitive and confidential – it may therefore be necessary for the TSMT to keep a confidential note on points they need to bear in mind in facilitating the dialogue. It is also important to bear in mind that the stakeholder analysis and also assessment of the institutions

will probably evolve over time as knowledge of the community increases and new networks and conflicts arise. These can be noted and included in the dialogue monitoring.

It is important to realise that this is not intended to be an in-depth sociology study which covers all aspects of the society. The information and analysis should be very carefully focused on the information needed for the ECOLOC planning process. At the same time the very complex nature of social analysis means that not all issues and questions can be foreseen and information which may seem at the time irrelevant may prove later to be significant or useful. An example from ECOLOC experience has been the use of myths – although local myths and local sayings may seem irrelevant to ECOLOC, in practice they have been useful in diffusing tensions and/or promoting inclusion (e.g. joke relationships between ethnic groups, myths which put women as mothers of the community and so on). It is difficult therefore to be too prescriptive about what should and should not go into the report.

The second part of the contextual analysis puts the emphasis on stakeholder relationships. It seeks to identify the relationships between the different stakeholder groups and local economy and local government management. Normally the analysis would take place in the study phase by the sociologist on the team.

The third part of the social context analysis which is useful is an institutional analysis. The basic information for this is also normally collected during the research process. But it is suggested that this include slightly more information than in ECOLOC processes in the past in order to be able to better track and facilitate the dialogue and feed into the dialogue monitoring. This involves obtaining certain basic information about the ways in which the local organisations operate:

- A preliminary analysis of who and/or what interests they represent
- How many people they represent
- How participatory/representative their decision-making processes are
- Who should be contacted.

It is useful to combine this information into an “institutional positions, interests, power matrix” like the one in Fiche 2.

The combination of the stakeholder and institutional analysis together should enable the sort of broad representation of the community required, either directly on the ECOLOC Committee and dialogue groups or indirectly through feedback from members of these to their different organisations. This can be assessed through use of some sort of checklist as suggested in Fiche 3. This can then be used to increase representation of stakeholders and also assess how representative the participatory process has been. This information would be combined with the attendance monitoring as discussed in Section 1.2.3 Monitoring the Dialogue above.

Fiche 2: STAKEHOLDER MATRIX				
	REPRESENTING WHOM, ACCOUNTABLE TO WHOM	INTEREST	POSITION ON ECOLOC	STRENGTH (POLITICAL POWER)
Organisation 1				
Organisation 2				
Organisation 3				
Organisation 4				
Etc.				

Fiche 3: REPRESENTATION CHECKLIST

INTERESTS REPRESENTED	ECOLOG COMMITTEE	DIALOGUE GROUPS	ORGANISATIONS REPRESENTED	COMMUNITY FOCUS GROUPS	SPECIAL INVITATION TO WORKSHOPS/MEETINGS
KEY RESOURCE PERSONS e.g.					
Business community					
Formal					
Informal					
Municipal administration					
Civil society					
LOCAL LEADERS e.g.					
Political leaders					
Religious leaders					
Community elders					
Women or youth leaders					
VULNERABLE COMMUNITIES e.g.					
Minority communities					
Poor localities					
Women					

1.3.3. Synthesising the knowledge: SWOT Analysis

A key challenge in many strategic planning processes is translating all the information gathered in the local economy assessment into a manageable framework that can be used for designing the vision and strategy. Although there are other tools available, good practice in most countries adopts the use of an analytical framework known as a SWOT analysis (strengths, weaknesses, opportunities, threats) for this purpose.¹²

Box 6. SWOT ANALYSIS FOR LED KEY COMPONENTS	
STRENGTHS local assets	Examples: Competitive wage rates, skilled workforce, educational and research institutions, strong transportation network, safe locality, productive existing firms, proximity to raw materials or other natural resources, community cohesion, strong local business organisations and NGOs used to working together, good geographic position.
Weaknesses obstacles to growth	Examples: Worsening poverty, complex regulatory procedures, inadequate infrastructure, limited access to credit, health issues affecting the workforce (e.g., HIV/AIDS), political or religious divisions, weak local organisations.
Opportunities favorable exogenous (external) conditions	Examples: Technological change, new international trade arrangements, or positive macroeconomic/political developments, expanding market opportunities, new movements for community development, legislation decentralisation, on women or youth rights, donor programs.
Threats unfavourable exogenous (external) trends	Examples: Demographic changes, downsizing of global business or loss of markets resulting in local factory closure, privatization, natural disasters, political unrest, unstable macro-economic environment.

To prepare for this exercise consultants who were commissioned to undertake the local economy assessment and stakeholder analysis do the following:

- 1– All consultant full reports should be available in the public domain, and these reports together with related background material should be lodged for safe keeping and use in the appropriate office, ideally in the Municipality.
- 2– 3 or 4 page executive summaries of each expert report and survey should be prepared for use by stakeholders and for presentation to the ECOLOC Committee and Municipal Council(s).
- 3– Each report should be accompanied by its own SWOT with no more than 3 or 4 items in each quadrant of the SWOT.
- 4– A separate prioritized SWOT should also be presented that analyses then prioritises the business enabling environment perceptions.
- 5– Prior to presentation at the ECOLOC Committee, Municipal Council(s) and stakeholder workshops the executive summaries reports need to be compiled into one report.
- 6– A meta SWOT should also be prepared which will initially include all the proposals from the consultants¹³

12. For those interested in knowing about how different countries have used different research tools, methods and analytical tools for assessing the local economy, please visit www.citiesalliance.org or www.worldbank.org/urban/led for a forthcoming report

13. See an example of a SWOT, Fiche 7 and Example 5

7– It is important at this stage that consultants do not present recommendations for actions or proposals on how the SWOT should be prioritized (except see 4 above).

These materials, the comprehensive reports, the executive summaries, the meta SWOT and the BEE prioritized SWOT may all be used in to design the strategy, and thereafter can also be used as part of the project selection criteria, according to local decisions.

1.3.4. Budget: Mobilisation And reality check

Based on the outcomes of the ECOLOC study, one central function of the dialogue is to increase the financial means available to municipalities. This line of action will be reflected in the LEDSAF (chapter 6). The public sector has to cover the needs for priority maintenance of the existing infrastructure, new investments and current expenditure. The calculation of the needs and the available resources usually shows a large financial gap. This gap has to be covered mainly by additional revenues to be mobilized from the stakeholders. The dialogue thus leads to a negotiation between stakeholders, how much additional revenues can be mobilized and how quickly. How the plans have to be readjusted in function of what can be realistically made available. The dialogue on this topic is thus an iterative process as well as a negotiation on priorities and commitments to pay more taxes and dues.

Four steps are suggested to tackle this central challenge of the process:

First step: Analysis of the revenue side

- Compare total municipal budget to the Gross Local Product (GLP);
- Identify where the main revenue streams for the municipality come from, in particular identify the most important or the potentially most important taxpayers, i.e. those with high value adding activities. (This information can be derived from the Social Accounting Matrix and the data on the revenue side of the budget).

Second step: Determine the level of necessary expenditure

- Annualize the Priority Maintenance Plan (PEP);
- Compare the realised expenditure for maintenance in the municipal accountability of the last year [n-1] with the budget for the current year [n] with result from a);
- Determine the fiscal gap to cover the maintenance needs based on the following assumptions: expenditure for investment will be covered by extraordinary revenues, but current expenditure has to be covered by the ordinary revenues of the municipalities. Reminder: maintenance is only one kind of expenditure, others are costs of administration, functioning of legislative and executive bodies, current expenditure for social tasks, salaries, just to name a few. The budget has to reflect all these priorities and its size has to be planned accordingly.

Usually, the needs outweigh by far the existing resources making an objective like doubling or tripling the revenues of the municipalities within 5 to 10 years necessary.

Third step: check how to improve tax collection?

- Analyse the different municipal revenue sources and their productivity by comparing the last administrative accountability and the corresponding budget (additional information might be gathered by doing this for the last three years to get an idea of the evolution of the different taxes and dues);
- Analyse by type of taxes and dues, the corresponding effectiveness of collection and make sure the municipalities know for each stream the fiscal potential, i.e. the underlying tax bases. This information should be available at the deconcentrated tax administration;
- Discuss with the different municipal services and the deconcentrated services of the state (tax administration and treasury) about the best way to understand the potential of the tax base and how to increase tax collection, thus combining both approaches.
- Management and institutional reform will cover as well the tax services but will be dealt with separately in the Program for Reform of Municipal Management

Fourth step: Start the dialogue with stakeholders on increasing taxes and/or redefining goals

- Explain the financial gap to stakeholders
- Highlight the need for more public expenditure to re-launch the local economy
- Strike deals with the stakeholders to increase taxes on the one hand and to cater better public services to their needs on the other
- Lobby with the central state for increased fiscal decentralisation

1.3.5. Project selection and prioritisation processes

This will be a long section as it is in many ways one of the most important aspects of the entire ECOLOC process. This section will not be prescriptive; rather it will give ideas and examples of how this process can be designed. At this early stage individual ECOLOC processes will need to design key project application, assessment, and scoring and prioritisation methodologies. In fact the project application forms should not be finalised until the scoring and prioritisation methods are resolved.

Prioritising within resource constrained environments is particularly challenging hence, throughout this handbook there is a strong focus on prioritisation. In fact by the end of this milestone already the SWOT will have been prioritised. Goals are not prioritized as it is important that as goals are selected that there are possibilities to support projects in each goal (if this is not possible then the number of goals will need to be reduced). These selection and prioritization issues will be returned to repeatedly and without apology in this manual.

In organising the effort and in preparing for the second milestone the issues of selecting and prioritizing projects will be addressed and decided. As seen already there are very many types of LED projects that can be put forward by a wide range of actors so the process of deciding and then allocating scarce resources will need to be resolved.

Project selection and prioritisation occurs through designing locally relevant clear procedure that will be made clear to all actors as early as possible in the process in order to avoid misunderstanding and disappointment later on.

The process starts with agreeing administrative matters. It is suggested for the ECOLOC process that procedures should be proposed by the TSMT for agreement by the ECOLOC committee and Municipal Council(s). Final decisions on project selection necessarily are made by those who manage the resources, which will often mean the Municipal Council(s). However the project selection and scoring will help guide the Municipal Council(s) in its final prioritisation and selection decisions.

As it is likely the TSMT will themselves be responsible for the final scoring, it is a good idea for criteria to be initially drafted by them at the very beginning of the process. Proposals on project selection, scoring and prioritisation can then be submitted for discussion and amendment as part of the Knowledge to Vision discussions in Milestone 2. They are then ready for the work on programs and projects in Milestone 3.

Sample Project Selection Methodology

It is suggested that this should be designed three parts with some form of appeals opportunity at the end. The aim is to develop a process that is transparent but that does not raise expectations unnecessarily, and does not involve applicants or administrators in abortive work. It is important to somehow divide the responsibilities of those who advise the project applicants from those who score the projects. This is in the interests of all parties.

1) The Eligibility/Gateway Stage and Technical- Selection Criteria

The first step is to develop a short set of “eligibility or gateway” criteria which all projects should meet before proceeding to a fuller appraisal. This step ideally would be a short set of questions with the core answer being a yes or no, with no more than a line or two of corroborating information. All answers need to be YES before the project is allowed to proceed to the next stage. This stage could be under-

Practical Tips 15 SAMPLE ELIGIBILITY/GATEWAY CRITERIA

- Is the project located in the ECOLOC project area or is its impact on the ECOLOC area?
- Does the project contribute to one, or more than one goal?
- Does the project correspond to one or more of the Programs?
- Is there a clear picture of outputs?
- Is there a clear picture of targets?
- Is there a clear idea of the financial and non-financial resource needed for the project implementation?
- Is there a sponsor of the project willing and able to take it forward?

taken by the chair of the dialogue committees or TSMT. Practical Tips 15 gives some suggestions that could be considered for this eligibility or gateway stage.

2) Technical Criteria

Once the projects have met the eligibility or gateway criteria a suggestion would be to pass them through to the ECOLOC Committee for further processing, technical assessments and scoring by the TSMT.

3) Project Proposal/Action Plans

Once the criteria have been agreed the project proposal forms/action plans can be designed. The following are suggested forms that could be adapted for local circumstances. In some cases it may be appropriate to have two forms, a very simple gateway application form and then a second level Technical Application. These model forms need to be designed so that they can be scored through the gateway criteria and initial technical criteria.

Fiche 4: PROJECT APPLICATION FORM/ACTION PLAN – MODEL FORM

<p>LED Project: 1 <i>Insert Title of Project</i></p>	<p>Type of Program (LED 10 program areas): Look at the generic ten model program areas and identify which programs this belongs to</p>
<p>Eligibility/Gateway criteria Fit with Goals and Programs <i>Identify which goals and programs for this ECOLOC strategy this project belongs to. It can meet more than one goal and more than one program</i></p>	
<p>Project Description: <i>Describe the project here, what it is, what it aims to do, what it will try and do. Explain a little about how this project came about, who wanted it and why.</i></p>	
<p>Expected Results: <i>List here whatever results you can think of, some will be easier to measure than others but list them all here anyway</i></p>	<p>Targeted Groups: <i>List here all the groups which may benefit from or use this project</i></p>
<p>Potential stakeholders: <i>List here all the groups who may participate in working on this project, planning, design, funding, implementing, beneficiary groups.</i></p>	<p>Potential Contributions to the Project: <i>List here the types of contributions needed for the project to go ahead. These could be for example, money, premises, staff time, technical assistance</i></p>
<p>Preconditions: <i>List here those conditions that will be necessary for the project to go ahead, for example, a suitable office location, qualified employee</i></p>	<p>Risk Factors: <i>List all the risk factors you can, for example, Business people do not trust municipal officials Municipal government does not understand the business community</i></p>
<p>Synergies with other ECOLOC or external programs (past, present or future) <i>List here any projects you are aware of that could have a positive (or negative) impact on your project</i></p>	
<p>Estimated Expenses: <i>List everything you can that you think will be needed to design, implement and maintain this project, to include capital and operational costs, generally at this early stage. List where you expect to obtain these costs, identify amounts and also whether these funds/contributions have been Committed, are Expected or are Hoped for! (C,E,H). List actions needed to achieve funding.</i></p>	
<p>Status: <i>identify current status of project, for example, project prepared, funding obtained, and awaiting x. Or project in preparation, negotiating funding, etc.</i></p>	
<p>Implementation Period: <i>Starting date: July 200x Completion: February 200x</i></p>	<p>Evaluation: <i>Review after the 6 months of action. Results will be monitored for each year in comparison with initial data e.g. of the number of businesses, trust of business people in the local administration.</i></p>
<p>Responsible Organization and Person <i>List here the responsible organization and contact person within that organization.</i></p>	
<p>Outputs: <i>List the complete list of outputs for example, number of manuals produced, businesses assisted, offices opened</i></p>	<p>Outcomes <i>List outcomes that appear later in the project implementation for example, improved perception of red tape from businesses, based on monitoring survey and simple baseline survey</i></p>

Experience example 3: PROJECT APPLICATION FORM/ACTION PLAN

<p>LED Project: 1 <i>Establish a 'One-Stop Shop' for business development to improve and facilitate municipal government-to-business relations</i></p>	<p>Type of Project: Encouraging Local Business Growth Encouraging New Enterprise</p>
<p>Fit with Municipal Strategy, Goals and Programs Meets Goal 1, diversifying the local economy, program 2, Reduction of red tape development program</p>	
<p>Project Description: Experienced LED and business development practitioners will facilitate the establishment of a 'One-Stop Shop' business center that will serve as a central point for business-municipal information and liaison. The 'One-Stop Shop' will enable the business community to obtain information, advice and guidance on municipal government administrative activities and services. Presently, no coordinated mechanism exists to provide such information to the local business community on the procedural, regulatory and business activities of the municipal government. Locally, there remains a high level of distrust between the business community and municipal government because of inconsistencies and contradictions in the design and delivery of municipal procedures. It is envisaged that the 'One-Stop Shop' will provide relevant and transparent information on business registration, the issuing of business permits, municipal procedures and requirements, and general business development. It is expected that the 'One-Stop Shop' will act as mediator between the business community and municipal government during the development and renewal of registration and permit issuance procedures. The 'One-Stop Shop' will provide information on changes to legislation and administrative procedures including taxes and collection, work permits, procedures on financial reporting, sanitation and technical conditions, fire and environmental protection etc. It is hoped that the 'One-Stop Shop' will facilitate the development of working partnerships between the municipal administration and the business community by providing business information to existing and new businesses. It will encourage information sharing and discussion between businesses, government and investors. In its first year, it is envisaged that the 'One-Stop Shop' will offer services free of charge and the following year an introductory charge will be applied.</p>	
<p>Expected Results: Encourage the greater involvement of the local business community in the LED process Provide support and advice for investors, new businesses and entrepreneurs Reduce the level of business failures Increase the level of fee-income received as business usage grows Improve the business investment climate and enabling environment for internal and external investments IDEALLY THESE SHOULD BE QUANTIFIED</p>	<p>Targeted Groups: Current businesses and entrepreneurs that want information on the approaches to, and procedures of, registering a company or changing status Potential business people who do not have knowledge or time to register or do not have financial means to engage a lawyer External businesses and investors seeking information on the municipality and the local economy Municipal government; the 'One-Stop Shop' will provide municipal employees with an opportunity to work with, and respond to, the views of municipal government</p>
<p>Potential Stakeholders: Business groups, associations and Chamber of Commerce Municipal government Municipal Office for Business Registration Donors, NGOs and charitable organizations</p>	<p>Potential Contributions to the Project: Technical assistance Direct local support, political support, the maintenance of a stable municipal environment Offering of business specific information Financial support Provision of office space and equipment</p>
<p>Preconditions: Existence of suitable and knowledgeable project manager with relevant experience or understanding A willing municipal government that wishes to change its working practices A suitable office location Pledge of involvement from institutions involved with the legal and administrative aspects of businesses</p>	<p>Risk Factors: The 'One-Stop Shop' may be seen as just another part of the municipal government The local economy is not favorable to businesses Entrepreneurship is not a local strength Business people do not trust municipal officials as they lack transparency and honesty Municipal government does not understand the business community</p>
<p>Estimated Expenses: H- Hoped for, not committed or expected at the moment €20,000 for starting in the first year and €10,000 for the second and third year Equipment: €8,000 Payment: €5,560 for two workers Variable Expenses: €2,100</p>	
<p>Status: Presently searching for funding. In the case that of no external funding is secured, funding will be sought from the municipal budget</p>	

(Suite) PROJECT APPLICATION FORM/ACTION PLAN

Implementation Period:
Starting date: July 2004
Completion: February 2005

Evaluation:
Review after the 6 months of action. Results will be monitored for each year in comparison with initial data of the number of businesses, number of employees, trust of business people in the local administration.

Contact Person:
Municipality, Department of Economy; Director of the Business Department
Mr X Jones Telephone/email

Outputs:
Export promotion services offered to 45 business
Establishment of a business-government liaison group with six meetings held
Advice and guidance given to 100 businesses
Production of municipal leaflets/brochures on 4 aspects of municipal-business administration

Outcomes:
Exports as proportion of sales increases by x percent over x years
Perceptions of municipal red tape improved by 20% over 2 years.

Fiche 5: MORE COMPLEX PROJECT APPLICATION FORM

Project Name					
Goal and programme					
Which SWOT priorities are addressed?					
Which BEE SWOT priorities are addressed?					
Project Location					
Project Duration	Start Date: (month/yr)				
	End Date: (month/yr)				
Lead Contacts: <i>(please specify all names)</i>	Project Proposer				
	Consultant Adviser Contact				
	Dialogue group contact:				
Project Sponsor: <i>(lead body if more than one)</i>	Organisation: Contact name:				
Project overview costs	Funds sought from:				
	Year 1: 2006/7				
	Year 2: 2007/8				
	Year 3: 2008/9				
	Future Years (if any)				
	Total				
Project Summary					
1. Background and Rationale					
Project Description					
2a) What are the project's aims and objectives?					
2b) Provide a short description of the project and how it will operate					
2c) Who will be the delivery organisation and who has been consulted?					
2d) Does it link with other proposed ECOLOC or other development programs (past, present, future and if so which)					
3. Outputs, Outcomes and Impacts					
What outputs will be delivered by the project? What are the expected outcomes and impacts?					
<i>Please complete the table to show what outputs the project will directly deliver.</i>					
	Direct Outputs <i>These are examples only!</i>	Year 1	Year 2	Year 3	Future Years
	Jobs created <i>full time equivalent, to last at least 1 yr</i>				
	Jobs safeguarded <i>Would be lost in 1yr without project</i>				
	Businesses created/attracted <i>New businesses in/to the region</i>				
	Learning opportunities <i>30 hours+ of training per individual</i>				
	No. of SMEs/Start-Ups Assisted				
	Length of road built				
	No. of employed/unemployed people helped				
	Area of land developed				
	<i>What happens when the project finishes? Sustainability strategy?</i>				

5. FINANCES

There will also need to be a financial table completed, a much more simple form initially, and also for the first stage of the process. Here is a fairly complicated example that may be simplified or added to according to local needs.

1) Expenditure Item (£000s)	Funding						Total	Future Yrs	2005/6	2004/5	Total	Non-Cash Costs	Project Sponsor's Own Funds	**Other	Total	
	2004/5	2005/6	Future Yrs	Total	Non-Cash Costs	Project Sponsor's Own Funds										**Other
1a) Operational Costs (£000s)																
Salaries																0
Premises																0
Maintenance																0
Other																0
OPERATIONAL COSTS SUB-TOTAL	0	0	0								0		0	0		0
1b) Capital Costs (£000s)																
Land Acquisition																
Building Acquisition																
Site investigation																
Site preparation																
Building and construction																0
Plant and machinery																0
Project design and Fees																0
CAPITAL COSTS SUB-TOTAL	0	0	0								0		0	0		0
TOTAL EXPENDITURE	0	0	0								0		0	0		0
2) Funding Source:																
Project Sponsor's Own Funds																
Local Government																
Donor																
Private Sector																
Income from project activities																
Other (please specify)**																
Total	0	0	0								0		0	0		0

Project Scoring Basics

The next step at this early stage is to design project scoring methodologies, these do not need to be complicated, but they do need to be robust enough to help the ECOLOC Committee and Municipal Council(s) decide which projects to support and when. They also need to be robust enough that project applicants can identify that the scoring system is fair. This process will also be helpful to donors who will more readily support projects that have been through such a rigorous and transparent process.

Some generic suggested project selection criteria based on ECOLOC processes and international practice are given in Box 7.

Box 7. PROJECT AND PRIORITISATION PROCESS IDEAS	
Prioritised SWOT issues	Review each project to see how many of the high priority SWOT items are addressed and how many of these are priorities responding to the BEE survey questions
Meeting Goals	Review each potential project and compare how well it meets and fulfils the specific goals. Projects that address more than one goal should obtain a higher score
Meeting Objectives	As objectives are time-bound and measurable it is easy to see how individual projects can contribute to these quantified measures. Clearly a project that contributes more in terms of outputs or impacts gets a higher score
Synergies with Goals and external programs	How will this project impact on, or relate to, other projects within the strategy and non-ECOLOC development programs? Are the projects complementary or do they duplicate?
Impact	Determine both the negative and positive impacts of the project on the local economy. Does this impact take into consideration social, environmental and physical concerns Calculate the extent of the project's impact and rank the projects with the greatest net effect at the top.
Feasibility (time)	Generally projects that can be completed in more quickly say within one, two or three years should be ranked more highly. Longer time frames make projects harder to deliver.
Economic Feasibility (Cost):	What is the capital cost required to start the project and what are the operational expenses of running the project, who pays? What is the cost-benefit in terms of the outcome received/costs expended? What is the likelihood of securing financing? Who controls the funding sources and when may the funds become available? If donor funds re available, the scoring should reflect that.
Social and Political Feasibility:	What level of support does the project have from public leaders, business leaders, the community and other tiers of government?
<p>In addition to these issues the ECOLOC Committee will need to put in mechanisms to ensure:</p> <ul style="list-style-type: none"> • An appropriate (to them) balance of projects is supported both between and within goals. • A process for ensuring fairness in allocating projects between different project sponsors. • An appropriate balance between long, medium and short term projects • An appropriate balance between hard and soft infrastructure etc. 	

Project Scoring: some suggestions

There are many ways of doing this and clearly each ECOLOC program will design scoring procedures to suit local circumstances. In some methodologies there are individual scoring forms designed for every goal. In others the same basic scoring is applied to the entire program. There need to be different forms and modalities for the private sector business support projects.¹⁴ The scoring should be undertaken by qualified and impartial parties. It is suggested that the TSMT score, but they may only score projects in the goals where they are not assisting in project preparation. This process needs to be overseen by the ECOLOC committee to ensure even scoring across the different TSMT members.

The ECOLOC committee, in making its decisions, can use the total score as one decision criteria, another would be to support projects with the most high bands, see Fiche 6. Alternatively, depending on local priorities, they may choose to support say, inclusion projects, or those projects ready to start, or those with external funding in place, or those that support the total business enabling environment etc. The Albanian municipality in Experience Example 6 had a very practical approach. They included in their prioritisation framework both whether finances were available and also if the municipal staff had implemented a similar program before.

There is only so far this process can go in supporting the decision makers of the process, ultimately supporting projects is a decision made by the Municipal Council(s) and they have many resource and other matters to factor in. This however should help them significantly.

Good practice suggests that each project proposal is then returned to the applicant with the scoring and ideally comments. A period of time should be allowed for some form of appeals process.

Once a system has been designed by the TSMT it will need to be carefully reviewed by the ECOLOC committee; sufficient time in the workshop should be made available to allow for even the most streamlined approaches to have a full discussion.

¹⁴. Normally if public sector resources are being transferred to private companies there are quite specific rule driven norms and practices which allows for most discussions to be held in confidence

Fiche 6 AN EXAMPLE OF A PROJECT SCORING METHODOLOGY

Program 1	Business Enabling Environment Enhancement Program (example)			
Criterion	Banding			Comments
	High (5)	Mid (3)	Low (0)	
The project is clearly part of an the LED strategy for enhancing the business enabling environment				
The program meets one or more goals (e.g.1=3 2+=5)				
Is this a hard infrastructure project (3) or soft (5)				
The project provides evidence of support of the target group. (5 could be for partnerships, 3 for projects submitted without) 0 no evidence				
The project addresses one or more of the 3 most significant SWOT criteria identified by research 5+ =5; 3+ =3 1=0				
The project addresses one or more of the 3 most significant SWOT criteria identified by the business enabling environment survey questions 3+=5, 2+=3, 1=0				
The project adds value to other related programs rather than duplicating Adds value to more than 1 program =5, adds value to one other program=3, duplicates or no added value=0				
Project can provide evidence that the business investment sector and voluntary and community sectors will be engaged in implementing5/3/0 partnership established=5;/financial or human resources committed=3; no evidence=0				
There are explicit arrangements in place for implementing the project				
The project clearly demonstrates how it will contribute to objectives by quantifiable outputs and outcomes .				
Project has already secured funding 5/committed 3/ none/0 This could be extended by weighting certain types of funding higher than others				
Once completed the project will draw on municipal resource for operational maintenance or support 5= no support, 3= low cost, 0=expensive				
Project supports marginalized groups/areas -f these are the main target 5 if not 0				
Project supports programs aimed at the entire business Lenabling environment 5 or 0				
Project can be started within t6 months, 5, within a year, 3, longer 0				
Maximum total marks available:	Total x	Total x	Total x	Combined Total x

Experience example 4: AN EXAMPLE OF PROJECT PRIORITISATION METHODOLOGY FROM A CITY IN ALBANIA

Project Priority No.	Project Code	Project Matrix No.	Project Title	Hard / Soft	Identified sources found (High/Medium/Low)	Guarantee found (Yes/No)	Expertise available (Yes/Possible/No)	Implemented previously (Yes/No)	Risk level (High/Medium/Low)	Target group (General/Specific/Small)	Fulfillment of objectives
1	G1:O3:PG1:p5	18	Establishment of a system for integrated management of Lake Shkodra ecosystem	H	H	Yes	Yes	No	L	G	3
2	G5:O3:PG1:p2	91	Development of a database, and relevant computer software, of all addresses in Shkodra	S	M	Yes	Yes	No	L	G	1
3	G3:O1:PG1:p3	49	Construction of a new library of Luigj Gurakuqi University	H	H	Yes	Yes	No	L	Sp	2
4	G1:O1:PG1:p1	1	Improvement of the electricity supply within Industrial Zone	H	H	Yes	Yes	Yes	H	Sp	3
5	G1:O3:PG1:p6	19	Make operational a lake transportation service between Shkodra and Virpazar (in Montenegro)	H	H	Yes	M	No	M	Sp	2
6	G1:O4:PG1:p1	20	Construction in the city of a public wholesale market place for fruit and vegetables	H	H	Yes	Yes	Yes	L	G	1
7	G4:O3:PG1:p1	67	Rehabilitation of the city's sewage pumping station	H	M	Yes	Yes	Yes	M	G	2
8	G1:O1:PG1:p4	4	Rehabilitation of road infrastructure within Industrial Zone	H	H	Yes	Yes	Yes	M	SP	3
9	G4:O3:PG1:p2	68	Construction and rehabilitation of sewage discharge pipes	H	M	No	Yes	Yes	L	G	2

1.3.6. Drafting the Schedule

The precise details of the schedule at each stage will be finalised in the Milestone workshops with the ECOLOC Committee. At this early stage only a very rough draft of the schedule should be drawn up as a broad guideline. This should be realistic based on known potential delays e.g. elections, seasonal disruptions etc.

Exactly how long each Milestone will take will depend on local circumstances. As indicated in the Milestone Overview Diagram 3 the following rough schedule is only a guide:

Box 8. ECOLOC SCHEDULE: A ROUGH GUIDE TO TIMING	
Milestone 1: Organising the effort 3-4 months	Plans made in Milestone 1 may need to be altered later in light of new information, changing circumstances or simply experience. The main point is to have a clear plan to present (it will be written as Chapter I of LEDSAP and guide the process at least in the beginning.
Milestone 2: Knowledge to Vision to Programs 3 months.	This enables sufficient time to discuss and agree the vision and goals and start brainstorming potential programs and projects within the various organisations and associations in the city.
Milestone 3: Programs to Projects 3-6 months	The time taken here will depend on numbers of good projects proposed and the degree to which these require further elaboration.
Milestone 4: Strategy and Action Plan ratification 4-6 weeks	Finalise and publish the LEDSAP and make logistical arrangements for the Forum.
Milestone 5: Implementation and monitoring 5 years	This starts after the Forum with some projects implemented within the first year and leading into an indefinite iterative cycle of further planning, implementation and monitoring.

Practical Tips 16: CONSIDERATIONS IN DRAFTING A SCHEDULE

- Based on experience in Bobo, Segou and Kaya.

DO

- ☺ Bear in mind the main climatic and festive seasons? Are there any times of year when mobility is very limited and/or activity will not be possible?
- ☺ Bear in mind the electoral cycle? At what times during the proposed timeframe for ECOLOC is it likely that the Municipal Councillors and/or staff will be too busy to give time to ECOLOC? What are the implications for the timing of particular activities?
- ☺ Bear in mind any local events e.g. festivals or fairs which would provide a useful/feasible launch point for the media campaign or conclusion and link for the ratification process?
- ☺ Consider the timescales of other complementary programs? Do these indicate that certain times of the year should be avoided for certain activities? Or that linkage with these programs at certain times would benefit the ECOLOC process?

DON'T

- ☹ Leave too long a gap between collecting information and feeding it into the dialogue process
- ☹ Leave too long a gap between the dialogue process and LEDSAP ratification
- ☹ Leave too long a gap between ratification and implementation
- ☹ These three dimensions should flow easily one into the other and ideally dialogue would begin while the research is still being conducted. Experience in many ECOLOC sites also indicates that some small community projects funded from private local resources also begin to be implemented by the community even before the plan is finalized.

It may also be that not everything can be done 'perfectly', particularly the community consultation in the first round. ECOLOC is an iterative process, not a one-off. In cities where strong local organisations do not exist and/or there are high levels of community conflict then a more phased approach may be needed – starting where one can in the first round and then widening stakeholder involvement over time.

1.3.7. Preparing the actors: capacity building

As local economic development and strategic planning are likely to be new concepts to most ECOLOC participants it is essential that a significant amount of technical assistance and training is made available so that capacity at the local level may be built. Training will be adapted to each ECOLOC context and process envisaged as well as being adapted to available human and financial resources.

Different actors will need different levels and types of training as outlined in Box 9. For training purposes it is possible to distinguish three main target groups:

- Policy makers/decision makers and politicians: (ECOLOC Committee, Municipal Council(s) and the)
- Professional staff and technicians, including municipal staff and consultants
- Stakeholders

It is proposed that all main actors will need basic introduction to ECOLOC, LED principles and practice including, the main tools and methods for generating programme and project ideas. For the policy makers some of this can be built into or reinforced in the Milestone workshops. But the training should be given to new PDM staff as necessary) and consultants, ahead of the other groups if possible. Then PDM staff and consultants can contribute to the capacity building process as trainers/facilitators or animators at the workshops.

Box 9: SAMPLE TRAINING PROGRAMME	1	2	3
GENERAL INTRODUCTORY TRAINING			
Understanding ECOLOC	y	y	y
Principles AND Practice of LED	y	y	y
Dialogue facilitation	y	y	y
SPECIFIC DESIRABLE TRAINING¹⁵			
Capital Investment Planning		y	
Understanding the local economy		y	
Designing Regional and Local strategies	y	y	
Tailored project specific trainings	y	y	
Project Design and management		y	
Monitoring and Evaluation		y	

It is also desirable that all the main actors who will be conducting the consultations should be familiar with and able to use participatory methods, aware of inclusion issues and some successful examples of participatory budgeting. General awareness of inclusion issues and participation skills can also be inbuilt into and/or reinforced through the content and training methodology in the other trainings.

Although some formal 'expert' training will be necessary, much of the training may be both more effective and cost-efficient in other forms. It is important to focus on action-oriented and ongoing learning rather than theoretical learning which is not then integrated into practice. Training in ECOLOC LED Tools and dialogue facilitation can be integrated and reinforced through the design and methodologies for the Milestone Workshops and also into the consultation meetings at different levels.

15. The specific training could usefully be delivered through a train the trainers program with some form of related accreditation being ideal.

Experience particularly in building capacity in LED is that the tasks people perform between meetings and workshops perform a capacity-building function as 'homework'. Networking and peer learning, study tours, professional networks, mentoring and city/region to city/region networks have all proved valuable tools.

Practical Tips 17: COMBINING DIFFERENT FORMS OF TRAINING

ACTION-ORIENTED LEARNING

- Training in action centred workshops, at intervals throughout the program
- Homework in between workshops

networking

- Study tours
- Establishment of networks of professionals and politicians
- Mentoring/twinning with more experienced practitioners in the region
- Linking groups of cities or regions
- Peer learning and knowledge exchange

institutionalisation of training

- Training of trainers
- Ongoing consulting support in strategy design, program prioritization, project design and implementation
- Early institutionalization of the process in local/regional governments.

Milestone 2: knowledge to vision to programs

OVERVIEW

Milestone 2 Knowledge to Vision to Programs is concerned with:

- Developing an agreed vision and goals based on prioritisation of the SWOT analysis.
- Agreeing the criteria against which projects will ultimately be assessed.
- Setting up the dialogue groups for each goal
- Starting to brainstorm potential programs and projects to be further developed in Milestone 3 Programs to Projects.

Time frame: This process should take no longer than 3 months.

Process:

Each ECOLOC process will design their milestones differently, as can be seen from the case studies on the ECOLOC process in this handbook. Learning from this experience the following process is a guide:

- Starts with the **Knowledge to Programs Workshop** with the ECOLOC Committee, key stakeholders who might be on the dialogue groups and invited resource persons. The main task is to validate then prioritise the draft SWOT, and develop a proposed vision and goals. Arrangements for the project application, selection, scoring and prioritisation are discussed. Dialogue groups are then set up to take the process forward. Some programs and projects are suggested.
- Following the workshop, agreed administrative arrangements and ECOLOC Committee membership and processes are written up in the first chapter of the LED SAP and the two prioritised SWOTs are added to the Local Economy Assessment chapter of LED SAP.
- Preliminary proposals for the vision and goals are presented by TSMT as the **first part of the Vision to Projects Matrix**
- A process of **community consultation** then examines and suggests amendments to this Discussion Draft. During this process the dialogue groups are fully formed.
- The outcomes of the community consultation are discussed and accepted by the Municipal Council(s) in consultation with the ECOLOC Committee in their regular meetings. Any amendments are then incorporated into the first part of the **Vision to Projects Matrix**. This will ultimately become part of LED SAP Chapter 3: Strategy

Inputs from Milestone 1

At the start of this Milestone the following inputs should be available:

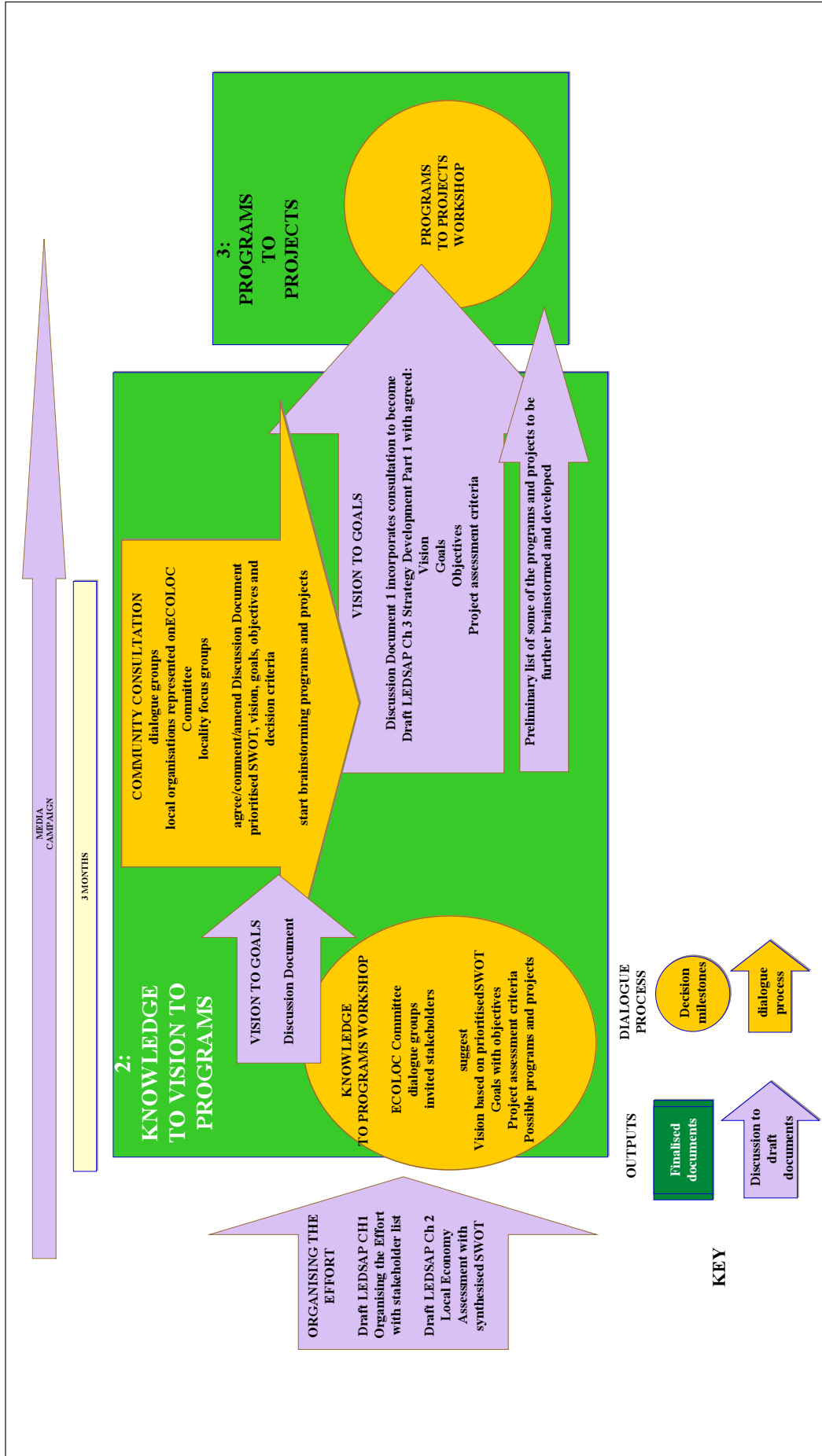
- Local Economy Assessment and the as yet un-prioritised meta SWOT
- The prioritised Business Enabling Environment SWOT
- List of stakeholders to be involved
- Proposal for the project selection and prioritisation process
- Suggested draft vision and goals to form the basis of discussion
- Draft schedule

The main participants should already have had training in basic ECOLOC process and concepts, LED principles and practice and dialogue facilitation.

Main outputs from Milestone 2:

- Prioritised SWOT agreed and draft of LEDSAF Chapter 2 Local Economy Assessment
- Vision to Goals Matrix produced, agreed by municipal council(s) and drafted as LEDSAF Chapter 3 Strategy Part 1
- Project selection criteria and scoring process agreed
- Dialogue groups formed and consultation process established
- Preliminary ideas for programs and even projects.

Diagram 5 : Milestone 2: Knowledge to Vision to Programs



SECTION 2.1. KNOWLEDGE TO PROGRAMS WORKSHOP

The Knowledge to Programs workshop marks the start of the dialogue process itself and the focused discussion of LED planning. Prior to this there will have been many opportunities for informal discussion and the ECOLOC Committee will probably have already met a few times. But this is the point at which stock is taken of both the conclusions from the research, and what the key stakeholders think are the ways forward for the City\region. This then forms a good basis on which to focus the following community consultation process.

A suggested schedule for a two day workshop is presented in Box 10. It would also be possible to split the workshop into two separate days corresponding to the earlier ECOLOC practice of having one workshop for discussion of the SWOT (atelier de restitution in former ECOLOC processes), followed by some community consultation, then a second workshop to discuss SWOT to vision and goals ('atelier de programmation' in former ECOLOC processes) and/ or even a third (atelier de lance des groupes de dialogue) to launch the dialogue groups. Much will depend on how well prepared the stakeholders are at the start and the local context and capacity. The two-day workshop suggested here is probably the most cost-effective way of proceeding to move the process along quickly and avoid long delays between the research process and starting the dialogue around programs and projects to lead to Milestone 3.

Numbers of participants and who they are will vary from place to place. But it is likely that there will be around 30-40 participants: the ECOLOC Committee as it exists at the time, plus potential members of ECOLOC Committee who are being encouraged to join, key stakeholders who may become members of the dialogue groups, the Mayor and some members of the Municipal Council(s) as well as the TSMT and invited resource persons.

It is suggested that the workshop starts with a discussion of what people understand about ECOLOC, its aims etc and their potential role in it. This enables the facilitators to assess how effective the prior training has been and clarify any misunderstandings. It also serves to establish a participatory approach in the workshop and encourages people to speak from the beginning. This discussion is followed by presentation of all the local economy assessment and SWOT. Depending on local needs, there may or may not be a need for the TSMT to present an overview of the economy. The two SWOTs are then prioritised using the suggested prioritisation tools below.

The second session of the workshop then uses the prioritised SWOT to develop a vision and goals which will subsequently be discussed in the communities. This could use the Vision to Goals map or matrix as suggested below. It could also start to draft in some programs and projects at this stage.

The second day (third and fourth sessions) then develops the practical plans for the process : what resources are available and project assessment criteria and process, then which stakeholders still need to be brought in, who will be involved in the dialogue groups for each goal, how the dialogue will be organised (some program areas may be identified for work at this stage) and any further training needs of the main stakeholders involved.

2.1.1. SWOT Prioritisation

The SWOT identification and prioritization process is the first step in the visioning and strategy development process. This strategic planning analytical tool seeks to organize the internal and external factors that contribute to, or hinder, development. By this stage the TSMT will have produced a SWOT Analysis synthesising the findings of the economic, institutional and social research. This should also have already been sufficiently discussed with the stakeholders in order to ensure both its accuracy and completeness. Using flip charts for each of the 4 SWOT components is a common starting point for developing the vision.

However in order to guide development of a coherent vision, goals, programs and eventually projects, this SWOT needs to be further refined and prioritised in order to show which of the strengths, weaknesses, opportunities and threats are the most important for developing a realisable strategy. It is important not to try and deal with too many issues, which may end up with very poor implementa-

Box 10. SUGGESTED SCHEDULE FOR KNOWLEDGE TO PROGRAMS WORKSHOP

Participants	<p>Estimated number of participants 30-40: ECOLOC Committee members and potential members, invited resource persons and potential members of dialogue groups, and some members of the Municipal Council(s).</p> <p>3-4 facilitators from TSMT.</p> <p>According to local needs this workshop can be lengthened or split into individual day session, this is just a guide.</p>
Inputs	<ul style="list-style-type: none"> - Local Economy Assessment and un-prioritised meta-SWOT - Prioritised BEE SWOT - Financial assessment of resources available for the process and projects - Proposed project application forms and scoring criteria <p>Key documents ideally should be circulated well in advance particularly the SWOT Analysis, the Prioritised Business perceptions SWOT and a list of stakeholders</p> <p>Pairwise or small group discussion to recap on what people already know about</p>
DAY 1 FROM KNOWLEDGE TO VISION AND GOALS	
Morning Session 1	<p>ECOLOC, what their expectations are and to develop team spirit. This will also provide feedback on the effectiveness of the training participants have received</p> <p>Presentation of the draft un-prioritised SWOT and the prioritised business perceptions SWOT presented by TSMT in accessible and lively manner, including lists of stakeholders and financial assessment of available resources</p> <p>Discussion and prioritisation of meta SWOT and discussion of BEE prioritised SWOT</p>
Afternoon Session 2	<p>Vision to Goals Map</p> <p>Some preliminary discussion of programs and projects</p>
DAY 2 PLANNING WHO DOES WHAT	
Morning Session 3	<p>Discussion on resources</p> <p>Discussion and agreement of project assessment and scoring criteria</p> <p>Formation of dialogue groups for each goal and discussion of which stakeholders could be brought into the dialogue groups and how they will be contacted</p> <p>Some further discussion of programs and projects</p>
Afternoon Session 4	<p>Presentation of list of stakeholders and discussion of list of stakeholders and who still need to be brought in</p> <p>Discussion of Schedule for the entire process but particularly for Milestone 2 dialogue: ECOLOC and Committee meetings and community consultation</p> <p>Agreement on tasks and any further training needs.</p>

tion prospects. Experience shows that the list produced at the end of Milestone 1 is likely to have too many components in each quadrant. The TSMT should have ensured this list is manageable, preferably no more than 9 or 10 items in each of the four SWOT components (i.e. list just 10 strengths etc)

The agreed prioritised SWOT should be attached to the strategy as it will influence project selection even for lower priority SWOT items.

Practical Tips 18: PRIORITISING THE SWOT: SUGGESTED PROCESS

STAGE 1 PRESENTATION OF THE LIST

TSMT to put the SWOT lists identified on 4 separate flipcharts each for strengths, weaknesses, opportunities and threats. The main question to be addressed at this stage is:

- ☺ Can any strengths/ weaknesses/ opportunities/ threats be grouped together or combined into one? Reduce the number of words and clarify wherever possible.

This is then presented by the TSMT.

STAGE 2 SWOT VALIDATION AND PRIORITISATION OPEN SPACE OR SMALL GROUP DISCUSSION

Each flipchart should be put up in a different location to form the basis for either an Open Space or for small group discussion (See issues in setting up group activities Practical Tips 8 above). Then ask participants to:

- ☺ Reduce the number of elements in each quadrant to 10 maximum, focusing particularly on those over which the local community has control and for which programs can therefore be developed.
- ☺ In each quadrant rank the elements into 3 Priorities A, B and C according to perceived importance. This is best done by giving each person 4 (or more depending on number of participants) stickers and ask them to identify one (or two if two stickers are given) issues in each category S,W,O,T are most important, in their opinion to be addressed.

STAGE 3: PREPARING FOR SWOT TO VISION

- ☺ Write the prioritised quadrants on 4 flipcharts arranged at 4 corners of a 5th blank flipchart which will be used to fill in the Vision (See SWOT to Vision Map in Diagram 6).
- ☺ Once this has been done the prioritised SWOT from the Business Enabling Survey will also be presented it will have been prioritised by the TSMT based on numbers of answers
- ☺ These two SWOTs will be the basis of the visioning and they will also each be presented as part of the Local Economy Assessment in the final LEDSAF.

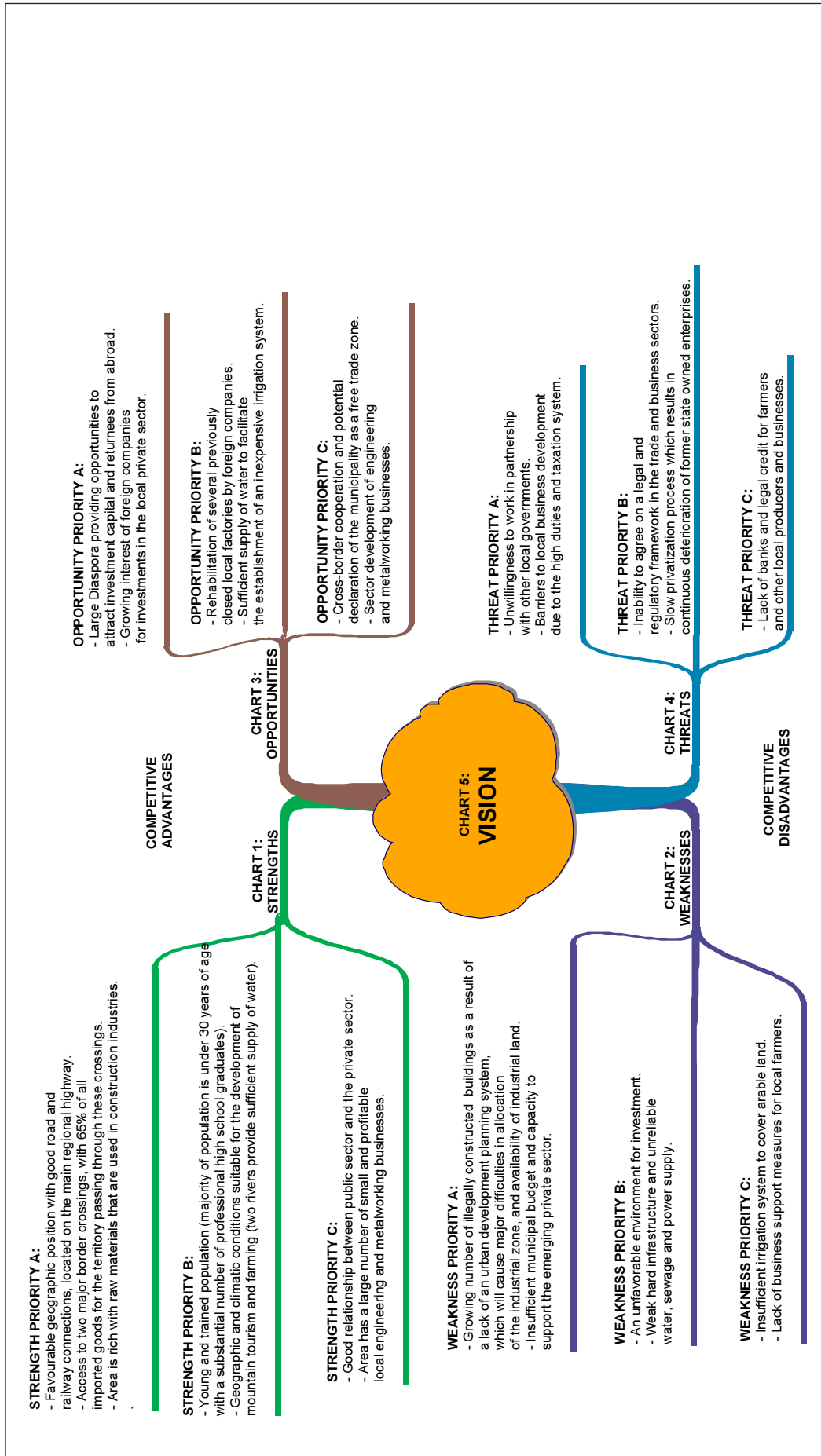
Fiche 7 SWOT ANALYSIS MATRIX

<p>Strengths Try to have no more than 10 items in Each quadrant Each list in the swot needs to be prioritized into 3 Priority A, B, C</p>	<p>Weaknesses Try to have no more than 10 items in Each quadrant Each list in the swot needs to be prioritized into 3 Priority A, B, C</p>
<p>Opportunities Try to have no more than 10 items in Each quadrant Each list in the swot needs to be prioritized into 3 Priority A, B, C</p>	<p>Threats Try to have no more than 10 items in Each quadrant Each list in the swot needs to be prioritized into 3 Priority A, B, C</p>

Experience example 5: PRIORITISED SWOT MATRIX

<p>Strengths <i>Priority A</i> Favourable geographic position with good road and railway connections, located on the main regional highway. Access to two major border crossings, with 65% of all imported goods for the territory passing through these crossings. Area is rich with raw materials that are used in construction industries.</p>	<p>Weaknesses <i>Priority A</i> Growing number of illegally constructed buildings as a result of a lack of an urban development planning system, which will cause major difficulties in allocation of the industrial zone, and availability of industrial land. Insufficient municipal budget and capacity to support the emerging private sector.</p>
<p><i>Priority B</i> Young and trained population (majority of population is under 30 years of age with a substantial number of professional high school graduates). Geographic and climatic conditions suitable for the development of mountain tourism and farming (two rivers provide sufficient supply of water).</p>	<p><i>Priority B</i> An unfavourable environment for investment. Weak hard infrastructure and unreliable water, sewage and power supply.</p>
<p><i>Priority C</i> Good relationship between public sector and the private sector. Area has a large number of small and profitable local engineering and metalworking businesses.</p>	<p><i>Priority C</i> Insufficient irrigation system to cover arable land. Lack of business support measures for local farmers.</p>
<p>Opportunities <i>Priority A</i> Large Diaspora providing opportunities to attract investment capital and returnees from abroad. Growing interest of foreign companies for investments in the local private sector.</p>	<p>Threats <i>Priority A</i> Unwillingness to work in partnership with other local governments. Barriers to local business development due to the high duties and taxation system.</p>
<p><i>Priority B</i> Rehabilitation of several previously closed local factories by foreign companies. Sufficient supply of water to facilitate the establishment of an inexpensive irrigation system.</p>	<p><i>Priority B</i> Inability to agree on a legal and regulatory framework in the trade and business sectors. Slow privatization process which results in continuous deterioration of former state owned enterprises.</p>
<p><i>Priority C</i> Cross-border cooperation and potential declaration of the municipality as a free trade zone. Sector development of engineering and metalworking businesses.</p>	<p><i>Priority C</i> Lack of banks and legal credit for farmers and other local producers and businesses.</p>

Diagram 6: Prioritised SWOT to Vision Map



2.1.2. SWOT to Vision

The next stage is to use the prioritised SWOT as a basis for agreeing a common Vision. The vision should be a description of the stakeholders' preferred economic future for the community, that is, where the city, town or community wishes to be in the future (in the ECOLOC Case 20-25 years). While the vision may not be fully achievable, it does give the community a clear sense of direction. 'Visioning' (the process of creating a vision) has to be both imaginative and realistic.

Visions should be developed by the stakeholders, but it is quite normal for experts to suggest a proposed vision or two! (to form the basis of discussion). Practical Tips 18 gives both guiding principles and some examples of visions from communities across the world. There are some clear guiding principles in designing a vision. Most importantly it should be short, ideally everyone involved in the process should, when asked, be able to say what the vision is exactly. It should also be succinct while still addressing different elements of the SWOT – in particular issues relating to the business-enabling environment. (Even some of the short example visions in practical tip 18 are too long to remember!)

Practical Tips 19: EXAMPLES OF VISIONS FROM INTERNATIONAL EXPERIENCE

• *Example: Banfora, « Eldorado » agro-industrielle et touristique du Burkina Faso et de la sous-région en 2015.*

Some guidelines

- The Vision should be based on the prioritised SWOT i.e. it should be realistic in relation to the city/region's competitive advantages and disadvantages
- It should be a vision for the whole community, not just a narrow segment and should address the business enabling environment
- It should be short and to the point with the main aim being to derive the goal from it. Ideally everyone involved in the process should, when asked, be able to say what the vision is, precisely!
- It should be possible to draw goals from the vision, or at least themes for goals from these. Are there five or six clear ideas that can be drawn from the goal?

There are many ways in which the vision can be derived from the prioritised SWOTs. One possible process for this which works well with 30-50 participants is an open approach given in Practical Tips 20. Experience has shown that workable Visions do emerge as a consensus from apparent initial chaos and disagreement. Another approach is a more structured one where a draft vision, or a number of draft visions are proposed and then discussed, in small groups for example. Additional visions can be proposed then again, participants can prioritise these. Here it will be important to give examples which are both relevant and diverse. Otherwise they may just lead to mechanical copying. The following section gives more information on this crucial task.

Practical Tips 20: DEVELOPING VISIONS: SWOT TO VISION MAPPING

Open approach

In groups representing different stakeholder interests:

STEP 1: Focusing on as many of the Priority A strengths, weaknesses, opportunities and threats as possible, but without totally ignoring the others, collectively draw a vision which incorporates as many of these elements as possible. Be realistic but imaginative. (30 min) These are then fed back to the meeting. (15 min)

STEP 2: People then look at each other's vision and choose the one they agree with least and discuss how they would change it, amending the drawing to make it acceptable. Write down the key words/concepts which underlie their redrawing. (20 min). The end of this process (which is well tested) should be a series of fairly similar looking drawings.

STEP 3: Feed back all the words/concepts and go back into groups again. Have a competition to see who can come up with the most succinct combination of the different concepts in a form which everyone agrees with. (1 hour with discussion etc to reach consensus).

STEP 4: This Vision (words and/or simplified drawing) is then filled in on the blank sheet in the middle of the Map. This can also be used as the basis for designing a logo as a competition in the community consultation.

Focused approach

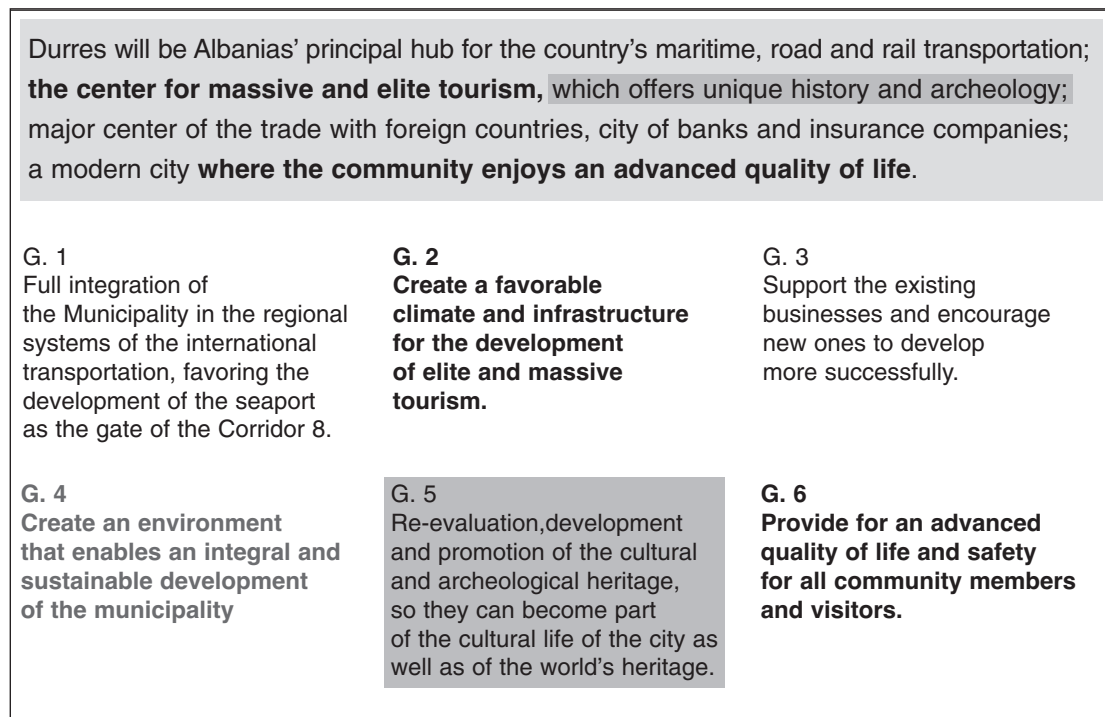
The TSMT and/or ECOLOC Committee members can identify a number of different possible Visions which are relevant to the context. Small groups then discuss and work on these to reach consensus.

2.1.3. From Vision to Goals

The next step, which needs to be done in the same workshop, is to go from the vision to goals. Ideally each goal should also have a specific objective which is quantifiable and time bound. These objectives collectively should ensure the vision is achieved. Specific objectives also help in the project selection and prioritisation process because they are quantified. Once goals and objectives are agreed they will form the basis for developing the dialogue groups and thinking about programs and projects in Milestone 3.

One way of initially validating the vision and brainstorming the goals is a method of colour coding as shown in Diagram 7. In this vision (from a municipality in Albania) each component of the vision was highlighted in different colour code to make sure the vision truly addressed the goals and vice-versa. Here each word or concept in the Vision is underlined or written in a particular colour. Then a goal related to each is developed.

Diagram 7 : Vision to goals colour coding

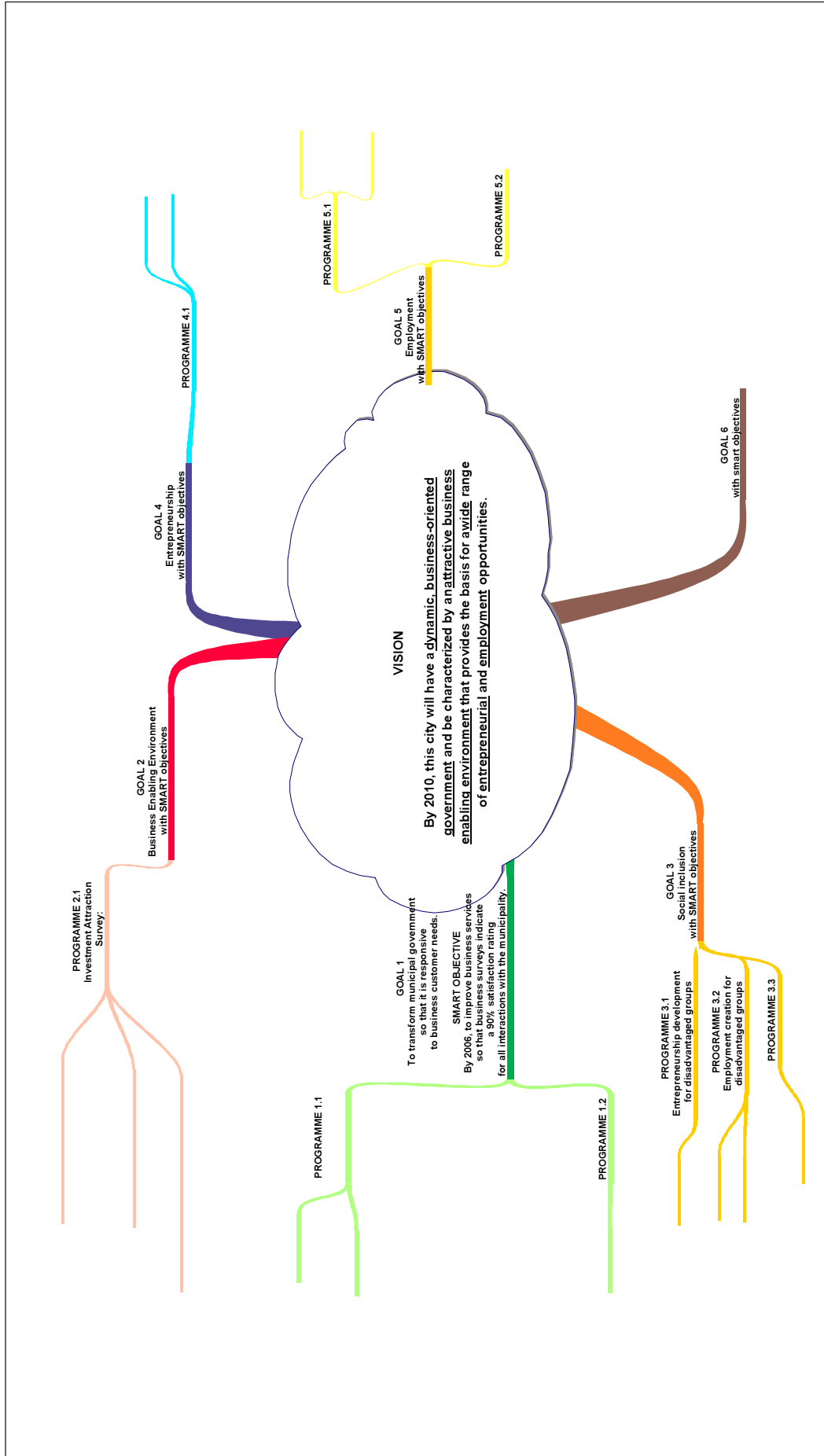


Another tool which can be used for systematically moving from goals to objectives, which could also be combined with the colour coding method, is a Vision to Goals map like the one in Diagram 8. This builds on the SWOT to Vision Map above and can then form the base of a diagram which goes systematically from Visions rights through to projects as indicated by the lighter branches in the diagram.. This will ultimately be transferred to a matrix like the Vision to Project Matrix in the final LED document (See Section 3.1.1 below Fiche 8). The advantage of starting first with a map diagram in a workshop, and particularly in the communities, is that it is more pictorial for brainstorming. If post-it notes are used then they can be easily shifted around for prioritisation/grouping etc. The branches are then easily increased in size to indicate prioritisation, can be different colours to categorise them etc. Each of the different goals can also form their own tree for further brainstorming and development in Milestone 3 programs to projects. Only the very final version is then transferred to the Matrix.

It may be that the brainstorming on goals may also lead to some rephrasing of the Vision to encapsulate more of the SWOT. This should be left flexible depending on the priorities identified for any particular context.

How far the brainstorming at this stage will encompass the programs and projects will depend very much on time available.

Diagram 8 : Vision to programs tree



2.1.4. Agreeing project application, assessment and scoring

The TSMT will have prepared all related forms or fiches and suggested selection criteria using the suggestions in this handbook. The materials should have been circulated ahead of time. This section of the meeting is appropriate to be run as a traditional meeting with the TSMT doing a presentation on why this needs to be done and then step by step going through the draft they suggest. This should be agreed and closed at this meeting, it is not necessary to have community consultation on this, the community needs to be informed about how it will work, where the forms can be obtained, who to go to for help and the timetable.

2.1.5. Forming the dialogue groups

The final sessions of the Workshop then start to organise the activities for the following consultation. This begins with forming the dialogue groups based on the stakeholder list. The way this is done has varied between the different ECOLOC processes, depending on numbers of participants attending the workshops who then decide they have the time and interest to give to the process.

The input to this Session is the stakeholder list drawn up by the TSMT and to which should first be added any further suggestions from participants. Then, following the goals identified, volunteers should be assigned to promote and mobilise dialogue groups to discuss and elaborate on the different goals with interested stakeholders during the subsequent consultation. Even at this early stage they may also start to identify programs and projects depending on time available.

SECTION 2.2 VISIONING AND GOALS: DIALOGUE PROCESS

How the dialogue process will work, how many meetings of the ECOLOC Committee and dialogue groups and the ways in which they should be facilitated bearing in mind the general guidelines in Section 1.2 above, will have been decided at the end of the Knowledge to Vision Workshop, depending on local factors:

- The structure of the ECOLOC committee and dialogue groups, who is involved, which interests and organisations they represent and how much time they have
- The types of local community organisations, how representative and democratic they are and hence how easily they can be involved in the process.

It will be important on the one hand not to overload the process with too many demands on the ECOLOC Committee and dialogue groups. On the other hand where effective representative organisations exist locally for effective participation in decision-making it will obviously be to the advantage of the process that their knowledge, skills and initiative be brought into the process.

The following is proposed as a rough guide:

- After the workshop the prioritised SWOT, vision and goals are prepared by the TSMT into the Vision to Goals matrix discussion draft. Ideally any diagrams should also be reproduced on large Flipcharts which can then be easily presented in communities and large meetings. A clear summary of the project application and scoring process should also be prepared. They also prepare a support document for each goal which synthesizes the principal information and data resulting from the study for that goal.
- The dialogue groups then further discuss and elaborate on these outputs, particularly the goals and start to brainstorm programs and projects.
- The dialogue groups do not work on the goals in isolation ‘behind closed doors’. Each dialogue group consults the range of different stakeholders identified in the stakeholder analysis through interviews or focus groups. The outputs from each dialogue group must reflect the views of all the stakeholders involved in that particular goal.
- Members of the ECOLOC Committee and dialogue groups also consult on the same documents in the various organisations which they represent or where they are members and feed back the outcomes to the dialogue groups.

- The representatives of the dialogue groups then synthesise these discussions and feed back to the ECOLOC Committee which acts as the overseer of the process as a whole.
- Once it is felt that firm decisions and consensus have been reached then the TSMT revises the Discussion Draft to produce the Vision to Goals draft of LEDSAF Chapter 3 Part 1 Strategy. This is submitted to the municipal council(s) for approval ready for input into Milestone 3: Programs to projects.
- Throughout this process ideas for programs and projects are also noted as the beginning of input into Milestone 3 Programs to Projects Workshop.
- Throughout this process the media campaign can also act as a means of dissemination of outcomes of the workshop and discussion and a means of gauging popular opinion.

This dialogue should take not more than 3 months. Throughout this period ECOLOC activities should be publicised as widely as possible on the media.

Experience example 6: DEVELOPING THE VISION IN SEGOU

In Segou participants started to work on the vision they had for their City\region to the year 2020 at the workshop for dissemination of the study results on the local economy.

As a starting point members of the support team proposed a number of possible visions, making reference to Martin Luther King « I had a dream ». In what followed tongues were loosened and many people share their vision of « Ségou of their dreams ».

This was followed by a more structured process whereby the vision was developed through a dialogue process. The principal steps with the following:

- Re-examination by each dialogue group of the facts and information provided by the study on their particular theme
- Development of technical documents by the groups, supported by the support team. These documents are a synthesis of the findings of the study in relation to the questions to be investigated in-depth with the stakeholders in order to have the dialogue on their vision for their particular sector or chain, the problems and the possible solutions.
- Identification of the stakeholders to meet.
- Beginning of the dialogue with these stakeholders in the local economy and interviews with the stakeholders on the content of the documents.
- Production of the first syntheses of the discussions by the dialogue groups and analysis of complementary information and questions with the stakeholders by the support team.
- Returned to the stakeholders with responses to their questions and reactions to their contributions.
- Production of a second synthesis and production of the « baseline documents» of the groups supported by the support team.

These «baseline documents » present these visions of the different stakeholders in relation to their sector and chain, the strategies which they envisage implementing to achieve their goals and concrete actions which could in their view be implemented in the short term.

Success factors in elaborating the vision:

- All members of the dialogue groups (and certain actors in the field) had participated in the dissemination workshop and still had fresh recollections of the discussion.
- The members of the dialogue groups could remember more or less precisely the procedures for the dialogue and consultation process
- The support team was available at all times to meet with the groups and help them through any difficulties
- Suggestions from PDM and Club du Sahel gave guidance as needed.

Challenges

- Lack of methodological benchmarks
- Apathy of the groups in producing the syntheses
- Lack of availability of the large operators in the commerce and transport sectors

Members of the programming cell (equivalent of ECOLOC Committee) to give the necessary conceptual and technical guidance to the dialogue groups.

Experience example 7: DEVELOPING THE VISION: BOBO

Activities	Achievements	Challenges
<i>Development of a support document</i>	<ul style="list-style-type: none"> - Good division of work between the members of the support team - Good guidance of the tasks of the dialogue groups - Good prediction of time needed for reaction and response to documents sent by the support group and PDM. - Informing and raising awareness of the ECOLOC committee and some of the civil society actors. 	<ul style="list-style-type: none"> - Lack of precise guidance on development of the support document, its content and relationship to the CRDE. - Late response of PDM to the project document (15 days) which then had repercussions in the rest of the process.
<i>Conducting Interviews</i>	<ul style="list-style-type: none"> - Involvement of the dialogue groups: meetings for preparation and methodological orientation, identification of main stakeholders and resource persons. 	<ul style="list-style-type: none"> - Lack of systematisation of the awareness raising process for the whole range of stakeholders (traditional, religious, NGOs etc) - Progressive decrease in the number of participants in the dialogue group meetings.
<i>Problem identification workshop</i>	<ul style="list-style-type: none"> - Development of a methodology and tool for analysis and prioritisation of the problems - Identification and prioritisation of the specific problems for each goal as well as transversal problems - Synthesis of the interviews conducted with resource persons as an input to the work. - Analysis and synthesis of the interviews 	<ul style="list-style-type: none"> - Absence of the support team in the field investigations - their presence would have improved understanding of the process and findings. - Stakeholders from the hinterland were excluded because the anticipated study was not realised. - Problem with the structuring of the groups : confusion between integrating the transversal themes and following the specific issues of particular goal.
<i>Analysis and drafting of the CRDE</i>	<ul style="list-style-type: none"> - Frequent discussions and exchanges between members of the support team - Development of a provisional document and illustrative map and presentation to the ECOLOC Committee. - Development of the synthesis document for the greater municipal council(s). - Support from PDM in development of the final document. 	<ul style="list-style-type: none"> - Reduction of one group (BTP) to only three individuals - Lack of systematic feedback of the group work for external reasons (including death of members). - Delays in reporting the findings - Lack of feedback between the support team and the dialogue groups at the time of analysis and development of the CRDE. - Unsatisfactory organisation of support from PDM : ad hoc and late reactions in relation to the planned schedule.
<i>Meetings (ECOLOC Committee, dialogue groups, TSMT and municipal council(s))</i>	<ul style="list-style-type: none"> - Regular meetings of the support team with the ECOLOC Committee and dialogue groups. - Follow up and mobilisation of dialogue groups by the members of the support team - Production of a synthesis document 	<ul style="list-style-type: none"> - Irregular meetings of the dialogue groups - Synthesis document submitted to the council(s) insufficiently illustrated and the room inappropriate for a satisfactory presentation.
Conclusions		
<ul style="list-style-type: none"> • Interviews with stakeholders by the dialogue groups should be attended also by the support team. • Dialogue groups do not need to be large. A hard dynamic core of people is sufficient for a satisfactory process. Initial enthusiasm tends to fade over time. • Contrary to original guidelines, the workshop to identify the problems and priorities was held at the time of developing the vision instead of being the entry point for the planning exercise. In fact, the workshop was held so as not to create a rupture in the work of the ECOLOC Committee and dialogue groups caused by the delayed reaction of PDM to the CRDE. • The requirements of a participatory process would indicate that the preparations for the CRDE should be given to the dialogue groups who contributed to its realisation. In that way it would be enriched before being presented to the other actors. Following the same rationale, the dialogue groups would then also participate in mobilising the meetings with the stakeholders in the City and the region. • In the original guidelines development of the CRDE was anticipated to take one and half months. In practice it took four months (October 2002 to January 2003) - a delay of 2 1/2 months. 		

Experience example 8: DEVELOPING THE VISION : KAYA

At the planning workshop 22nd and 23rd of July 2005 it was decided that the ECOLOC process should last four months and should therefore end at the beginning of November 2005.

Development of the vision was scheduled for the two months immediately following the workshop and should therefore be finalised at the end of September 2005. The support team was asked to draft a support document at the end of these two months which would give an account of the development goals identified. Then on the basis of this document a unified questionnaire would be developed to complete or confirm the findings. Analysis of the interviews would then give a precise feedback on the elements to be developed in the CRDE.

Unfortunately in practice things were not so simple. Firstly it was not possible to keep to the planning schedule because of practical problems. The contract between the consultants and the Mayor's Office took one month for signature. Then there were disagreements within the team, resulting in the resignation of the sociologist and facilitator. That meant that the finalisation of the documents in development of the vision took place at the beginning of October instead of September as initially anticipated.

In addition to these technical and institutional difficulties, the period during which interviews were to take place was a season of heavy rains which made travel in the hinterland difficult. The dialogue groups therefore lost a lot of time in conducting interviews because the roads linking Kaya to its hinterland are impassable in the rainy season.

However, the members of the dialogue groups showed considerable dedication in their different tasks and above all at the time of the interviews. Added to that also the commitment of the municipal authorities helped to minimise the delay in developing the vision.

Milestone 3. programs to projects

MILESTONE OVERVIEW

Milestone 3: Programs to Projects is concerned with:

- Developing the programs and detailed project plans
- Scoring these for submission to the Municipal Council(s) and ECOLOC Committee in Milestone 4.
- Final agreement on projects to be funded by the municipal council(s)

It also includes:

- The final list of any community projects (See Section 1.1.1) for further action by dialogue groups and other stakeholders.

Time frame: This process may take 3 – 6 months depending on the number and complexity of programs and projects proposed levels of disagreement and fit with other complementary development processes going on in the city\region.

Process:

- This starts with Programs to Projects Milestone Workshop with the ECOLOC Committee, dialogue groups and invited resource persons. The main tasks are identification of programs and projects which can contribute to vision and goals which have by now been agreed. This is followed by clarification of the different formats needed for project development and the scoring process and how the further development of the programs and the project proposals will take place.
- Following the workshop a discussion draft of the proposed programs and projects is drafted by the TSMT.
- This discussion draft is then discussed in a community consultation process similar to that in Milestone 2: Knowledge to Vision to Programs. This consultation and further brainstorming of possible projects and produces the final project proposals which will already have been screened for the gateway criteria.
- The screened projects are submitted to the TSMT for formal scoring. The scored projects are then sent back to the dialogue groups for agreement to see if there are any major disagreements or appeals. Any appeals are dealt with by the TSMT as they arise.
- Once any appeals are addressed the final scored project matrix is presented to the ECOLOC Committee and Municipal Council(s) ready for decisions Milestone 4.
- A list is made of all the community project ideas and circulated to the dialogue groups for any further action by them.

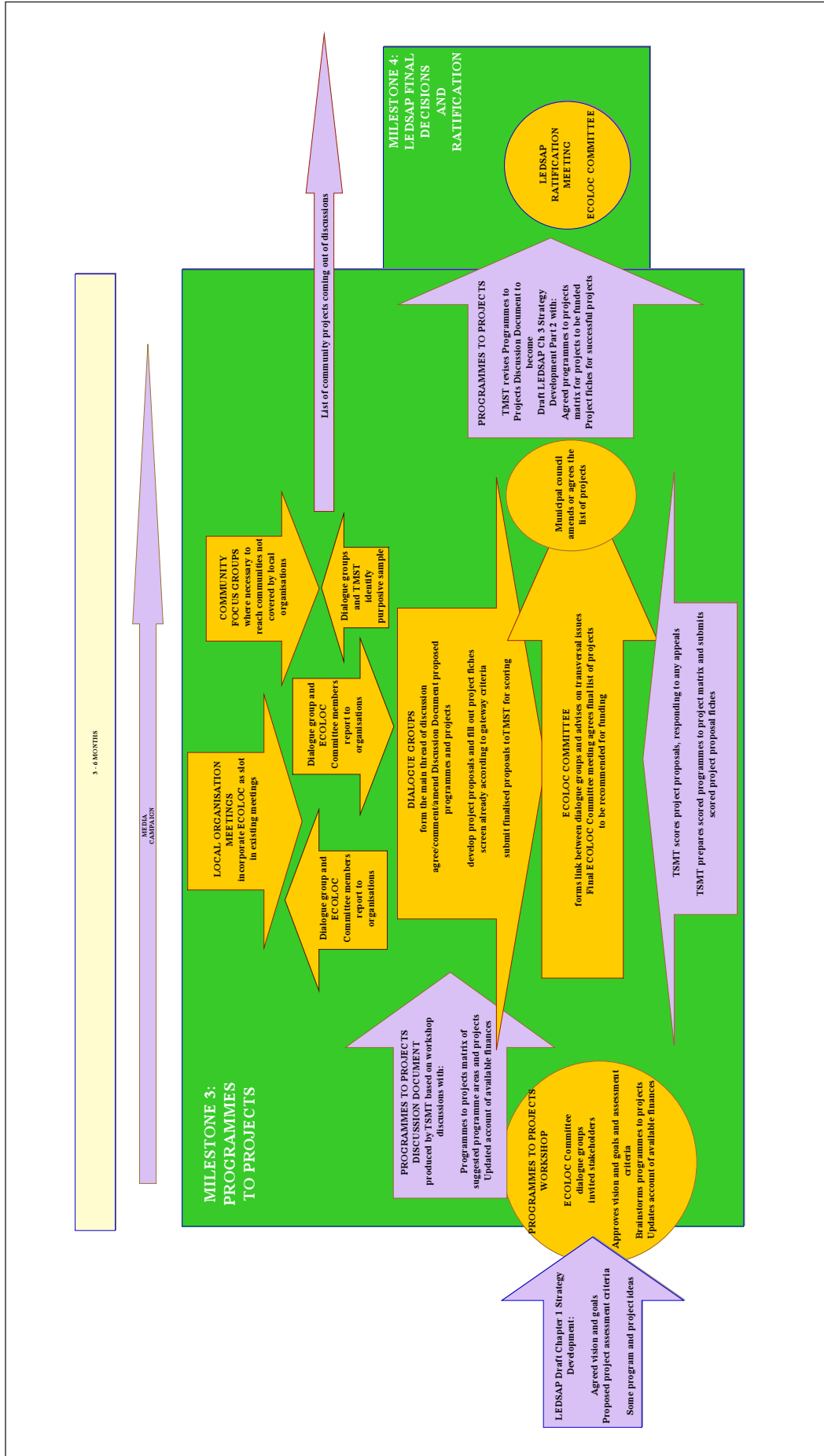
Inputs from Milestone 2

- Vision and goals agreed by municipal council(s) and contained in LEDSA Chapter 3 Strategy Part 1.
- Any programme and project ideas which have already come up during the consultations on vision and goals

Main outputs:

- Prioritised programs to projects matrix with scoring.
- Decisions on which projects to take forward by the Municipal Council(s)
- LEDSA Draft Chapter 3 Part 2: with programs to project matrix and project fiches for approved projects

Diagram 10 : Milestone 3: Programs to Projects overview



SECTION 3.1. PROGRAMS TO PROJECTS WORKSHOP.

The Programs to Projects workshop continues the development of programs and projects based on the agreed vision, goals and project assessment criteria and program and project ideas suggested in Milestone 2.

A suggested schedule for a two day workshop is presented in Box 11. Again it would be possible to split the workshop into two separate days if this proves more convenient for participants.

Numbers of participants and who they are will vary. But it is likely that there will be around 30-40 participants: the ECOLOC Committee, dialogue group representatives and maybe also members, invited key resource persons who may join the dialogue groups at this stage, the Mayor(s) and some members of the Municipal Council(s) as well as the TSMT.

It is suggested that the workshop starts with a recapitulation of peoples' experiences or ECOLOC so far, and suggestions for any ways of addressing any challenges encountered in relation either to the LED content or the dialogue process. As in the first workshop this will serve to establish a participatory approach in the workshop and encourage people to speak from the beginning.

This discussion is followed by the presentation and discussion of LEDSAP Draft Chapter 3 Part 1 – agreed Vision and Goals and any revisions to the estimated finances available. This then followed by an overview of the main milestone outputs: Vision to projects matrix, finalised project proposals and scoring process. This will end with a presentation of a sample vision to projects matrix drawn up by the TSMT. This is based on the programme and project ideas that have been discussed during Milestone 1 Knowledge to Vision. All this should be presented in as lively and participatory manner as possible using Power-point or clear Flipcharts.

The second session of the workshop then reviews and gives refresher training on LED concepts, using the concepts and guidelines introduced in Section 1.1 above and building on the points raised in the recapitulation. It covers the process of project development, bearing in mind the project selection criteria and scoring process. It also introduces the vision to projects matrix and map tools and examples from earlier ECOLOC and international experience (See below). Where possible encourage members of the ECOLOC Committee and/or dialogue groups who were trained at the beginning of the process to present to make this session more participatory. This session concludes with a small group or Open Space session to develop project proposals based on some of the examples which have been put forward.

The second day (third and fourth sessions) focuses on the subsequent dialogue process and development of project proposals. This begins by introducing and explaining the Vision to Projects mapping diagrams 10-12 or other diagrams which have been identified locally as being most suitable for brainstorming in the communities. It also recapitulates the main points about dialogue facilitation from Section 1.2 building on the challenges identified by participants at the beginning of the workshop. It is suggested that this be followed by role plays in small groups of further brainstorming and prioritising some of the programme areas – going from detailed programme to project map and then prioritisation.

The final session then brings it all together into a revised vision to projects matrix for further discussion in the community consultation. It discusses the idea of community projects (See Section 1.1.1 above). Finally it allocates tasks and decides the schedule for the consultation process.

3.1.1 Brainstorming and prioritisation tools

The first day of the Programs to projects Workshop is concerned with recapitulation of experience and reinforcement of capacity in LED using the concepts and guidelines given in the overview of LED in Section 1.1 above.

The first day focuses on the main outputs from Milestone 3 i.e. the prioritised vision to projects matrix which can be seen in Fiche 8 with example from Eastern Europe in Experience Example 9. It also looks at developing the project proposal fiches (See Section 1.3.5 and Fiche 4 above). These can be introduced and explained in Session 1, developed in Session 2 and then the Matrix used as the summary in

Box 11. SUGGESTED SCHEDULE 2 DAY PROGRAMS TO PROJECTS WORKSHOP

Estimated participants: 30-40 participants: the ECOLOC Committee, dialogue group representatives and maybe also members, invited key resource persons who may join the dialogue groups at this stage, the Mayor and some members of the Municipal Council(s) as well as the TSMT.

Inputs:

- Agreed Vision, Goals and objectives, programs and project assessment criteria finalised after Community Consultation
- Any revisions to estimate of budget available
- Sample Vision to projects matrix developed from programme and project ideas which have come up in Milestone 2 Knowledge to Vision.

DAY 1

Morning: Session 1

- 1 hour pairwise or small group discussion of ECOLOC experience so far, key challenges encountered and suggested ways forward.
- Presentation of agreed Vision to Goals document by TSMT in accessible and lively manner, including criteria for project assessment.
- Reiteration/ re-emphasis of the resource constraints with any updates where relevant.
- Overview of the main aims and outputs from Milestone 3: the vision to projects matrix and project fiches for LEDSAP Chapter 3 Strategy Development Part 2
- Recapitulation of any programme or project ideas which have come up in discussions in Milestone 2 Knowledge to Vision presented in a sample vision to projects matrix.

Afternoon Session 2

- Review of LED principles and practice building on points raised by participants in Session 1. In particular stressing the value of having projects that address broad based business enabling environment improvements not just sectoral programs and the possibilities for integrated and inclusive projects.
- Training in project assessment process and development of project proposal forms.
- Small group or Open Space exercise on developing a project proposal.

DAY 2

Morning Session 3

- Training in use of the vision to projects brainstorming and prioritisation tools which will be used in the final document and in the organisation meetings and communities.
- Discussion of experiences/challenges in community consultation which need to be addressed drawing on dialogue practical tips in Section 1.2 and existing experience in Milestone 2 and points raised in the recapitulation.
- Role play presentation and elaboration of any programs and projects suggestions from the dialogue in Milestone 2 using the agreed tools and process.

Afternoon Session 4

- Plenary bringing all the programs and projects together into the Vision to projects matrix and identification of gaps and further ideas.
- Discussion of the possibility of community projects.
- Discussion of Schedule for Milestone 3 dialogue: ECOLOC and Committee meetings and community consultation, including the localities/populations where focus groups might be needed.
- Final agreement on tasks for dialogue groups, ECOLOC Committee and other stakeholders.

EXPECTED OUTPUTS

Further brainstormed version of the Vision to Projects matrix
Some programs to project trees to then be further discussed in the community consultation
Training for the actors in use of the Vision to project matrix, project proposal fiches, project brainstorming, assessment and prioritisation tools for use in the communities.
Provisional schedule and division of tasks for community consultation.

the plenary in Session 4 at the end.

The second day then looks at tools and processes in the subsequent dialogue process for development of the programme and project ideas. There are various tools which can be used for moving from visions and goals to brainstorming programs and projects. Those suggested here are the ones which have been generally found most effective. But if the local facilitators are more comfortable with other tools they are used to using, then these can be substituted.

The trees or maps shown in Diagrams 11-13 show tools which can be used for brainstorming vision to programs, brainstorming individual programs in detail and prioritising projects within the programs. These are based on cognitive mapping techniques which are frequently used in Study Skills development in Universities but are also extremely useful for focusing and summarising discussion in communities¹⁶. If symbols instead of words are used they can be used by people who cannot read or write to develop their own ideas and increase participation and social inclusion.

- Diagram 11: Vision to programs builds on the Vision to Goals map in Section 2.1.3 above, extending this to look at programs and projects.
- Diagram 12: can be used to brainstorm the different projects in detail either in small groups or Open Space for each programme area.
- Diagram 13: can be used to prioritise each project depending on how important people feel it is to the different goals and/or it conforms to the project assessment criteria. Those projects which are not seen as important can then be eliminated as ‘withered branches’.

The final conclusions of all the programme areas can then be summarised in a revised Vision to projects map or the Vision to projects matrix.

Fiche 8: VISION TO PROJECTS MATRIX				
Vision	Goals	Objectives	Programs	Projects
	Goal 1:	Goal 1: <i>Objective:</i>		Project 3.1.1
				Project 3.1.2 etc
	Goal 2:	Goal 2: <i>Objective:</i>		Project 3.2.1 etc.
	Goal 3:	Goal 3: <i>Objective:</i>	Goal 3 Program 1	Project 3.1.1 Project 3.1.2 etc.
			Program 2	Project 3.2.1 Project 3.2.2 Project 3.3.3 etc.
	Goal 4:	Goal 4 : <i>Objective:</i>	Goal 4 Program 1	Project 4.1.1 Project 4.1.2 etc etc
			Goal 4 Program 2	Project 4.2.1 Project 4.2.2 Project 4.2.3 etc

16. Special software is available for these brainstorming maps: Inspiration (used here) available from www.inspiration.com and Mindjet available from www.mindjet.com. The former is cheaper and more versatile in the types of diagrams which can be produced. Both will export to Word and Powerpoint. Using this software can make the use of these diagrams much more systematic and easily transferable to large printouts for meetings and dissemination. They can also be used as the basis for rapid production of web based or CD-Rom presentation of the strategy and project fiches.

Experience example 9: VISION TO PROJECTS MATRIX

Vision	Goals	Objectives	Programs	Projects
<p>By 2010, this city will have a dynamic, business-oriented government and be characterized by an attractive business enabling environment that provides the basis for a wide range of entrepreneurial and employment opportunities. The city will be home to a diverse and growing range of businesses that provide a broad range of employment</p>	<p>Goal 1: To transform the local government so that it is responsive to business customer needs</p> <p>Goal 2: To ensure appropriate provision of business services and conditions to support the development and expansion of new and established businesses</p> <p>G3: To develop the built and human infrastructure capacity needed for business growth</p> <p>G4: To attract new and inward investment projects from the private, public and third sectors, maximizing opportunities from the donor community</p>	<p>Goal 1: Objective: By 2006, to improve business processes, liaison and services so that business surveys indicate a 90% satisfaction interactions</p> <p>Goal 2: Objective: By 2006, to ensure, via business attitude surveys, that the local business enabling environment is considered greatly improved by 80% of businesses</p> <p>Goal 3: Objective: By 2010, to ensure that appropriate investments and programs are in place to have eliminated, or reduced considerably, 5 of the highest priority business infrastructure constraints identified by the business survey</p> <p>Goal 4: Objective: To increase the amount of investment in the city from all sectors to 10% higher than the national average by 2006</p>	<p>Program 1 Industrial Premises Development</p> <p>Program 2 Human Resource Enhancement Program</p> <p>Program 1 Donor Investment Program</p> <p>Program 2 Investment Attraction Strategy</p>	<p>Develop industrial and commercial property register</p> <p>Undertake property demand and supply research study</p> <p>Undertake skills needs assessment with employers</p> <p>Enable the provision of basic literacy courses for disadvantaged</p> <p>Review the skills and skills needs of the unemployed</p> <p>Review and maintain donor program database and contacts</p> <p>Develop donor liaison program</p> <p>Business Location Service in City Hall</p> <p>Develop local business ambassadors program</p> <p>Develop Investment Information Database</p> <p>Develop database and liaison program for international investors in the city</p> <p>Develop targeted marketing effort to attract appropriate investment</p>

Diagram 11 : Vision to programs and projects brainstorming map

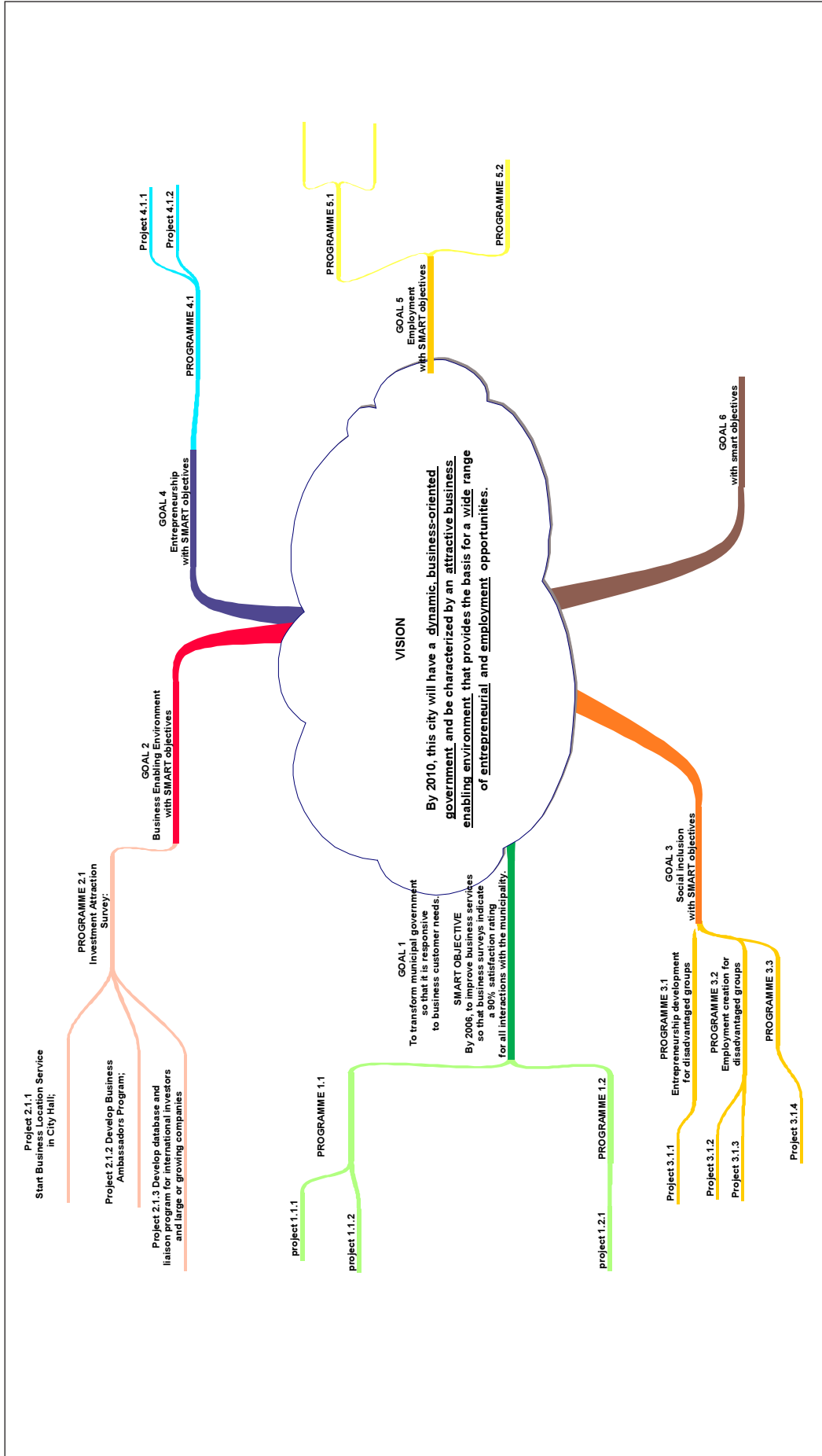


Diagram 12 : Program to Projects brainstorming

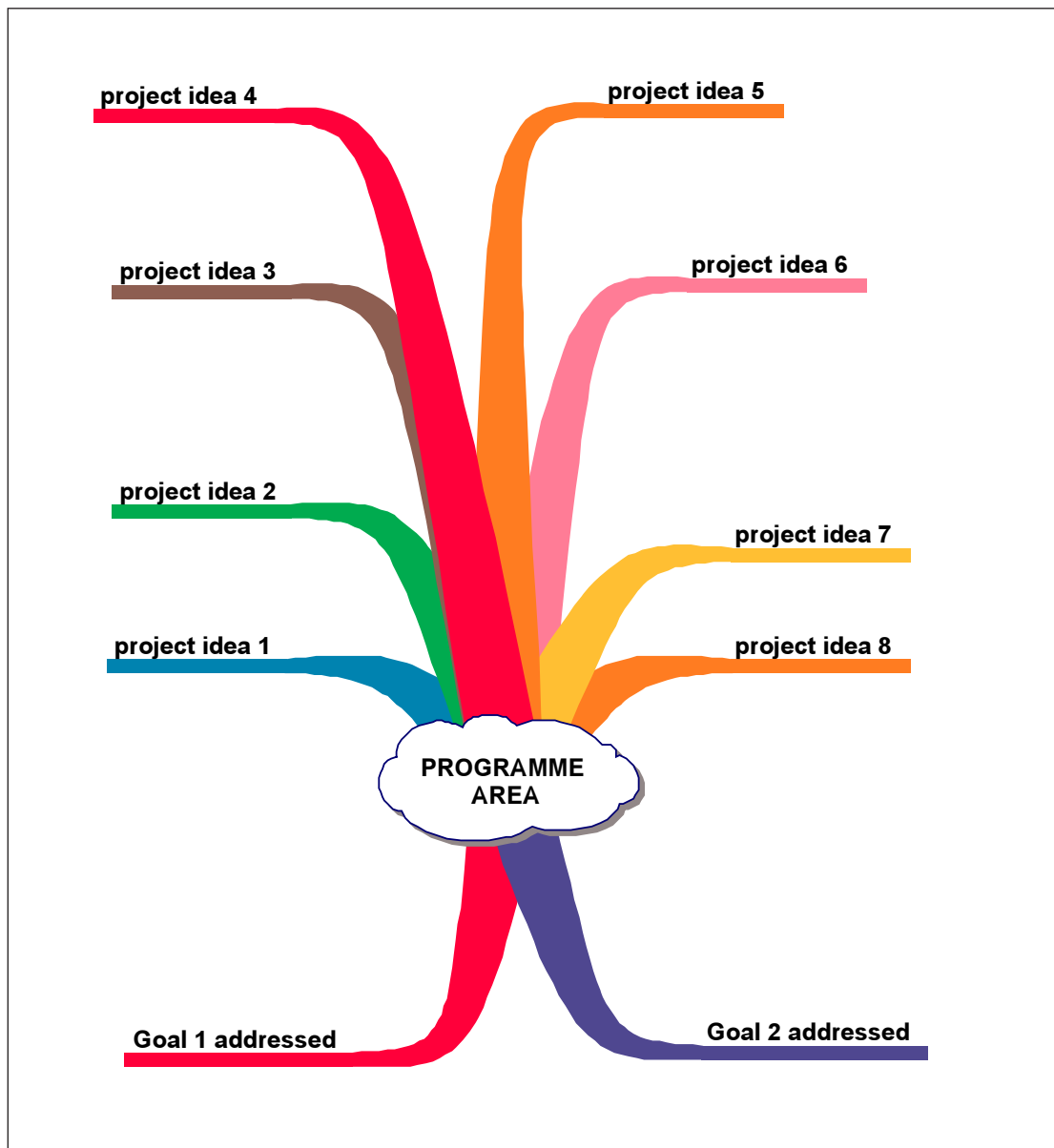
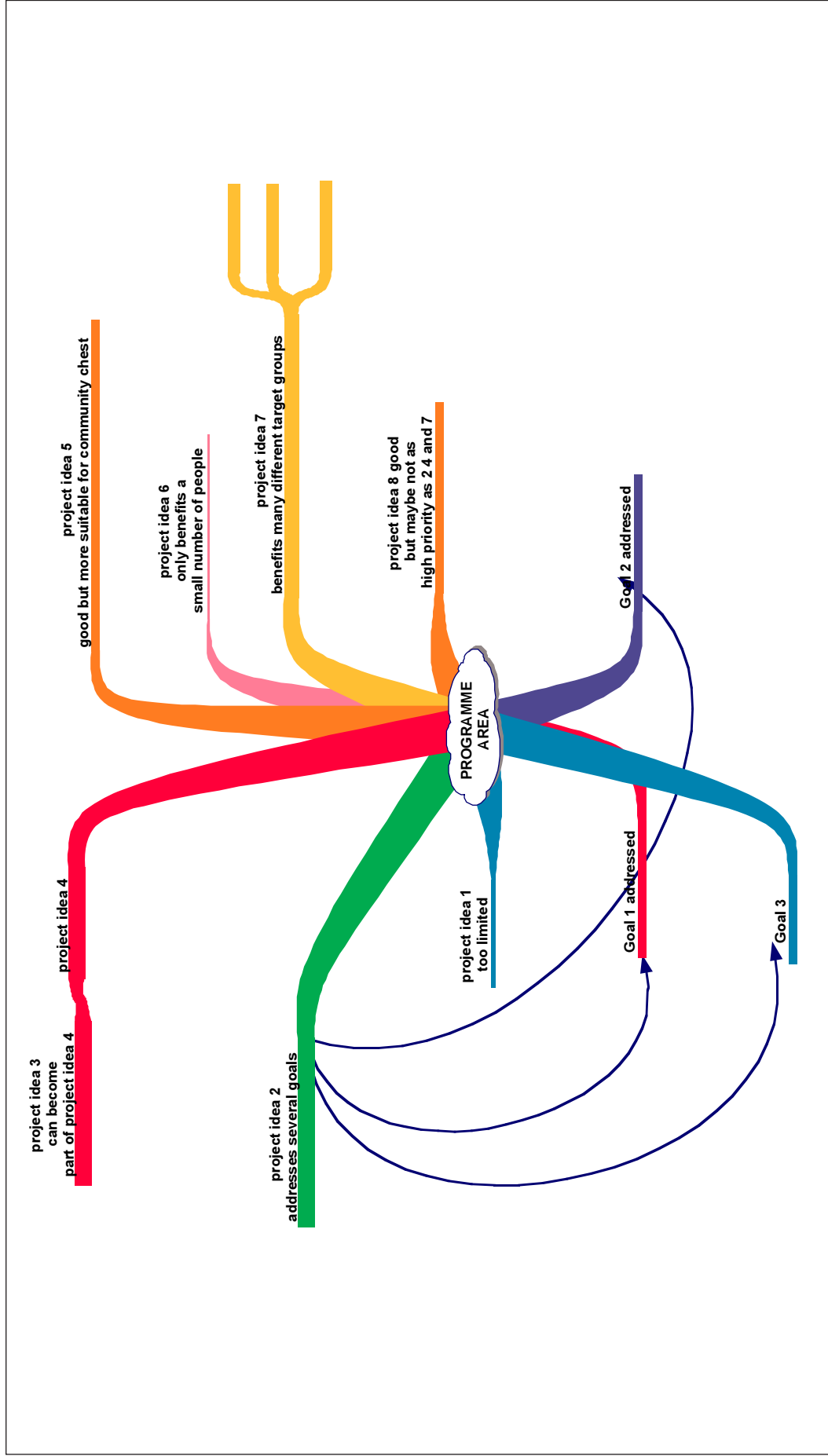


Diagram 13 : Programs to projects prioritisation tree



SECTION 3.2. PROJECT PROPOSALS: DIALOGUE PROCESS

By the end of the programs to projects workshop there should be:

- A further brainstormed version of the Vision to Projects matrix
- Some programs to project trees to then be further discussed in the community consultation
- Provisional schedule and division of tasks for community consultation.

The key participants will also be familiar with the process and trained in use of the Tools to be used. This training may need to be followed up by support and mentoring by the TSMT for some of the dialogue groups. Or this could be done through exchange of experience between dialogue group representatives at the ECOLOC Committee meetings.

After the workshop there then follows a consultation process following much the same procedures and pattern as that developed during Milestone 2: Knowledge to Vision. Again the precise form which this takes will depend on local circumstances and has varied between the different ECOLOC processes to date. A summary overview of the process suggested here is given in Milestone 3 Overview Diagram 10 above.

The main tasks:

- Further brainstorm and develop programme and project ideas. The consultations are conducted by the dialogue groups who coordinate discussions relevant to their particular goal. In some cases the dialogue groups have split into subgroups dealing with different programme areas. But it is important that too many subgroups do not overly fragment and overload the process. The discussions in the different dialogue groups are then brought together and coordinated in meetings of the ECOLOC Committee.
- Develop detailed project proposals on the project fiches designed at the beginning of the process (See Section 1.3.5 above). Again the main actors here will be the dialogue groups. But some support may be needed from TSMT and other resource persons. Ideally these project criteria should all be screened to ensure they fulfil the Gateway criteria established in Milestone 1 Organising the Effort.

The various screened project proposals can be dealt with and scored as they arise by the TSMT. The scored fiches should then be returned to the project sponsors in case any clarification is needed or there is any misunderstanding which could justify an appeal and change in the score. If the proposals have been well-prepared and the TSMT has been systematic and impartial in the scoring, then there should be very few appeals.

The dialogue groups and the ECOLOC Committee can also keep a list of the community project ideas which arise so that these can then be consolidated at the end of Milestone 3 and sent to the relevant stakeholders who may wish to take them forward.

Experience example 10: PROGRAMS TO PROJECTS : SEGOU

As soon as consensus was reached on identification of the driving axes of the economy at the beginning of the “atelier de programmation, it was felt that a big contentious milestone had been crossed. After the definition of the vision and strategies and short-term actions the following process was followed :

- Identification of stakeholder projects: the dialogue groups worked with the stakeholders to identify and prioritise their projects on the basis of criteria of added value, multiplier effect on employment, development perspective and market competitiveness of the products.
- Refining the projects: the projects which conformed to the above criteria were then subjected to a feasibility study, generally by members of those groups with sufficient expertise.
- Collating the project portfolio: the dialogue groups with the support team drafted a presentation note for each project with the following indicators: project title, target and objectives, promoters, expected economic and financial outcomes, cost of the project and mode of financing.
- Drafting the PPDEL: Using the baseline documents and the portfolio of projects from the dialogue, the support team produced a first draft of the PPDEL. This involved the following activities :
 - production of a plan by the facilitators, discussion and finalisation with PDM
 - drafting of the chapters on the PPDEL process and general orientation on the local economic development by the support team based on the baseline documents and steps to be taken for implementation of the PPDEL
 - integration of the portfolio of projects identified through the dialogue
- Refinement of the document: The first draft of the PPDEL was then examined and approved by the Programming Cell.
- Adoption of the document: The final version of the PPDEL was then presented to the municipal council(s) and adopted by them.

Success factors

- ☺ Existence of project ideas within the groups before the dialogue
- ☺ Collective rather than individual nature of the projects which avoided the need for arbitration
- ☺ Selection of projects within the dialogue groups and process rather than a larger framework

Challenges

- ☹ Weak capacity in project preparation on the part of the stakeholders
- ☹ Almost total absence of individual projects (possibly because of lack of participation in the process by the large economic actors)

Experience example 11: PROGRAMS TO PROJECTS : KAYA

The planning phase in Kaya started with a workshop on prioritisation of problems and actions on 11th and 12th October 2005. This consisted of identifying and classifying the main problems in order of importance. The next step was then to identify priorities for action to address each problem.

After the workshop 10 animators were recruited and trained for the community consultations.

Community consultations were conducted in five locations between 24th and 30th October: 3 locations in Kaya itself and 2 in surrounding areas. These consultations involved firstly explaining the ECOLOC vision to the participants who were new to the process. Then to ask them to discuss the main problems limiting development in their localities and to propose concrete solutions.

The outcomes of these consultations were then drafted in the 'White Paper' (livre blanc) which contained the views of all the local actors on solutions to local development. The document also categorised these views by stakeholder category: professional background, gender and age.

Based on the actions highlighted in the CRDE and the White Paper, a strategic seminar was organised with all the stakeholders that produced a prioritised and action plan with costs for the following 5 years.

After the strategic seminar the consultants began drafting the PPDEL consisting of six documents:

Plan for Spatial Development (Le Plan Programme de Développement Territorial: PPDT) which defined the management and development of physical space in the local development framework (by the urban planner).

Programme of Priority Investment (Le Programme d'Investissement Prioritaire: PIP) which defines the actions and investments to be implemented in order to resolve the priority problems of local development.

Programme of Maintenance Priorities (Le Programme d'Entretien Prioritaire: PEP) which analysed the maintenance costs of existing and proposed local infrastructure for local development (by the economist).

Programme for Mobilisation of Financial Resources (Le Programme de Mobilisation des Ressources financiers: PMR) which identified the procedures to be put in place in order to increase the municipal revenue in order to support municipal expenditure, investments and maintenance (by the economist).

Programme for Reform of Municipal Management (Le Programme de Réforme et de Management Municipal: PRM) which specify the objectives, tasks and role of each actor, as well as the procedures to put in place in municipal management to launch the economic development process (by the sociologist).

Portfolio of Projects for Economic Revival (Le Portefeuille de Projets de Relance Economique: PPR) which contains the portfolio of projects of local economic operators which will contribute to economic development (by the urban planner).

SECTION 3.3 FINAL PROJECT SCORING

The screened and agreed project proposals are now brought together by the TSMT into a revised "Programs to Projects Matrix" ready for decisions by the ECOLOC Committee and Municipal Council(s). According to locally agreed processes between the ECOLOC Committee and the TSMT, a simple way to present the projects for decision to the ECOLOC Committee could be to present the vision to projects matrix with all the scored projects listed, together with their total score. Alongside this, in preparation for the decision process, the TSMT will need to prepare a file of all the project application/action plans. Additionally, the resource availability and municipal finance and management plan will need to be finalised for the decision making process. A sample fiche for this is given in Fiche 9 and an example from experience in Albania in Experience Example 13.

Fiche 2: Strategy Implementation Plan: Model Framework

Project No.	Project Title	Cost (capital)	Cost per annum (operating)	Financial Contribution of: Capital /operational						Implementing Partners	Implementation Timeframe		Score and ranking, divide into two columns		Targeted Groups		
				Municipality		Communities		Centra Gov			Others		Start	Finish		Score	Rank
				%/	\$\$\$/\$\$	%	\$\$\$/\$\$	%	\$\$\$/\$\$		%	\$\$\$/\$\$					
1	Name of project																
2																	
3																	
4																	
5																	

This is just an example of how the Implementation matrix or operational plan could look. The purpose is to consolidate all projects in the strategy within one matrix where all the committed resources from each source can be readily identified. For ECOILOC cities it is especially important that both capital and revenue cost are identified for at least a three year period so a more sophisticated table may be necessary. It is important to also clearly put whether funding has been earmarked, identified but not confirmed or whether funding is not yet secured. It is also important to know if the project is on schedule even if it is in design stage, so that the whole program can be monitored. Identifying the target groups in this matrix enables specific opportunities for monitoring and evaluation

Experience example 12: PROGRAMS TO PROJECTS: BOBO DIULASSO

Activities	Successes	Weaknesses
<i>Preparation of the White Paper (Livre Blanc)</i>	<ul style="list-style-type: none"> • Preparatory visits by the support team to local government offices in district and the hinterland • Letters of information to council(s) in the hinterland • Good choice of animators and detailed methodological preparation • Support from PDM on methodology issues • Illustrative charts by action and location of the consultation • Adaptation of facilitation to the location of the consultations • Involvement of the dialogue groups through the facilitators • Methodological support and insights of the support group • Effective mobilisation of the different socio-professional groups and local associations which widened the base for the consultation. • Feedback/synthesis of the outcomes of the consultations to participants • Preparation of facilitation reports by place of consultation • Written consultation with certain actors - Clarification of the process for development of the public investments and projects components of the PPDEL. 	<ul style="list-style-type: none"> • Repeated postponement of dates of meetings because of non-availability of the district mayors. • Lack of specificity on the objectives and process of the consultations. • Lack of illustrative charts to support the presentations. • Insufficient discussion between members of the support team (one contract had ended) • Lack of specific studies of the hinterland of Bobo so the consultation could not go into detail on certain aspects of the debates • Lateness in delivery of the consultation reports • No feedback of the draft documents • No feedback of the final document to the participants consulted.
<i>Strategic seminar (Séminaire stratégique)</i>	<ul style="list-style-type: none"> • Development of a methodology with support of PDM • Seriousness and frankness in discussions at the seminar • Prioritisation and classification of investment projects by time (short, medium and long term) • Spatial, institutional and financial analysis according to the promoters of projects • Explanation of the spatial dimensions of development based on the SDAU. 	<ul style="list-style-type: none"> • Reluctance of participants to have a debate on the projects for boosting the economy - Insufficient competence in spatial analysis on the support team.
<i>Projects to boost the economy</i>	<ul style="list-style-type: none"> • Existence of dossiers for the projects from certain economic operators already with some support agencies • Dynamic interactions of the support team with the project proposers 	<ul style="list-style-type: none"> • Project ideas insufficiently mature to stand up to analysis • Lack of understanding of the ECOLOC approach by certain stakeholders (donors).
<i>Analysis and development of the documents in the PPDEL</i>	<ul style="list-style-type: none"> • Regular interactions between the support team, the economic actors and project proposers • Regular meetings of the ECOLOC Committee • Periodic coming together of the members of the support team 	<ul style="list-style-type: none"> • No feedback mechanism between the support team, the consultation facilitators and the dialogue groups at the stage of preparation of the document. • Lack of illustrative charts • Difficulties in managing finance for the facilitators, the consultations and the production of the documents which led to breaks between the different links in the chain – ECOLOC Committee, support team and dialogue groups. • Weak guidance from PDM

CONCLUSIONS

The planning process was initially scheduled for a period of 3 months (including identification of the portfolio of projects which was to take 1 month). However the process took 9 months: 4 months February-June 2003 for the White Paper and 4 and half months June-November 2003 for the PPDEL and projects.

In relation to the projects: after the strategic seminar the composition of teams charged with their development is very sensitive. Given the general mistrust of the local business community the development of the project portfolio needs to have two stages:

A first discussion and close examination in a confidential setting. The support team would be able to provide this and can direct this first level of exchanges.

The production of the project dossier could then bring in some other qualified people in addition to the support team.

In order to promote a better participation in the planning process and production of the PPDEL there is a need to improve the feedback of the outcomes to participants – either through meetings or in writing.

At the same time the process of adoption of the documents should be respected: examination by ECOLOC Committee and adoption by the municipal council(s).

The bodies involved in the project management (economic adviser, ECOLOC Committee, municipal council(s)) need to have the prepared documents in order to be able to facilitate the subsequent meetings which discuss ECOLOC (facilitation of the Forum of adoption of the Charta, feedback on the process to financial partners and other donors) and then to ensure a better direction of the implementation of the projects and programs developed.

Experience example 13: Strategy Implementation Plan: Albanian City

Project No.	Project Title	Value (Lek)	Value (€)*	Financial Contribution (Lek) of :								Implementing Partners	Implementation Timeframe		Year of Completion	Status	Targeted Groups
				Municipality		Communities		Centra Gov		Others Funders			Project Up	Start			
				%	Value	%	Value	%	Value	%	Value					Month	
1	G1-O1:PG1:p1: Completion of a study for integrating agribusines environments into the urban plan of the city	250,000	2,000	50	125,000	0	0	35	87,500	15	37,500	BB, KQ, DhTI		2008	2009	KV, NVM	
2	G1-O1:PG1:p2: Preparation of a study for the setting up of an agribusines park for collection, processing and marketing of agricultural products for the region	1,875,000	15,000	50	937,500	0	0	0	0	50	937,500	BB, KQ, DhTI		2008	2008	KV, NVM	
3	G1-O1:PG2:p1: Rehabilitation of infrastructure in areas where agribusines already exist	1875000	150,000	40	7,500,000	0	0	50	9,375,000	10	1,875,000	BB, AEC, DhTI		2008	2009	KV, KB	
4	G1-O2:PG1:p1: Setting up of a 'One-Stop-Shop' in Berat City Hall to facilitate procedures for businesses	3,125,000	25,000	60	1,875,000	10	312,500	0	0	30	937,500	BB, KQ, DhTI		2005	2006	KV, NVM	
5	G1-O2:PG1:p2: Preparation of a study on local fiscal policies related to agriculture	375,000	3,000	70	262,500	0	0	0	0	30	112,500	BB, KQ, DhTI		2006	2007	KV, NVM	
6	G1-O2:PG1:p3: Publication of a leaflet about possibilities and conditions for crediting local agribusines	62,500	500	10	6,250	0	0	0	0	90	56,250	BB, DhTI		2008	2008	KV, KB	
7	G1-O2:PG1:p4: Organisation of periodic workshops on regional agribusines developments with the participation of business related groups and interested institutions	1,250,000	10,000	20	250,000	0	0	10	125,000	70	875,000	BB, DhTI		2005	2010	KV, KB	
8	G1-O3:PG1:p1: Establishment of an agribusines association	375,000	3,000	5	18,750	20	75,000	0	0	75	281,250	BB, KQ, DhTI		2006	2007	KV, KB	
9	G1-O3:PG1:p2: Organisation of a periodic fair of agricultural produce	1,000,000	8,000	15	150,000	40	400,000	0	0	45	450,000	BB, DhTI, Don		2007	2010	KV, KB	

Milestone 4: LEDSAP finalisation and ratification

MILESTONE OVERVIEW

Once all the projects to be funded have been agreed by the Municipal Council(s), this Milestone should be very straightforward.

It consists of:

- Finalising the LEDSAP Chapters from the various drafts and inputs produced in the previous Milestones as outlined in Section 4.1.
- The TSMT together with the Municipal Council(s) and ECOLOC Committee draft the Charta which is a summary document from the LEDSAP as discussed in Section 4.2.
- Once this is all ready then the LEDSAP and Charta are presented to the community in some sort of community fair or event.

SECTION 4.1 FINALISATION OF LEDSAP

Once the projects are agreed the TSMT draws up the Strategy Implementation Plan and all the final documentation for the Local Economic Development Strategy and Action Plan.

A suggested outline and how the chapters relate to previous ECOLOC documents is given in Box 12 (building on the discussion in Section 1.1.3 above. More detailed description of the suggested chapter content is given in Box 13.

Box 12.**PROPOSED OUTLINE FOR ECOLOC LEDSAP**

This document proposes a structure for the presentation of a local economic development strategy and action plan. Good practice dictates that these documents should be short, and be summaries only of the organization, analysis and the strategy itself. An LED strategy and Action plan produce in this way will enable citizens, donors and other interested parties to easily understand and then act to support the strategy.

		Content	Adapted from ECOLOC research materials
i	Forward	General introduction from and ECOLOC chair	CHARTA and general documents
ii	Introduction	Description of document and components, acknowledgements and disclaimers	
iii	Contents Page	And glossary and acronyms	
1	Organization	This introduces the organization of the process. Description of organization of whole ECOLOC process from design to goals, programs and project selection, It should explain who makes decisions when and the participation process. This chapter can be written at the beginning, and amended ahead of the ratification forum to include accounts of the process as it occurred.	Part taken from PPDEL and others, all consolidated in this one section.
2	Local Economy Assessment	This chapter will be a summary of the FINDINGS of all the research that has been done to date by the experts as well as a summary of the business enabling environment survey which will have been carried out to date. It will end with draft SWOT. This discussion draft will be presented to the Vision to Programs Workshop .	From consultants reports
3	Strategy Vision to projects	Short summary of strategy as designed by the process basically going from the SWOT to Vision, objectives, goals and programs. The discussion draft of the Vision to Programs will be considered at the Programme to Projects Workshop .	PPDEL, PIP, PPDT, PRE, PRM
4	Strategy Implementation	Individual project implementation will be undertaken by project sponsors. Strategy implementation will be coordinated and supervised by the Municipal Council(s) and municipal staff and monitored and evaluated by the ECOLOC Committee and stakeholders. According to local decisions, this chapter can include more detailed administrative arrangements for the implementation phase.	PPDEL, PIP, PRE, PRM
6	Municipal finance and management plan	This chapter is summary of the review of the financial and management situation in the municipality. It will be just a summary with an associated action plan to make improvements.	PAF and PRM
7	Monitoring and Evaluation	This chapter will start to address how both the strategy and individual projects will be monitored and evaluated.	new

Box 13. STEP BY STEP DESIGN AND SUGGESTIONS ON HOW TO WRITE AND DESIGN THE LOCAL ECONOMIC DEVELOPMENT STRATEGY AND ACTION PLAN

i) Foreword (one page total)

Here is the start of the message; ideally it should be presented jointly by the Mayor and Chairman of the ECOLOC Committee. It should be brief, less than a page, with room for their two signatures, preferably not photos unless considered essential. It should be strategic focusing on the aims:

- Medium to long term approach to improving the enabling environment for economic development
- to improve local governance through improved municipal management and fiscal situation and broader stakeholder engagement
- to improve working relationships between the city and city region
- it should make clear this will not solve everything, but is a first step towards improving the local economy
- It should thank stakeholders, leadership donors, briefly as necessary (more detail can and should go in an acknowledgements section)

ii) Introduction (two pages total)

This should be a short sharp note about what this document is for and what is in it.

The purpose of this strategy is to present a way forward towards improving the local economy in city\region x. This is the culmination of much research, analysis and consultation strategy that has been undertaken in full partnership with stakeholders. This document highlights the key stages that were undertaken. The aim of this document is to consolidate in one manageable document the thinking, research analysis, vision programs and projects that have been prioritized through a strategically planned process in city\region x. This document will be used to promote the program, to consult, monitor, evaluate and update.

Here it can be said that this is a summary of much deeper work, and say where all the background documents can be found. Here there should be reference to a staff (not consultant) contact point. It should give an outline of the document (which of course simply summarizes the process). The outline should in no more than a paragraph for each stage, say what was done in each stage, and by whom (for examples consultants undertook an analysis of x, a business environment survey was carried out with x businesses in order to obtain current information on constraints and opportunities for businesses etc.

Contents Page

As documents are changed a lot during design and as several people will be engaged in putting in components, it is advisable to have agreed document layouts, fonts, and margins all done in the Terms of reference. The person consolidating this strategy document should use headers etc so the document can easily be altered and the contents page inserted.

Glossary and Acronyms

Chapter 1: Organising the Effort

This chapter should be drafted right at the beginning of the process as the organisational framework is put together. As processes and procedures change it can be amended before the final ratification document. This chapter can then be used as a guideline to the process to introduce the program and processes to stakeholders and donors.

This chapter is about how the strategy is developed, how it is organized from an institutional standpoint and a process standpoint. Remember this is likely to be most interesting to the authors, mildly interesting to donors and of little interest to anyone else! Keep it short and to the point. An approach to this section would be to do as much as possible graphically and in tabular format, wherever possible. Refer to appendices and background documents freely, using footnotes. By the end of this section readers should understand the whole process, who is involved and how, who makes decisions and how.

This will be hard to do as there is much that could be written (this was a key problem with current ECOLOC materials, too much detail was written, too often and repeated in too many documents, this should resolve that issue, but discipline will be needed). We need to focus on the person reading this and understand that this chapter will simply provide confidence to donors, financiers and stakeholders that careful and transparent processes were adopted.

Start with the big picture, and go smaller.

A suggestion would be to start with just a couple of paragraphs on the ECOLOC process. There is no need in this document to have much background on this. There will be a need to put only one or two paragraphs about the frame of the ECOLOC process.

Then produce a flow chart or drawing which includes the key stages and key players, you have these already, the Mayor, Municipal Council(s), ECOLOC Committee, consultants, and stakeholders and who does what when. Support if necessary with several short paragraphs, not more.

This should be supported by a decision/responsibility table, which should include everyone who is involved in the program, whether it is a decision maker, adviser, sponsor, stakeholder or project applicant.

There should be an account of the structure of the municipality including an organization chart; also the horizontal municipal arrangements in place. Related Municipal Council(s) and all inputs need articulating.

Participation issues should be addressed here.

A summary of the project application, selection and prioritisation process should be made here. It is most important, especially for donors, to see a clear and transparent project selection and prioritisation process.

**Box 13. STEP BY STEP DESIGN AND SUGGESTIONS ON HOW TO WRITE
(suite) AND DESIGN THE LOCAL ECONOMIC DEVELOPMENT STRATEGY
AND ACTION PLAN**

Chapter 2: The Local Economy Assessment

This chapter will include the core facts and findings from each of the expert commissioned reports. These include what is already seen in ECOLOC documents the CDRE, and the Tableau de Bord. It should include summaries of each of the expert commissioned reports. For every report commissioned, the consultants will be required to produce:

A full report which will serve as a background report,

A 3 or 4 page executive summary, which will be attached as an appendix to the Local Economic Development Strategy and Action Plan

A one page SWOT matrix

It will be the responsibility of the Facilitator to consolidate all this information into a short chapter and a consolidated SWOT matrix for discussion.

It will also be the responsibility of the TSMT to also present a SWOT of the BEE questions presented to the formal and informal economy questionnaire participants. TSMT will do a straight prioritisation based on number of responses. This SWOT should be kept parallel with the broader SWOT and both need to be put in this chapter.

Following the vision to programs workshop and negotiations the SWOT analysis will be redrafted with the priorities clearly displayed. This will immediately form chapter 2 of the final Local Economic Development Strategy and Action Plan.

Chapter 3 The Strategy

The strategy is the most important part of the document so needs to be presented clearly. The first two chapters of the document address all the organisational and research issues effectively. There is need only to present matrices and no more in this section. There are 5 components of the strategy, the vision, goals, objectives, programs and projects.

Good practice indicates that the following should be done in strategy making:

- In order to focus, right from the SWOT analysis prioritization should be a requirement.
- Prioritization does not have to be sophisticated, but it needs to be transparent and validated by decision makers and the broader community.
- Do not have more than 5 or 6 goals.
- Do not design strategies that focus on clusters or sectors alone.
- Design strategies that address broad based transversal issues such as the business enabling environment, inclusion and municipal finance and management

There should be clear project selection criteria and rules of the game. A two level process is effective. First level, a simple set of criteria has to be met. Once this first screen is cleared, then a more detailed form should be completed and submitted to the approving committee

Do not allow wish lists, a few projects selected and delivered well are far better than a long list that will be hard to complete. Incorporate inexpensive as well as more expensive projects, hard and soft infrastructure, short and long term projects. This will allow some 'quick wins' as well as long term strategic projects.

Chapter 4 Strategy Implementation

Once all the projects are approved for inclusion in the program then an implementation plan is prepared. This allows for all the resource needs and projects to be simply presented and reviewed. In the final document this will be accompanied by all the agreed project proposals/action plans.

Arrangements for implementation can be articulate here.

Chapter 5 Municipal Finance and Management plan

There is a temptation to go into a great deal of information on both the management and financial issues. The detail should be in a separate annex and plan. The key information is the basic financial status and forecast for the municipality together with a prioritised action plan on municipal management. The suggestion is, in close discussion with the municipality, to design an improvement plan with prioritised and time bound schedule of activities. The Mayor should commit to oversee these.

Chapter 6 Monitoring and Evaluation

This chapter will start to address how both the strategy and individual projects will be monitored and evaluated.

SECTION 4.2 CHARTA

The Charta of Local Development is a document which states the agreement in principle of the various local stakeholders regarding:

- Long-term vision for the development of the city\region and its area
- Action plans and reforms to be implemented in the medium term conforming with this vision
- Concrete projects which enable the aims of the local stakeholders to be realised
- The commitment of the various stakeholders to the implementation of these programs and projects.

It is a short text of general interest, but which states concrete seals to a new local economic and social agreement. As such its development starts right from the beginning of the process, continues throughout the dialogue and completed when the ECOLOC Committee and municipal council(s) adopt the LEDSAP. That means the process of consultation on the CHARTA must be organized in parallel to the development of the portfolio of the priority projects. It is then finally presented to and adopted by the Community at the Ratification Forum and Fair.

The development of this text is the responsibility of the ECOLOC Committee. The method of discussion of this text will depend on the local circumstances. It is likely that it will be necessary to use the media campaign and also the focus groups and meetings to arrive at a text which is the clearest and based on the widest possible consensus.

Experience example 14: BOBO LED CHARTA

PROCESS

The Development Charta was developed by the ECOLOC Committee. The process was initiated by a proposal from the economic advisor to the Council(s) (project manager) and submitted to the ECOLOC Committee for amendment and agreement. The Charta was then submitted to the Ratification Forum for approval by the local community.

CONTENT

The Charta consisted of a text of general interest stating the long-term vision and the portfolio of projects in the LEDSAP with summaries of each. The local Charta aimed to seal a new social pact between the different local actors for the development of the community.

SECTION 4.3 LEDSAP RATIFICATION AND FORUM

The LEDSAP Ratification Forum and/or Fair is the moment when the LEDSAP and Charta are finally presented to and agreed by the community as a whole. Organisation of this event is the responsibility of the ECOLOC Committee with the support of the mayor, municipal council(s) and other stakeholders.

There are various options as to how the LEDSAP Ratification and Forum can be conducted. ECOLOC practice to date has varied as can be seen from the examples of Segou and Bobo Dioulasso below.

One possibility is to run a more formal forum and official launch/approval meeting alongside some form of community fair. Such a fair would provide good publicity for the launch of the strategy and action plan. This then provides wide publicity for the LEDSAP which will encourage implementation and participation in the process.

Experience example 15: RATIFICATION FORUM : SEGOU

Aims: To ratify the Local Economic Development Plan (PPDEL) by all the stakeholders in Segou through their representatives.

Organisation: The Forum was organised and prepared by the Mayor's Office in collaboration with the dialogue facilitators. Practical arrangements were made by the Mayor's Office – venue, invitation cards, participants. Preparation of content was done by the main facilitator, 7 dialogue facilitators and 7 translators supported by expertise from PDM.

Duration : 2 days

Participation : More than 200 people attended representing all strata of the community : municipal councillors, representatives of the administration, businesspeople, Chamber of Commerce, banks, markets, professions, associations, NGOs, GIE, private enterprise, farmers, community leaders, political parties, deputies, Mayors' Association, donors, expatriate associations, twinning committees, local and national media)

Forum Agenda

- Opening speech by the Mayor of Segou.
 - Presentation of the program and introduction of participants by the main facilitator.
 - Presentation of the dialogue process by three members of dialogue groups through a role play and sketch which traced the path from the feedback workshop on findings of the research through to the production of the PPDEL.
 - Presentation of the broad directions for local economic development in Segou by the dialogue groups. One representative from each group presented the vision and strategic axes of the sector or chain on which they had worked.
 - Presentation of the first set of projects by their promoters using drawn charts representing 5 concrete projects identified and costed.
 - Visiting different stands: the drawings of the projects for the different goals were grouped and each put into one hall so that the participants could go round and find out more from the dialogue groups and give any further input.
 - Presentation by the General Secretary of the Mayor's Office of the role his organisation will play in implementation of the Plan (municipal changes, training of municipal staff, adoption of a logo, new fiscal arrangements etc.)
 - Plenary discussion to get reactions, comments and contributions from the participants.
- Inauguration by the Mayor and forum participants of the Segou-Coura Mural done by the Association Ségou-LABEN and Alphalog. This was considered the start of the implementation of the Tourism Program from the PPDEL.
- Final Session back in the hall: reading the synthesis of the contributions from the Forum and ratification of the PPDEL.

Factors in success of the forum

- ☺ Pedagogic approach using tools which were well mastered by the dialogue facilitators and the local economic actors (sketch and drawings)
- ☺ Wide mobilisation of people from all sections of the community
- ☺ Thematic discussions at the stands
- ☺ Facilitation by the participants themselves without external expert interference

Challenges of the Forum

- ☹ Lack of a Charta of involvement of the different actors in implementation (municipality, businesspeople, technical services etc)
- ☹ Failure to establish an implementation plan for the PPDEL during the Forum.

Experience example 16: RATIFICATION FORUM: BOBO

Organisation of the Forum was the task of the ECOLOC Committee which planned a media campaign. This served to inform or refresh the memory of the population about the ECOLOC process and the outcomes. At the same time it was a preparation and invitation of delegates from different sectors of the community to participate in the Forum.

The Forum itself was facilitated and conducted by the project manager and the ECOLOC Committee, with the support team taking a back seat. This needed several preparatory meetings with the project manager and ECOLOC Committee to establish the roles of each person. These meetings also serve to discuss the different documents which will be presented at the Forum.

After the adoption of the Charta the delegates and/or representatives of the different local stakeholders (including the project manager) signed the Charta. This then established the commitment of each of the actors.

Milestone 5: implementation and monitoring

MILESTONE OVERVIEW

Main Output: The main output in the process is to start delivering projects and to monitor them against the implementation plan now agreed and adopted in the Charta. The process of implementation and monitoring take on a longer time perspective than the earlier milestones. In fact they are ongoing, until the last project is finished. As the ECOLOC process is usually a 20-25 year time frame divided into 5 year segments, then this milestone can be characterized as a 5 year milestone!

Whilst the core purpose of this handbook is to address the dialogue and strategy design components not implementation, it is necessary to give some guidance in terms of implementation and oversight of the program. This section gives some initial guidance on implementation modalities as well as monitoring and evaluation. A further handbook on implementation is proposed following the publication of this handbook.

SECTION 5.1. IMPLEMENTATION

Once the LED programs and projects have been selected, implementation planning begins. Strategy implementation is driven by the already agreed broad Implementation Plan, which in turn is driven by individual Project Action Plans. The Implementation Plan lays out the budgetary, human resource, institutional and procedural implications of implementing an LED Strategy. It is thus the point of integration of all projects and programs within an LED Strategy.

The Action Plan for each project lays out a hierarchy of tasks, responsible parties, a realistic timetable, human resource and financial needs, sources of funding, expected impacts and results, performance measures and systems for evaluating progress for each project (see Step 2).

The Implementation Plan acts in the final instance as a mediator between various projects and their action plans to ensure that they do not inappropriately compete for resources. It also provides information on monitoring and evaluation to all parties involved, in particular, the municipality's chief executive officer and Mayor who will eventually report to higher levels of government and to the community.

Practical tips 21: KEY ISSUES IN IMPLEMENTING THE LED STRATEGY

- Who takes responsibility for each program or project?
- What are the targets in terms of outputs, timing and funding?
- What steps need to be taken to achieve the targets?
- What will the reporting structures and communication strategy consist of and how will they be put into effect?
- What are the performance monitoring and evaluation systems and processes?
- What has to happen to ensure they are in place and are used?
- What are the budgetary and human resource requirements for the sustained delivery of the project or program?
- What are the institutional implications of the LED programs and projects, including internal implications of the procedures and processes of the municipality?
- What new departmental and staff coordination will be necessary to fulfil the project?
- What are the new skills required for the implementation of programs and projects?

Build Institutional Frameworks for LED Implementation and Monitoring

Without some form of LED Implementation and monitoring oversight, few strategies succeed. Some projects may be completed, but the strategy will lie dormant. Some of the challenges encountered in implementing the Strategy in ECOLOC processes in Sikasso, Segou and Bobo are described in Experience Examples 17 to 19.

Experience example 17: PROJECT IMPLEMENTATION BOBO

After the Ratification Forum 22nd and 23rd April 2004, a number of resource persons involved decided to put in place a body to oversee the implementation. This body had two main roles:

- 1) Follow up and lobbying with
 - the national authorities for infrastructure realisation and improving institutional and legal enabling environment
 - local bodies so that all the commitments were honoured
 - development partners to obtain additional support
- 2) Promoting economic activity through providing an interface between the formal and informal business sectors, financial institutions, support structures and public authorities.

Until creation of this body, the Economic Adviser of the mayor animates the phase of implementation of the process at Bobo-Dioulasso.

Implementation of public investment projects

International transport depot

A sum of about 4.000 million CFA has been awarded by BOAD, a consortium of local banks and the Burkina Faso Chamber of Commerce. An environmental impact assessment has been conducted by Cabinet ERGEC-Developpement. The plans of the project have been finalized, the project supervisor is FASO BAARA, and an invitation to tender has been completed. Work has started.

Tarmacking of the Bobo-Dedougou road:

This project is in the process of being implemented.

Tarmacking of the Bobo-Diébouyou road

This project is strategic in that it permits operators from Bobo and Mali to link more quickly with the Ghanaian frontier. The slip road Diébougou-Hamele is also included in the tarmacking over a length of 125 km. Providing an alternative to the routes through Ivory Coast, this gives a gain of around 350 km to the road transporters who use the Ghanaian corridor. The finance of around 30,000 million CFA was confirmed the 24th of April 2006 at a donor roundtable with BADEA, Kuwait Fund, BID, Saudi Fund, BOAD and the Burkina government. The project is in the process of being implemented.

Fruit terminal: The terminal was inaugurated in March 2005. Investment amounts to 817 million CFA financed by the World Bank. The management concession has been given to private operators: Burkina Chamber of Commerce, Ivoire Logistique and Leon Vincent (Belgium).

Refrigerated abattoir: the feasibility study conducted in 2005 put the cost at 6.600 million CFA instead of 7.000 million indicated in the PIP. The investments foresee a complex including a livestock market and refrigerated abattoir conforming to international standards. Finance is currently being sought.

Samandeni dam: The feasibility study has been finalized at the same time as ECOLOC Phase 2 and needs to be completed by an environmental impact assessment. According to the project assessment the cost was around 180,000 million CFA. The benefits include production of electricity, irrigated agriculture and fishery. In March 2005 a round table of donors agreed the financing of the full project assessment, the last study stage. The results of this will be available in 2006 and will decide whether the project will be implemented or not as well as the final level of finance needed.

Private projects: 19 projects had been identified, classified by goal and priority of implementation.

To facilitate implementation of these private projects, the PDM, together with the Chamber of Commerce of Burkina, gives a support in four phases: (1) establishing an overview of the financial offers available: identification of the various national, regional or international possibilities (including guarantees) and the conditions to be fulfilled (procedures, required authorizations, collateral, etc.); (2) format projects accordingly to get financial support (3) coaching of project operators during the process of obtaining the finance (4) in case of success, the private operator pays a service fee to PDM/Chamber of Commerce. The fee will be channelled into a fund constituting the start up capital to create a local development agency.

The objective is to find cofinancing for all projects within one year to make them start concretely.

Mobilization of local resources:

The Municipality of Bobo Dioulasso, in collaboration with the decentralised state services implemented the plan of mobilisation of local resources (PMR). The different simulations done in the PMR fixed the taxation potential of Bobo at an approximate amount of 2.000 million CFA. This brought about immediate results as the tax recovery increased within one year from 1.100 million CFA to 1.700 million CFA, that is an increase of 45% of the local fiscal resources of Bobo.

Developing some institutional framework to oversee the process and keep the strategic direction going is essential. Clearly the ECOLOC Committee is in an ideal position to do this. The ECOLOC Committee will have a key role in this process, as will the Municipal Council. These bodies, as well as the dialogue groups can take on a more strategic perspective ensuring projects are implemented and monitored individually and against the comprehensive implementation plan.

Individual projects however can be implemented by:

- The public sector e.g. various levels of government, and public sector institutions
- The private sector (normally through business associations, or individual businesses that have competitively tendered or responded to calls for proposals for projects)
- Community Groups(these are normally involved in smaller scale projects but can provide a very valuable input into the delivery of a wide range and many small scale LED projects Community groups may seek to lead initiatives to improve health or housing conditions of a target group of disadvantaged individuals.

It should be noted that the private sector is often keen to be involved with or even lead or manage initiatives aimed at improving the prospects for their businesses for example supporting the development of markets and projects designed to enhance the vitality and viability of town centres or to be involved with business development initiatives. The role of the private sector needs to be understood as they infrequently volunteer to lead projects where they do not have a fiduciary interest.

Strategy implementation is never as clearly defined as the strategy itself. It often takes longer than expected, requires the constant maintenance and upkeep of institutional frameworks, and needs constant monitoring. With each project and program that is implemented, project review should occur throughout focusing on how best to advance the project in a rapidly changing environment. The media and media relations are as important in strategy implementation as they are in the design process.

It is particularly important to celebrate achievements, project milestones, receipt of donor/Government funding resulting from the strategic planning effort and of course project completions! It can be very helpful, as well as good practice to have a broad range of inexpensive soft infrastructure projects starting and completing quickly, it builds confidence in the process whilst the more expensive and necessarily slower programs are moved forward.

SECTION 5.2. MONITORING AND EVALUATION

Both monitoring and evaluation (M&E) are key components of LED Strategy Implementation. Let's look first at the differences between monitoring and evaluation

In order for this task to be completed efficiently the ECOLOC process has put in place a series of key points where indicators are needed, it will be these at both strategy and project level that will be reviewed to enable course corrections in both strategy design and project implementation.

First in the strategy design good practice shows that objectives should be designed to follow the vision; goals, programs and projects therefore are designed to meet these objectives, which are time-bound and measurable.

Indicators should also be clearly laid out at the project level to measure inputs, outputs, outcomes and impact for each project. They can be found in every project fiche for all projects accepted into the ECOLOC program. These individual project indicators should be consolidated to determine program success and provide an overall assessment of LED strategy. Repeated semi-annual and annual meetings to discuss results are necessary as part of the ongoing planning and learning process.

Ideally a monitoring and evaluation strategic workshop should occur at the start of a program. It should establish an M&E timetable including scheduled reviews of content and process indicators. An independent audit of key indicators through repeated municipal and business surveys is crucial to measuring the progress made since the baseline local economy assessment. These can be quantitative and qualitative in nature.

Box 14.**DIFFERENCES BETWEEN MONITORING AND EVALUATION**

	Monitoring	Evaluation
What:	Monitoring is the process of routinely gathering information on all aspects of a project or program. It is used to inform decision making on project implementation.	Evaluation involves a 'stepping back' to gain a deeper perspective on what effects and impacts have been achieved. It informs every decision-making.
Purpose:	<ul style="list-style-type: none"> Analyse the current situation. Identify problems and find solutions. Discover trends and patterns. Keep program activities on schedule. Measure progress towards intermediate goals and revise action in order to achieve these goals. Make decisions about human, financial and material resources. 	<ul style="list-style-type: none"> Determine how effective a project or program has been. Determine the extent to which goals have been achieved. Learn how efficiently things are being done. Develop 'lessons learned' so future programs and projects of a similar nature can be improved.
When:	Monitoring is continuous (daily, monthly, and annually). Monitoring activities should be scheduled as part of the project's work plan and be a routine part of project implementation.	Evaluation is conducted periodically: <ul style="list-style-type: none"> at or near the mid-point of implementation at the end of a project at a point well after a project has been completed (3-8 years)
How:	Monitoring can be carried out by staff and participants through field visits, review of service delivery and through a Management Information System.	Internal evaluations can be carried out by the project manager and/or project staff and participants. External evaluations are generally conducted by external consultants, external agencies or donors.
Why:	Monitoring provides managers with information needed to analyse the current project situation, identify and find solutions, discover trends and patterns, keep in schedule and measure progress towards expected outcomes. It allows an opportunity to make decisions regarding human, financial and material resources and minimize needless program costs.	Evaluation is the formal process of documenting the following project achievements: <ul style="list-style-type: none"> progress in the work plan establishment of systems implementation of planned activities achievement of goals effectiveness and impact of the project efficiency or cost-effectiveness
Information Type:	More emphasis on quantitative data, but some qualitative data is gathered to contextualise the quantitative analysis.	More emphasis on qualitative data, but quantitative data is gathered in indicators. Qualitative analysis can often support the quantitative assessment.
Information Category:	Descriptive, analytical and documentary data should all be used to observe the 'what' and understand the 'why' of the project activities.	Descriptive, analytical and documentary data should all be used to observe and record the 'what' and understand the 'why' of the project achievements.

Why Monitoring and Evaluation?

- A well-designed monitoring and evaluation system will help answer the question 'how do I know when I have reached my Objectives?'
- It provides a basis for accountability in the use of resources.
- Used carefully at all stages of the project cycle, monitoring and evaluation can help to strengthen strategy and project design and implementation.
- It helps to build trust with businesses, financial institutions and investors by openly sharing results.
- The emergence of recorded benefits early on helps reinforce ownership and early warning learning by all regarding emerging problems allows action to be taken before costs rise.
- Well designed M&E allows for mid-course corrections.
- A reliable flow of M&E information during implementation enables managers to keep track of progress and to adjust operations to take account of experience.

- It allows for the interventions to be adapted to reflect the changing needs of target businesses, sectors and communities.
- It provides important information on how to use limited resources more efficiently by directing investments to programs and activities that have the greatest impact on productivity, job growth or investment.
- It allows for the benchmarking of LED interventions against examples of good practice.

It demonstrates the impact of LED interventions in terms of poverty reduction, city GDP growth or employment creation to clients, citizens and potential investors.

It can help to justify budget requests for further LED interventions.

In determining institutional arrangements for measuring progress, one should focus on the people, processes and events that will be necessary for measuring that progress at the level of both the strategy and the individual projects and programs. In determining a formal institutional arrangement, key questions include:

- Who are the people that should be measuring the progress?
- What type of information will they require to measure progress?

On the processes, one should consider the types of evaluation tools necessary, and the products that will be produced, e.g. progress report etc. (see table 5.4 for examples).

Feedback

Proposals for the ways in which M&E findings will be fed into decision making process are given in Practical Tips 22:

SECTION 5.3 STRATEGY REVIEW

Even though LED is a relatively new discipline, there are numerous examples of bad practice that can be highlighted to demonstrate the potential for mistakes, and many of these mistakes can be attributed to relatively few causes:

- politics (including exclusion of key interest groups, inappropriate zoning);
- lack of commitment by Project Managers because they are not held regularly accountable;
- lack of strategic thought (resulting in inappropriate strategies);

inadequate funding, research, monitoring and evaluation (resulting in inappropriate strategies and initiatives); grant chasing; and following the latest trend

Reviewing the strategy will enable the ECOLOC to determine how the strategy is progressing, whether it is making any mistakes in implementing its strategy, and how these mistakes might be rectified.

The LED strategy should be regularly reviewed to reflect changes in the local economy and lessons learnt from its implementation. Reviewing a local economic development strategy is normally undertaken on an annual basis and usually in conjunction with the municipality's financial planning cycle. This revision is guided by a monitoring and evaluation plan that establishes the procedures and indicators for assessing the LED strategy planning process, and the implementation of programs and projects.¹⁷ Both the municipality and the steering committee should be involved in the review process. It is important to invite public opinion in assessing the LED strategy making and implementation processes. Surveys and focus groups are valuable sources of information for strategy review. Political support for, and publication of, achievements are key to sustaining momentum and generating enthusiasm and confidence within the community.

17. Useful information on the development of LED performance indicators is available on the United Kingdom Library of Local Performance Indicators project Web site. The site contains information on the development of pilot economic regeneration performance indicators and lists a technical definition document that provides a fuller explanation of the indicators together with detailed definitions:

Practical Tips 22: EXAMPLE OF EVENTS TO MEASURE PROJECTS PROGRESS

Annual Cycle of Events designed to fit in with Municipal budget cycles

Events	Time	Purpose	Products	Stakeholders
Annual Planning	January	Define level of input, outputs, indicators, related activities	Annual Work Plan Individual Plans Annual Budget Gantt Chart (Updated) Work Agreements	Management Project Staff Institutional Stakeholders
Quarterly M&E Workshop	May and October	Progress Evaluation Planned vs. Actual Performance Monitor Assumptions	Updated Implementation Plans Performance Improvement Plans	Management Project Staff
Mid-Term Evaluation	June-July	Respond to New Opportunities Review Leading Indicators Sustainability of Assumptions	Progress Report Adjusted Designs and Implementation Plans	Management Project Staff Donors Partners
Annual Stakeholder Meeting	December	Evaluate Impact Progress Review Delivery of Outputs Verify Assumptions	Evaluation Results Progress Report on Lessons Learned	Management Project Staff Beneficiaries Customers Partners

Practical tips 23: ISSUES TO INCLUDE LEADSAP REVISION

- Is the SWOT analysis still valid or have circumstances changed?
- Is more information available and have key issues changed as a result?
- Should changes be made to the vision, goals or objectives to reflect changing circumstances?
- Are projects achieving the expected results? If not, what can be done?
- Are performance indicators being met? If not, why not?
- What changes need to be made?
- Should the indicators be changed?
- Should there be more action on projects? Should the projects be changed?

ANNEX: Key Resources

RESOURCES ON LED¹⁸

LED Conceptual Framework and Strategy Design

Bingham, Richard D. and Robert Mier, Eds. (1993). *Theories of Local Economic Development: Perspectives From Across the Disciplines*. Sage Publications, CA.

Blair, John P. (1996). *Local Economic Development: Analysis and Practice*. Sage Publications, Inc.

Canzanelli, Giancarlo. (2001). *Overview and Lessons Learnt on Local Economic Development, Human Development, and Decent Work*. ILO Universitas Working Paper.

<http://www.ilo.org/public/english/universitas/publi.htm>.

Clarke, S.E. and Gaile, G.L. (1992). *The Next Wave; Postfederal Local Economic Development Strategies*. *Economic Development Quarterly*. Vol. 6 No. 2. pp. 87-198, Sage Publications, CA.

Council for Urban Economic Development. February (2000). *Local Economic Development in the CEE/NIS Region*. Overview Paper, Draft prepared for USAID.

European Commission. (1997). *Towards an Urban Agenda in the European Union*.

http://europa.eu.int/comm/urban/documents/d004_en.pdf.

Harris, N. with L. Bulbul, K. Mainuddin, X. Meng, S. Haguib, S. Srinivas. March (2000). *Garment-Making and Urbanisation: An Introductory Study of Four Cases*. Urban and Local Government Working Paper Series No. 6. Urban Development Unit. World Bank.

<http://www.worldbank.org/urban/publicat/uwp6.pdf>.

Iannone, D. (1997). *Introduction to Economic Development: A Training Course for Economic Development Professionals*, Washington, D.C.: National Council for Urban Economic Development.

Kane, J. and Shinka M. (1994). *Rethinking State Development Policies and Programs*. Washington DC. National Governors Association. This article describes the evolution of Local Economic Development.

Lyons, T. and Hamlin, R. (1990) *Creating an Economic Development Action Plan: A Guide for Development Professionals*. Praeger Publishing.

Mier R and Bingham R. (1993). *Metaphors of Local Economic Development in Theories of Local Economic Development: Perspectives from Across the Disciplines*. pp. 284-304. Sage Publications, CA.

OECD. (1998). *Arresting Decline in Urban Areas* The OECD Observer No. 210 February/March. The OECD has published a short and informative paper on the inadequacies of urban policies in OECD countries and how in the last two decades they are moving towards a 'more integrated, multi-sector

18. Adapted by author from Swinburn et al LED Primer

policy approach which has two main characteristics. First, they explicitly recognize the interrelationships between socio-economic factors affecting urban areas; they emphasize endogenous development and the creation of opportunities within the deprived neighbourhood'

<http://www.oecd.org/publications/observer/210/005-016a.pdf>.

OECD. Local Economies and Globalisation. LEED Notebook, No. 20. Good for case studies; this LEED Notebook, No 20 provides valuable information about Local Capacity Building

<http://www.oecd.org/tds/bis/leed.htm>.

Swinburn, G., F. Murphy. (2005). Making Local Economic Development Strategies: A Trainer's Manual. A Knowledge Product of the World Bank and Cities of Change Initiative, produced in conjunction with the Bertelsmann Foundation.

Swinburn, G., F. Murphy, Eds. (2005). Local Economic Development Strategic Planning and Practice Casebook. A Knowledge Product of the World Bank and Cities of Change Initiative, produced in conjunction with the Bertelsmann Foundation.

Swinburn, G., S. Goga, K. Kuper, F. Murphy. January (2006). Local Economic Development: Quick Reference. Urban Development Unit. World Bank.

Swinburn, G., F. Murphy. (2006). Local Economic Development: A Primer

World Bank (2000). *Cities in Transition: World Bank Urban and Local Government Strategy*.

http://www.worldbank.org/html/fpd/urban/publicat/cities_in_transition_full.pdf.

Financing LED

Bartik, T. (1995). *Economic Development Incentive Wars*. Employment Research, Spring 1995. W.E. Upjohn Institute for Employment Research. This short paper and related references provides a sound basis from which to consider monitoring and evaluation of financial incentives.

http://www.upjohninst.org/publications/newsletter/tjb_595.pdf

Darche, Benjamin. (1997). Financing Mechanisms at the Subnational Level in Emerging Markets: Borrowings and Privatisations/Concessions. Infrastructure Note FM9. Urban Development Unit, World Bank.

<http://www.worldbank.org/urban/publicat/rd-fm9.htm>

Dillinger, William. (1995). *Urban Property Tax Reform: Guidelines and Recommendations*. Urban Management Program Discussion Paper No. 1. World Bank.

El Daher, Samir. (2001). *The Building Blocks of a Sound Local Government Finance System*. Infrastructure Note FM8-e. Urban Development Unit. World Bank.

<http://www.worldbank.org/urban/publicat/fm8e.pdf>

El Daher, Samir. (2000). Specialized Financial Intermediaries for Local Governments: A Market-based Tool for Local Infrastructure Finance. Infrastructure Note FM8-d. Urban Development Unit. World Bank.

<http://www.worldbank.org/urban/publicat/fm8d.pdf>

Worley International Ltd. (2000). *Strategic Municipal Asset Management*. Urban and Local Government Background Series No. 5. Urban Development Unit. World Bank.

<http://www.worldbank.org/urban/publicat/001-1069.pdf>

Strategy Review (Monitoring & Evaluation)

Bartik, T. (2002). Evaluating the Impact of Local Economic Development Policies on Local Economic Outcomes: What has been done and what is doable? Upjohn Institute Staff Working Paper No.03-89. <http://www.upjohninstitute.org/publications/wp/03-89.pdf>

Beauregard, Robert A. (1999). The Local Employment Fulcrum: Evaluating Local Economic Performance. Economic Development Quarterly, Vol. 13, No. 1. February 1999. pp. 23-28. Sage Publications, CA.

Economic Development Quarterly. February (1999). For those interested in a more detailed understanding of contemporary issues in urban local economic development monitoring and evaluation, please note that there are a series of informative articles in this publication.

Erickcek, G. (1996). *Developing Community Economic Outcomes Measures*. Employment Research, March 1996. W.E. Upjohn Institute for Employment Research. The Upjohn Institute is keenly interested in LED and monitoring and evaluation. This paper looks at outcome measures and how they should be used.

http://www.upjohninst.org/publications/newsletter/gae_f96.pdf

Iannone, D. (1999). *An Assessment of the Costs, Benefits, and Overall Impacts of the State of Ohio's Local Economic Development Programs*. Prepared by The Urban Centre, Maxine Goodman Levine College of Urban Affairs, Cleveland State University, for the State of Ohio Economic Advisory Committee. The study provides one of the most comprehensive assessments of local economic development programs yet published. As such, it will be very helpful to all those looking to develop national and local area economic development programs and policies and will be referred to frequently in this report.

<http://www.state.oh.us/obm/media/articles/economicstudy.asp>

Jenkins, N. and M. Bennett. (1999). *'Toward an Empowerment Zone Evaluation'*. Economic Development Quarterly. Vol. 13 No. 1. Sage Publications, CA. An informative article on developing evaluation methods for Empowerment Zones in the US, a type of 'third-wave' strategy.

Reese, Laura A and David Fasenfest. (1999). Key Perspectives on Local Development Policy Evaluation. Economic Development Quarterly, Vol. 13 No. 1 February. 3-7 Sage Publications.

<http://www.oecd.org/tds/bis/brownfields.htm>

Improving the Local Business Investment Climate

Stanchev, K., and Yonkova, A., Eds. Legal and Regulatory Reform: Impacts on Private Sector Growth. Institute for Market Economics, Sofia.

http://www.ime-bg.org/pdf_docs/papers/lrr.pdf

Encourage Local Business Growth

Arzeni, Sergio and Jean-Pierre Pelligrin. (1997). *Entrepreneurship and Local Development*. The OECD Observer, No 204 Feb./Mar 1997. This article also gives an excellent account of cluster networking for SMEs.

Bradshaw, Ted and Edward Blakely. (1999). *What are 'Third Wave' State Local Economic Development Efforts? From Incentives to Industrial Policy*. Economic Development Quarterly, Vol. 13, No. 3. August 1999. pp. 229-244. Sage Publications, CA. This article presents an analysis of the shifting emphasis of local economic development policies and practices.

Ernst & Young. (1999). *Thematic Evaluation of Structural Fund Impacts on SMEs*. European Commission (DGXVI). This report goes into detail on the evaluation of SME support measures. It includes in-depth research methodology as well as case studies; a long, detailed, useful read. Good practice is highlighted in this report also.

http://www.inforegio.org/wbdoc/docgener/evaluation/pdf/eval_sme.pdf

Encouraging New Enterprise

Chappell, David S. and Hugh Sherman. (1998). *Methodological Challenges in Evaluating Business Incubator Outcomes*. *Economic Development Quarterly*. Vol. 12, No 4. November 1998. pp. 313-321. Sage Publications, CA.

Sector (and business cluster) Development

Buss, Terry F. (1999). *The Case Against Targeted Industry Strategies*. *Economic Development Quarterly*. Vol. 13, No 4. November 1999. pp. 339-356. Sage Publications, CA. Puts forward some interesting points including the following: 'Targeting is central planning and local industrial policy masquerading under different names: strategic planning, competition policy, retention/attraction and the like.' This paper is worth reading not least to improve techniques for LED.

www.weda.org/notes

Economic Development Administration. (1997). *Cluster Based Economic Development: A key to Regional Competitiveness*. Prepared by Information Design Associates with ICF Kaiser International. This is an excellent 4-page summary.

http://www.doc.gov/eda/pdf/1G3_5_cluster.pdf

OECD. (1997). *New Directions for Industrial Policy*. Policy Brief No-3. This paper gives an overview on responses of industrial policy to the changing economic climate. It also has some excellent recommendations for further reading as well as giving details of relevant OECD research.

Roelandt, T. and den Hertog, P., Ed. (1998). *Cluster Analysis and Cluster Based Policy in OECD Countries: Various Approaches, Early Results and Policy Implications*. Draft synthesis report on Phase 1, OECD Focus Group on Industrial Clusters. OECD.

Area Targeting/Regeneration Strategies

Department of the Environment, Transport and the Regions. (1998). *Urban Development Corporations: Performance and Good Practice*. Regeneration Research Summary 17.

http://www.odpm.gov.uk/stellent/groups/odpm_urbanpolicy/documents/pdf/odpm_urbpol_pdf_608119.pdf

OECD. (1999). *Urban Brownfields*, OECD Territorial Development Service.

European Commission. (1999). *Sustainable Urban Development in the European Union: A Framework for Action*. Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions. COM (98)605. The Commission advocates an area-based approach to the regeneration of deprived urban areas under the Structural Funds, integrating economic, social, cultural, environmental, transport and security aspects.

Integrating Low Income and Hard-to-Employ

Alcock, P, G Craig, P Lawless, S Pearson and D Robinson. (1998) *Inclusive Regeneration: Local Authorities' Corporate Strategies for Tackling Disadvantage*. The Center for Regional Economic and Social Research, Sheffield Hallam University and The Policy Studies Research Center, University of Lincolnshire and Humberside.

<http://www.shu.ac.uk/crest/index.html>

Campbell, Mike with Ian Sanderson and Fiona Walton. November (1998). *Local Responses to Long Term Unemployment*. Joseph Rowntree Foundation. YPS York.

<http://www.jrf.org.uk/knowledge/findings/socialpolicy/sprn28.asp>

Campbell, Mike. (1997). *The Third System, Employment and Local Development: Volume 1, Synthesis Report*, Policy Research Institute, Leeds Metropolitan University for the EU http://europa.eu.int/comm/employment_social/empl&cesf/3syst/vol1_en.pdf. The Third system refers to a diverse range of organizations outside the traditional public and private sectors, encompassing co-operatives, mutuals, associations, foundations, charities, voluntary and not-for-profit organizations.

Campbell, M. and Hutchinson, J. (1998), *Working in Partnership: Lessons from the Literature*, Policy Research Institute, Leeds Metropolitan University, Research Report 63, Department for Education and Employment (June), Sheffield, England.

Lorthiois, J. (1996), *Le Diagnostic Local de Ressources: Aide à la Décision*, ASDIC, Lusigny sur Ouche et Editions W, Macon.

LEDA (1991), *Orientations for Local Employment Development Strategies: Rural Areas, Local and Regional Development Planning*, London, U.K.

OECD. (1998). *Local Management for More Effective Employment Policy*. OECD Paris.

Siegel, B. and P. Kwass. November (1995). *Jobs and the Urban Poor. Publicly Initiated Sectoral Strategies*. Mt. Auburn Associates Inc., Somerville, MA.

Case Studies

International Overview

Canzanelli, Giancarlo and Giordano Dichter. (2001). *Local Economic Development, Human Development and Decent Work*. ILO/Universitas Working Paper that intends to provide an overview of LED 'best practices' from some international organizations and countries.

<http://www.ilo.org/public/english/universitas/publi.htm>

Africa

DPLG. *Local Government and Economic Development: A Guide for Municipalities in South Africa*. The booklet was prepared by the Department of Provincial and Local Government of South Africa and aims at spelling out in detail the context and the approaches which are available for local economic development in South Africa.

<http://www.dplg.gov.za/Documents/AnnualReport/led/ledindex.htm>

Europe

Bennett, R.J. and G. Krebs. (1991). *Local Economic Development: Public-Private Partnership Initiative in Britain and Germany*. Belhaven London.

OECD. (1999). *Best Practices in Local Economic Development LEED*, OECD.

<http://www.oecd.org/tds/docsword/bestpracticesLEED.doc>

Pizzinato, Antonio. (1997). *Industrial Restructuring and Local Development - The Case of Sesto San Giovanni*. OECD. LEED Notebook, No. 24. This paper also gives a useful overview of trends in the delivery of local economic development in areas of industrial decline.

<http://www.oecd.org/tds/bis/leed.htm>

Tavistock Institute and ECOTEC Research and Consulting Ltd. February (1999). *The Thematic Evaluation of the Partnership Principle*. This evaluation of the partnership principle is the first major thematic evaluation of this guiding principal of the EU Structural Funds. The study aimed to demonstrate the impacts of partnership at the different stages of the policy cycle as well as highlighting areas, which have scope for improvement. The study was undertaken by means of 54 case studies across the Union conducted by teams of national experts in accordance with a common methodology.

http://europa.eu.int/comm/regional_policy/sources/docgener/evaluation/rathe_en.htm

Wong, Celia. (1998). *Determining Factors for Local Economic Development: The Perception of Practitioners in the North West and Eastern Regions of the UK*. *Regional Studies*. Vol.32.8. pp 707-720. This paper gives many references on research in both traditional and softer LED.

Transitional Economies

OECD. (1996). *Transition at the Local Level: The Czech Republic, Hungary, Poland, and the Slovak Republic*, Paris.

International City/Council Management Association (2002). *Community Based Economic Development Guidebook*. Project for Kazakhstan supported by the U.S. Agency for International Development. The work book aims at supporting individual communities to formulate strategic plans and establish the foundations of an economic development program.

Latin America

CEPAL. (2002). *Desarrollo Economico Local y Descentralización en America Latina: analisis comparativo*. With the support of GTZ, this project report analyses the potentials offered by an increasing number of decentralised institutions in Latin America to support local governments in promoting local economic development.

www.cepal.org

North America

Bartik, T. January (2002). *Local Economic Development Policies*. Upjohn Institute Staff Working Paper No.3-91.

<http://www.upjohninstitute.org/publications/wp/03-91.pdf>

Links to External Organizations/Resources

This section contains links to associative, governmental and non-governmental organizations involved in LED initiatives and research. This is not, nor does it attempt to be, an exhaustive list of institutions involved in local economic development. Active and additional links to the organizations listed below are available at:

http://www.worldbank.org/urban/led/8_links.html

Africa Regional Programme on Enterprise Development

<http://www1.worldbank.org/rped/index.asp>

This is an ongoing research project that generates business knowledge and policy advice useful to private sector manufacturing development in Sub-Saharan Africa. *Regional Program on Enterprise Development implements Investment Climate Assessments in Sub-Saharan Africa and undertakes additional research, including regional assessments.* (Features: Summary of work on Investment Climate Assessments, featured documents, sample survey)

Association of Cambodian Local Economic Development Agencies

<http://gdr.org/icm/country/acleda.html>

The Association of Cambodian Local Economic Development Agencies (ACLEDA) is an independent Cambodian non-government organization that promotes a range of LED programs and initiatives through provincial branches and district offices. ACLEDA supports training in entrepreneurship and small business management, the establishment of neighborhood and village banks, and technical consultancy and credit for medium size enterprises.

Centre for Local Economic Strategies

<http://www.cles.org.uk/>

The Centre for Local Economic Strategies (CLES) is an independent think-tank and membership network of subscribing organizations involved in local economic development and regeneration activities, and local governance. CLES combines LED Policy Development with an Information and Briefing Service.

Cities Alliance

<http://www.citiesalliance.org/>

Cities Alliance was created to foster new tools, practical approaches and knowledge sharing to promote local economic development and a direct attack on urban poverty. Its activities support the implemen-

tation of the Habitat Agenda. It is a global alliance of cities and development partners that are committed to improving the living conditions of the urban poor.

Corporation for Enterprise Development

<http://www.cfed.org/>

The Corporation for Enterprise Development (CFED) promotes Asset-Building and economic opportunity strategies primarily in low-income and distressed communities, and seeks to bring together community practice, public policy and private markets in new and innovative ways. CFED's Web site contains a wealth of information on economic and community development including resources on [Enterprise Development](#), [Individual Assets](#) and [Sustainable Economies](#).

Department of Housing and Urban Development

<http://www.hud.gov/>

The mission of the U.S. Department of Housing and Urban Development (HUD) is to ensure that communities are empowered with the resources to pursue economic and community development initiatives. HUD's [Office of Economic Development](#) works with local governments, non-profit organizations and the private sector to achieve synergy. The HUD Web site provides information on a range of Programs including the [Brownfields Economic Development Initiative](#), and [Economic Development Publications](#).

Department of Local Government, South Africa

<http://www.dplg.gov.za/>

The South African Department of Local Government is a national government department that promotes sustainable development and supports provincial and local governments. The DLG Web site contains a range of resources including a [LED Web site](#) with a Department of Local Government [LED Manual](#) and [Evaluation of Regeneration Strategies](#).

Department for International Development

<http://www.dfid.gov.uk/>

The Department for International Development (DFID) is the United Kingdom government department responsible for promoting development and the reduction of poverty. DFID's Web site contains the International Development Targets and International Trade Issues as well as the UK Government's second White Paper on International Development entitled "[Eliminating World Poverty: Making Globalization Work for the Poor](#)".

Economic Development Administration

<http://www.doc.gov/eda>

As a Federal department of the United States Government, the Economic Development Administration (EDA) provides grants for infrastructure development, local capacity building and business development to help distressed communities alleviate conditions of substantial and persistent unemployment and underemployment. The EDA Web site contains a range of LED resources including Research Reports on EDA-funded economic development research, [Information](#) on the practice of economic development, a [Tools of the Trade](#) section and information on the nature of economic development planning and [Planning Examples](#).

Economic Developers Association of Canada

<http://www.edac.ca/>

The Economic Developers Association of Canada (EDAC) is a national professional membership organization for local and state economic development practitioners. EDAC offers educational seminars, a national network for techniques, strategies and case studies and opportunities for federal, provincial and international networking. The Web provides a range of resources including information on LED Best Practices, [Professional Development](#) and [Newsletters](#).

Economic & Social Research Council CITIES Competitiveness and Cohesion Program

<http://cwis.livjm.ac.uk/cities/>

The [United Kingdom Economic and Social Research Council](#) with support from the U.K. Department

of the Environment and others launched in 1997 a major research program on Cities. The “CITIES: Competitiveness and Cohesion” program consisted of four major integrated case studies of London, Bristol, Liverpool and Manchester, Glasgow, and Edinburgh, as well as around 20 other projects on key urban research topics. Key findings from the program are available on the [CITIES Web site](#).

European Association of Development Agencies

<http://www.eurada.org/>

The European Association of Development Agencies (EURADA) is a non profit-making membership organization that aims to promote regional economic development through dialogue with the European Commission. It supports the exchange of good practice among [Members](#) and transnational co-operation between regional development agencies. EURADA has a membership of around 150 development agencies from 25 countries of both the European Union and Central and Eastern Europe. The Web site provides information on [Benchmarking](#) and [Projects](#), and access to a number of [Position Papers](#).

European Union

<http://europa.eu.int/scadplus/leg/en/s24000.htm>

As the official Web site of the [European Union \(EU\)](#), the EU site contains extensive information and guidance on EU policy that relates to local and regional economic development and regeneration. The site contains links to official EU sites on [Regional Policy](#) including [Interreg. III](#), [Structural Funds](#) and [Structural Funds Reform](#), [Rules Applicable to State Aid](#), and [EU Action in Support of Regional Development](#).

Ford Foundation

<http://www.fordfound.org/>

The Ford Foundation is an independent philanthropic organization that works to strengthen democratic values, reduce poverty and injustice, promote international cooperation and advance human achievement. It works mainly by making grants or loans to build knowledge and strengthen organizations and networks. The Foundation's [Economic Development Unit](#) seeks to make durable economic improvements in the lives of the disadvantaged through efforts in [Development Finance and Economic Security](#), and [Work-Force Development](#).

German Technical Cooperation

<http://www.gtz.de/>

As the international development agency of the German Federal Government, Deutsche Gesellschaft fuer Technische Zusammenarbeit (GTZ) is one of the world's largest service enterprises in the field of development cooperation. The development projects supported by GTZ cover a wide spectrum of Thematic Areas and Tasks. This Web site contains a freely accessible Local Economic Development Toolkit that provides an overview of LED case studies and theoretical perspectives of LED.

Inter American Development Bank

<http://www.iadb.org/>

The Inter-American Development Bank (IADB) was established in 1959 to help accelerate economic and social development in Latin America and the Caribbean. The Bank was created in response to a longstanding desire on the part of the Latin American nations for a development institution that would focus on the pressing problems of the region. IADB has a [Sustainable Development Department](#) that has information on such topics as state and civil society, infrastructure, financial markets and private enterprise. The site also contains range of information on LED presentations from a [Seminar on Local Economic Development](#) that was held in 2001 and a [Case Study on Local Economic Development in Latin America](#), from the Micro, Small and Medium Enterprise Division.

International Council for Local Environmental Initiatives

<http://www.iclei.org/>

The International Council for Local Environmental Initiatives (ICLEI) is the international environmental agency for local governments. ICLEI's mission is to build and serve a worldwide movement of

local governments to achieve tangible improvements in global environmental and sustainable development conditions through cumulative local actions.

International City/County Management Association

<http://www.icma.org/>

The International City/County Management Association (ICMA) is the professional and educational organization representing appointed managers and administrators in local governments throughout the world. The ICMA Center for Performance Measurement is dedicated to helping local governments measure, compare, and improve municipal service delivery. ICMA also offers in-depth information on selected local government management issues and Community and Economic Development.

International Economic Development Council

<http://www.iedconline.org/>

The International Economic Development Council (IEDC) was created in 2001 following the merger of the Council for Urban Economic Development and the American Economic Development Council. As a membership association for economic development practitioners, IEDC provides information to its members that build local economies by means of tools that create, attract and retain jobs.

International Labor Organization

<http://www.ilo.org/>

The objective of the International Labor Organization (ILO) is to “promote and realize standards, fundamental principles and rights at work.” To achieve this goal the ILO assists member states as well as employers’ and workers’ organizations in ratifying ILO Conventions and implementing international labor standards. The ILO is active in promoting Local Economic Development in various capacities and the Web site has a range of LED resources including LED Technical Cooperation and a range of downloadable LED Publications.

International Union of Local Authorities; Local Government Associations & Association Capacity Building

<http://www.iula-acb.org/>

The International Union of Local Authorities and Association Capacity Building Program (IULA-ACB) has existed at national and international levels since the early years of the 20th Century, making important contributions to development, decentralization and democratization. Their prime objective is to support and strengthen the capacity of their member local governments to meet the needs and expectations of their local communities.

LEDIS- Local Economic Development Initiatives

<http://www.ledis.co.uk/>

An international library of local economic development case studies and initiatives from around the world.

Local Economic Development South Africa Best Practices Database

<http://www.iula-acb.org/>

Created by the Cato Manor Development Project, Durban, and Rhodes University, Grahamstown, this Web site has been developed in response to the growing importance of locally based LED initiatives in South Africa’ cities, towns and villages. The site provides access to LED documents and a Local Development and Community Economic Development Practitioners’ Newsletter.

Open Society Institute By Soros Foundation Network

<http://www.soros.org/>

The Open Society Institute (OSI) promotes the development of open societies around the world by supporting an array of activities dealing with economic, educational, social, legal and health care reform issues. OSI is a private operating and grant-making foundation that provides administrative, financial, and technical support. The DELTA program, a joint program of the World Bank and Open Society Institute, supports municipalities in Kosovo to design and implement local economic development strategies to create an enabling environment for small and medium sized enterprises. The OSI Web site details a range of OSI initiatives in economic development.

Organization for Economic Cooperation and Development, Local Economic and Employment Development Program

<http://www.oecd.org/department/>

The Local Economic and Employment Development (LEED) Program of the OECD analyzes the dynamics of job creation and economic development through locally based initiatives. LEED undertakes research and analysis on Territorial Economy, Labor Markets, Entrepreneurship and Local Partnership issues. LEED also publishes a range of downloadable LED Publications.

Organization for Economic Co-operation and Development Club Du Sahel

<http://www.oecd.org/department/>

Club du Sahel was formed 1976 as an active forum for the Sahelian states belonging to the Permanent Inter-State Committee for the Prevention of Drought in the Sahel. The ECOLOC program, a joint initiative of the Municipal Development Program and Club du Sahel, aims to revive local economies in West Africa. The ECOLOC Handbook provides information on, and case studies of, LED in West Africa.

Partnership on Local Economic Development

<http://www.parul-led.or.id/>

Partnership on Local Economic Development (PARUL) is a joint project between the government of Indonesia, the UNDP and UNCHS. PARUL's objectives are to promote a more balanced pattern of urban and rural development; to promote Local Economic Development of selected regions, and to raise incomes and create productive employment opportunities for poor households in less developed regions.

Regen.net

<http://www.regen.net>

Developed for the U.K. Office of the Deputy Prime Minister, the Department for Social Development in Northern Ireland and the Scottish Executive, Regen.net offers a gateway to sources of information on regeneration and a means of sharing experience and good practice. The site provides information on city growth strategies, social enterprise, local area regeneration and inclusion, and partnership working.

South African Cities Network

www.sacn.net

This is an excellent resource for Economic Development Practitioners giving examples of city strategies, regeneration programs and much more

United Nations Industrial Development Organization

<http://www.unido.org/>

With responsibility for promoting industrialization throughout the developing world, the United Nations Industrial Development Organization (UNIDO) generates and disseminates knowledge relating to industrial matters and provides a platform for the various actors in the public, private and civil society sectors to enhance cooperation. UNIDO designs and implements programs to support the industrial development efforts of its clients and offers tailor-made specialized support for program development. The site provides information on UNIDO's SME Cluster/Network Development and Business Partnership program, and Business Incubators.

United States Agency for International Development Making Cities Work

<http://www.usaid.gov/>

The United States Agency for International Development (USAID) is a Federal government agency with a broad remit to support long-term equitable development in developing countries. USAID's Office of Urban Programs works to reduce poverty, promote local economic development and urban prosperity in poor countries by helping cities and towns. The Making Cities Work program sponsors pilot activities to initiate sustainable, innovative, multi-sectoral, urban-oriented work in the developing world. The Web site contains extensive resource pages on Local Economic Development, Regional Economic Development and Urban Poverty.

contains a [USCM Best Practice Database](#) search engine that contains local economic development tools. It also contains information on the [CitiesFirst](#)[®] initiative, a national community revitalization partnership.

The World Bank LED web site gathers resources and experience from across the world. There are methodologies, including the World Bank 5 stages program (very similar to the ECOLOC approach), training materials, research reports and case studies as well as many links to other web sites and research paper. www.worldbank.org/urban/led.

In addition, to support the 5 stage LED process the following specific resources are helpful.

Organising the Effort

The World Bank's Participation Group [Web site](#) contains a variety of information on [participation methods](#) including key readings, tools and resources. It also provides information on mechanisms for the [monitoring and evaluation](#) of participation methods. Of particular interest is the section on [good practice and lessons learned](#). The [Participation Sourcebook](#), the [Poverty Reduction Strategy Sourcebook](#), especially its [chapter on participation](#) are also key Bank documents that provide direction on participation.

The Local Economy Assessment

The Bank has designed a number of tools to determine the economic potential of an area. Although most of these tools are designed for determining national competitiveness, many of the methodologies can be used to determine local competitiveness. The World Bank's Business Environment [Web site](#) offers tools for assessing the business environment of the local area. These include [surveys](#) including, [performance based firm level surveys](#), [constraints surveys](#); [indicators of national, regional and local competitiveness](#), as well as information on [transaction costs](#). In addition, the Bank's database of competitiveness indicators is a collection of 49 indicators to quickly assess economic performance and the environment for competitive business development in a large number of countries. Of particular interest are the [infrastructure and investment climate indicators](#).

Strategy Making and Program Implementation: The following World Banks Web sites are useful resources for specific programs that may be undertaken within an LED Strategy:

Foreign and Inward Investment Promotion

Foreign Investment Advisory Service at <http://www.fias.net/>

Investment Promotion Network at <http://www.ipanet.net/>

Foreign Investment Advisory Service [Web site](#).

Multilateral Investment Guarantee Agency at <http://www.miga.org>

See also the [MIGA Investment Promotion Toolkit](#).

Small medium and micro enterprise development. The International Finance Corporations **SME** department Web site contains a wealth of information including [publications](#) and a [SME toolkit](#), including on municipal red tape reduction programs.

Anti-Corruption/Transparency. Corruption or lack of transparency in Local Government negatively affects the local business environment. The [governance and anticorruption](#) Web site contains information, tools and case studies on reducing corruption in governmental structures. <http://www1.worldbank.org/publicsector/anticorrupt/index.cfm>

RESOURCES ON PARTICIPATION

The most authoritative resource on participatory methods and processes is the website of the participation group at the University of Sussex, UK. This is a comprehensive, fully searchable and continually updated database of documents on all aspects of participatory development and participatory research. This includes overviews of participatory tools and citizen participation in government as well as the

most up-to-date presentation and discussion of participatory tools. It also contains comprehensive links to other related websites.

www.ids.ac.uk/ids/particip/

The International Institute for Environment and Development (IIED) in London, UK, publishes the journal PLA Notes which has detailed discussion of innovative methodologies. Of particular interest are:

PLA Notes (2002)

Advocacy and citizen participation, PLA Notes February.

PLA Notes (2002)

Local Government and participation. PLA Notes June.

PLA Notes (2003)

Participatory processes for policy change, PLA Notes, February.

www.iied.org/NR/agbioliv/pla_notes/

Other overviews of participatory methods are:

Mayoux, L. (2001)

Participatory Methods.

<http://www.enterprise-impact.org.uk/informationresources/toolbox/particmethods.shtml>

Mayoux, L. (2003)

Thinking It Through: Using Diagrams in Impact Assessment.

<http://www.enterprise-impact.org.uk/informationresources/toolbox/thinkingitthrough-usingdiagramsinIA.shtml>

Slocum, N. (2003)

Participatory Methods Toolkit: A Practitioner's Manual.

<http://www.cris.unu.edu/pdf/participatory%20methods%20toolkit.pdf>

UNDP Office of Evaluation and Strategic Planning (1997)

Who Are the Question-makers? A Participatory Evaluation Handbook. UNDP.

<http://www.undp.org/eo/documents/who.htm>

VeneKlasen, L. and V. Miller (2002)

A New Weave of Power, People and Politics: The Action Guide for Advocacy and Citizen Participation.

World Neighbours, Oklahoma. <http://www.wn.org>

World Bank (2002)

Stakeholder Analysis.

<http://lnweb18.worldbank.org/ESSD/sdvext.nsf/81ByDocName/ToolsandMethodsStakeholderanalysis>