CARILED

CREATING A STRATEGIC PLAN

FOR LOCAL ECONOMIC

DEVELOPMENT:

A GUIDE

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SECTION 1
WHAT IS LOCAL ECONOMIC DEVELOPMENT?

Local Economic Development (LED) is a process by which public sector, business and civil society work collectively to create better conditions for economic growth and employment generation. Its purpose is to build up the economic capacity of a local area to improve its economic future and the quality of life for all.

Local Economic Development that is successful focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive.

The term **Local** in the definition signifies that LED involves building the economic strength of a local area by optimising local resources and capacities; the prime movers or driving forces are economic stakeholders in communities, villages, municipalities and cities singly or collectively; and it is territorial (or area-based) in its approach. Although the focus is local, there are links to national, regional and international levels.

The **Economic** in Local Economic Development drives home the importance of identifying and seizing business opportunities, supporting entrepreneurial initiatives (whether formal or informal, micro or large), facilitating market access and creating a climate conducive to investment and business activity.

The term **Development** emphasizes that LED is holistic; it does not only cover the economic dimension but also includes social, politico-administrative and cultural aspects. The quality and direction of growth is as important as its quality and size. Sustainable development is at the heart of LED, which means satisfying the needs of the present generation without sacrificing the future of succeeding ones (LGSP, 2003).

Local in LED means:
- Optimizing local resources and local capacities to build local potential;

- Driving forces are economic stakeholders in the communities, municipalities and cities;

- Shared benefits are reaped by the community in working together; and

- While focused on local, there are links to the regional, national and international levels.

Economic in LED refers to:

- Seizing opportunities and effectively utilizing labor, capital and other resources to achieve local priorities;

- Supporting entrepreneurial initiatives (formal or informal, micro, small or large);

- Facilitating market access and creating a climate conducive to investment and business activity; and

- How these systems might be improved to serve the collective interests of local communities.

LED is about **Sustainable Development** if it:

- Is market-driven, gender-sensitive, environmentally sound and economically viable;

- Contributes to poverty reduction;

- Follows participatory, inclusive processes that enable collaboration among local governance authorities, private sector, NGOs and local communities in decision- making and management; and

- Promotes cooperation and partnerships as well as responsibility and accountability in behavior and relationships.

SECTION 2
WHAT ARE THE GOALS AND PRINCIPLES OF LOCAL ECONOMIC DEVELOPMENT?

Communities are greatly affected by macro-economic issues of globalization, decentralization and market liberalization. These macro-economic issues offer opportunities as well as challenges, especially for smaller and poorer localities. At a national level, there are efforts to address these macro-challenges.

However, local leaders need to understand the impact these macro-issues may have on micro-economies, or local economic development efforts, as well as what policies and strategies are possible to guide economic development at the local level. The biggest difference can be made at the local level to address macro and micro challenges and achieve immediate results.

Local economic development is a particularly important tool to reduce poverty when it:

- Supports the pursuit of inclusive economic development that provides for both the promotion of local wealth creation and poverty reduction;
- Ensures that those traditionally left out are active participants and have access to opportunities resulting from development;
- Is inclusive, recognizing formal as well as informal economies; and
- Incorporates explicit poverty reduction actions.

The *concrete* benefits of LED, such as employment and infrastructure, come through local people changing attitudes, mobilizing existing skills, improving networks, thinking differently about problems and using community assets in new ways.

LED improves the situation of a community not just economically, but as a strong functioning community itself – capacity building can create jobs, increase income, and enhance infrastructure. LED also builds the capacity of communities to become fundamentally better able to manage change.

> **The goals of Local Economic Development are to create wealth, generate jobs, increase incomes and, ultimately, reduce poverty and improve the quality of life for both women and men in the locality.**

LED operates on several principles:

1. LED promotes equitable and sustainable economic growth. Equitable means opportunities to wealth creation are open to both men and women of working-age, to the rich and poor, to urban and rural dwellers, and to all ethnic and religious groups. To sustain economic growth, local resources may be transformed to marketable goods for the current population but it must be continuously regenerated so as not to deprive the future generation of the same resources.

2. LED is a multi-stakeholder partnership. Those, who are affected by and can affect (e.g. government, business, non-governmental organizations and communities) the economic growth in the locality, has a stake and play a role in LED.

3. The private sector is the acknowledged engine of employment and growth and as such, local governance authorities must be conscious of its "enabler" role, i.e.,

setting the right environment for the local economy to grow. The local governance authorities may, however, prudently decide to perform some services in situations where there are insufficient investors or when cartels control the prices of commodities in the locality.

4. A good economy thrives when there is transparent and accountable governance – a practice that should permeate throughout the political and economic structures in the community.

SECTION 3
THE LED PROCESS

There are generally five stages in the process of planning for Local Economic Development:

STAGE 1: ORGANIZING FOR LED – ORGANIZING THE LED TEAM

At this initial stage, the community decides that the benefits of undertaking a LED planning process are worth the effort. A community begins the LED planning process by identifying the people, public institutions, businesses, community organizations and other groups with interests in the local economy. This is often led by the local governance authorities, usually the community leader or chief.

Broad community support is critical. The wider the range of participants, the greater the pool of talent is available to help. The skills and resources that each of these stakeholders bring to the strategy process provide a critical foundation for success. The basis for identifying these individuals and organizations assumes their having some basic knowledge of the local economy.

THE ROLE OF THE LEDO

The Local Economic Development Officer or LEDO can play a key role in identifying stakeholders, forging partnerships and engaging the wider community around the LED process.

The LEDO's role can range from that of a resource person who provides technical assistance and support - in communities where there is an existing strong local governance infrastructure – to being the key driver of the LED process in communities where a strong catalyst is needed to bring about broad community and stakeholder engagement.

A LEDO must be able to tap into knowledge of the local economy as well as knowledge of the wider national and international economic context. A LEDO's primary role is to foster and support productive relationships and effective partnerships. In an environment of limited time and resources, a LEDO's effectiveness is directly related to his or her ability to tap into professional and community networks for resources, advice, exchanges and partnerships.

Figure 1 - Role of the LEDO

Provide **leadership through broad community involvement;**

Monitor, evaluate and report on the impact of projects and activities

Promote economic well-being in the context of a community that is socially healthy and environmentally sustainable;

Leverage resources through funding applications and strategic partnerships; and

Provide **technical expertise and analysis** to ensure that all economic development and strategic plans are integrated with existing community, regional and national goals;

THE ROLE OF THE LEDO

Facilitate community engagement and consensus-building;

Support (or in some cases – guide) **visioning and goal setting** for the community;

Provide **advocacy and support** to new business proponents, industry, community services and community organizations;

Communicate effectively in order to build strategic partnerships and to engage community & political leaders;

Market and Promote development opportunities and general community attributes to applicable target markets;

A LEDO facilitates the process whereby communities identify and act upon economic opportunity. More than that, the LEDO helps to build capacity within a community to find collaborative approaches to addressing economic and social challenges.

The lasting impact of a LEDO's work is only partly reflected in specific projects or initiatives. The true legacy of the LED process is a stronger, more self-sustaining community that is able to problem-solve and implement innovative solutions to economic challenges beyond the life of specific projects or interventions.

A LEDO draws upon a diverse range of skills to support the LED process in a variety of ways (**Figure 1**).

Regardless of who is leading the process, it is vital that by the end of an initial orientation, participants including both public officials and private or community leaders, are able to fully understand and recognize LED as:

- A strategy for wealth creation, jobs and income generation, and, ultimately, alleviation of poverty and improved quality of life.
- A process that promotes self-help, empowerment, innovation, public-private-civil society sector collaboration, bottom-up planning, and, sustainable development incorporating environmental, social and cultural responsibility with economic development
- A potential contributor to the local governance authority's future revenue growth
- A purposeful and planned approach to pursuing economic transformation, which is an aspiration inherent in all local governance authorities or communities.
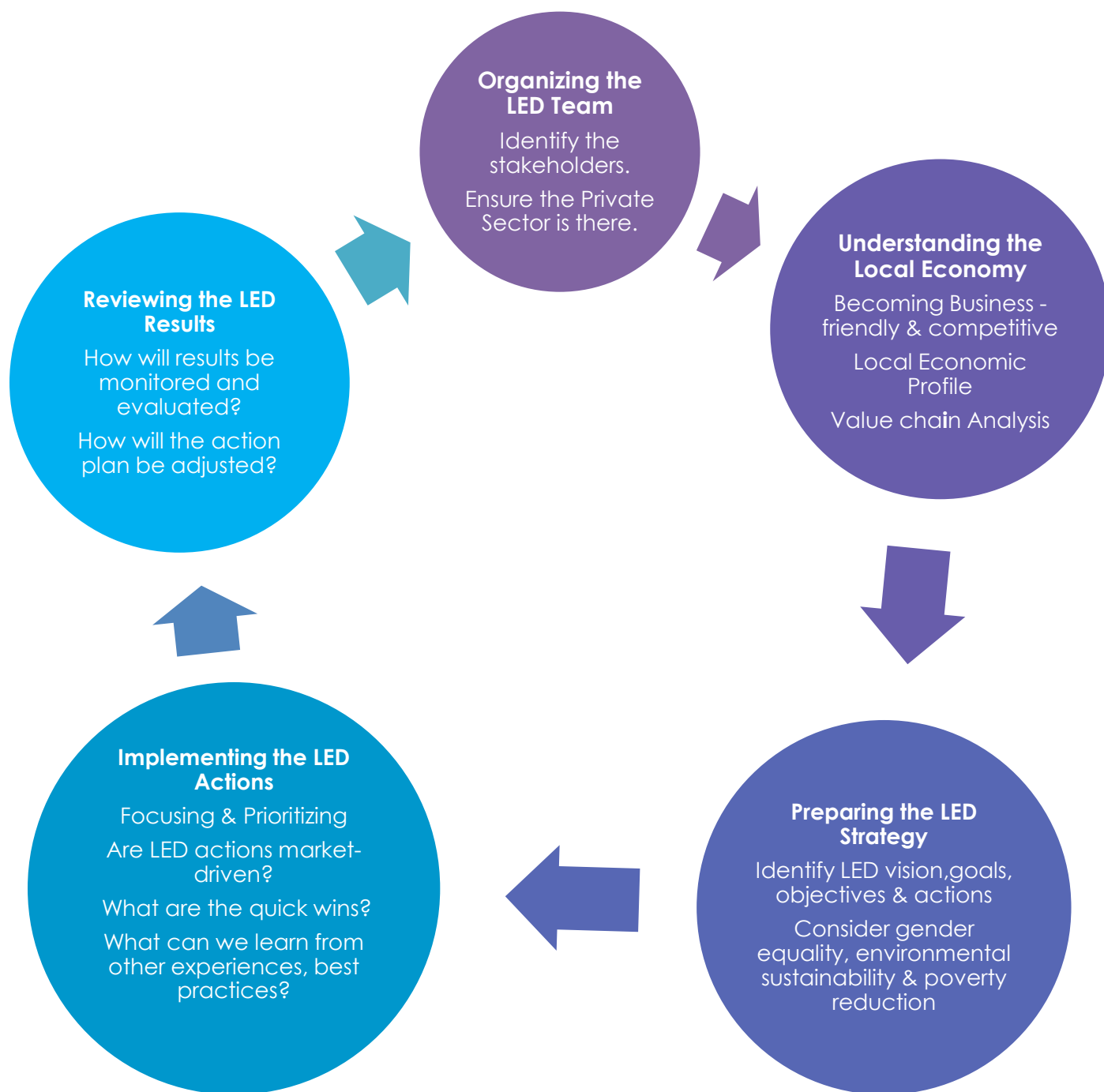
A good understanding of LED is needed for participants and community members to buy-in to the LED process and fully cooperate with the strategic planning steps.

The LED Process (**Figure 2**) includes the formation of a *LED core team* that will manage the LED Strategic Planning process.

This core team is a small group that is authorized by the elected or nominated official (*e.g.* mayor or chief executive) to undertake the LED process. This team must ensure all stakeholders are involved along the way.

A larger *LED Partnership Advisory Committee* (LED-PAC) that is made up of a broad multi-stakeholder grouping may be also formed. This group can interact with the LED core team and act as a reference group throughout the LED Planning process.

Figure 2 - The LED Process

Organizing the LED Team
- Identify the stakeholders.
- Ensure the Private Sector is there.

Understanding the Local Economy
- Becoming Business - friendly & competitive
- Local Economic Profile
- Value chain Analysis

Reviewing the LED Results
- How will results be monitored and evaluated?
- How will the action plan be adjusted?

Preparing the LED Strategy
- Identify LED vision, goals, objectives & actions
- Consider gender equality, environmental sustainability & poverty reduction

Implementing the LED Actions
- Focusing & Prioritizing
- Are LED actions market-driven?
- What are the quick wins?
- What can we learn from other experiences, best practices?

Source: LGSP-LED, 2011

STAKEHOLDER ANALYSIS

A key step in this stage is to identify the stakeholders through a stakeholder analysis process. A stakeholder analysis is a helpful tool to determine; (i) who are the various parties that are impacted by local economic development; and (ii) how best to secure

cooperation and support to lay the social foundation for success from the beginning. The stakeholders need to be involved throughout the LED process to continue to ensure ownership and buy-in.

As the LED strategy is formulated and implemented, other multi-stakeholder working groups may be created as needed to harness their expertise as well as ensure that the process continues to be participatory. The stakeholder analysis can help in identifying the right people. Often this is the time when an outside resource provider is needed to help facilitate this process.

This period is about:
- Getting organized
- Getting commitment and consensus and building trust
- Identifying the stakeholders (Stakeholder Analysis)
- Forming a core team and stakeholder advisory group
- Determining organizational capacity and if outside help is needed
- Planning the strategic planning process

STAGE 2: UNDERSTANDING THE LOCAL ECONOMY – CONDUCTING A LOCAL ECONOMIC ASSESSMENT

This stage entails the gathering and analysis of information that provides useful perspectives for local economic planning. Understanding the total economy is an important step. Typically, the economy is solely viewed through the lenses of the formal economy mainly because it is easily measured (e.g. Tax receipts, business permits).

However, the formal economy is only part of a larger and inter-connected "total economy"[1] that includes the informal economy – or those that work in some kind of economic activity that is not formally measured (i.e. small vendors, micro-enterprises, maids and household help).

Communities should assess local assets (both formal and informal) and determine what resources are available to move forward. There are many tools available to assist in assessing community resources.

The aim of the local economic assessment is to identify the community's strengths and weaknesses. This can include human resource capacity / human capital, local governance authority's 'friendliness' to all types of business activities from informal to corporate, and the opportunities and threats facing the local economy.

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[1] UN Habitat, 2005

Some key information that is often used in assessing a local economy includes[2]:

1. **Economic Structure** - size and sectoral structure of the economy of the LGU and its outlying communities;
2. **Local Resources** - territorial-specific factors which influence competitiveness, including resources and market access, property, transport, and other infrastructure;
3. **Human Capital** - characteristics of the local population and labor force, including employment status and education levels;
4. **Institutions** - 'soft' determinants of competitiveness, which relate to the quality and effectiveness of government and informal institutions (e.g. Investment climate information) and will show how the government treats its business community; and
5. **Regional and National Information** - information on what is happening in other areas that impact on the community.

There are a broad range of methods to collect the required data to do a local economic assessment. It is important to build on information that already exists and that may just need updating. These methods include:

- Desk-based research
- Quantitative and qualitative information
- Labor market analysis
- Statistical data analysis (national, regional, local)
- Questionnaires and surveys (local business enabling environment and business attitude surveys)
- Structured/unstructured interviews and focus groups (face-to-face, group discussions)

The importance of consulting the business sector in data collection cannot be underestimated. A clear perception of the facilitating and hindering factors in doing business will give communities a clearer picture of what is needed to encourage growth of businesses.

ASSESSING COMPETITIVE ADVANTAGE AND OPPORTUNITIES FOR COLLABORATION

Key in this stage is determining the community's competitive advantages as well as opportunities for collaboration. This requires looking at neighbouring communities or others in the region similar in size or economic function in order to understand the differences between your community and others and determine what are strengths as

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[2] Local Governance Support Program for Local Economic Development (LGSP-LED, 2009

well as areas of weakness. Identifying opportunities to collaborate can help address local issues more effectively and increase national and global competitiveness. Identify opportunities for complementary or cooperative economic development between municipalities.

SOME QUESTIONS TO CONSIDER IN ANALYZING COMPETITIVE ADVANTAGE AND COLLABORATION ARE:

- What other local areas/jurisdictions in the region have the most significant impact on your community?

- What other local areas/jurisdictions do you consider an economic competitor or collaborator? Why?

- How strong are the linkages with these areas (communication, transportation, produce, markets)?

- What opportunities are available to improve these linkages?

- What are the areas of common economic interest?

- What opportunities exist to work together to promote common economic interests?

- What are your competitive advantages over these other local communities or jurisdictions?

- If you see your local area as competing with other local areas in the region, can this relationship be turned into a collaborative one to be more competitive nationally and globally?

ANALYZING THE DATA

There are many tools available to analyze the results of your economic data. These include such tools as:
- Business and local resident attitude surveys
- Competition and collaboration analysis
- Value chain analysis
- Gender analysis

One common tool is a Strengths-Weaknesses-Opportunities-Threats (SWOT) Analysis. The SWOT analysis can be done by the LED Core Team and LEDPAC together with other key stakeholders identified during stakeholder analysis. It will integrate and

summarize information, perceptions on the local economy from the standpoint of overall competitiveness (*Cities Alliance, 2007*).

A community's competitiveness is a function of internal (strengths, weaknesses) and external (opportunities and threats) factors. The analysis will help determine the opinions and perceptions of the community, identify and project future trends and issues for LED strategy development, and define appropriate policy responses that build LED opportunities. The results of the SWOT analysis are most helpful in defining the focus of the LED Strategic Plan. The issues identified will inform the crafting of the vision, goals, objectives and design of programmes and projects that will maximize the strengths, address the weaknesses, take advantage of the opportunities and mitigate threats.

STAGE 3: DEVELOPING THE LED STRATEGY

This stage is about the LED Core Team and the LEDPAC, in consultation with broader stakeholders, together formulating the LED Strategic Plan. It is important that the different stakeholders, government, non-government and business, balance economic development with environmental and social priorities.

Usually, 3-5-10 year time frames for the LED strategy are used so that results can be achieved and measured over a longer period of time. Identifying a specific time frame will also make the strategy more realistic and provide concrete measurement parameters.

The LED Strategy contains different elements: a common vision, goals and objectives as well as specific programmes and projects aimed at achieving the priority objectives. Section 3 of this Guide will discuss this stage in greater detail.

STAGE 4: IMPLEMENT THE LED STRATEGY

Stage 4 is when the LED Strategic plan is carried out and the programmes and projects are implemented, guided by their project action plans. Even at this stage stakeholder participation continues to be important. This will enable community ownership and help sustain the gains of the projects. Included here is the development of implementation plans and individual project action plans which will facilitate more efficient and effective use of existing resources both financial and human and help target new resources.

STAGE 5: REVIEW THE LED STRATEGY

This stage involves monitoring and evaluation activities, reviewing and enhancing by the LED Core Team, LEDPAC and key stakeholders. This is important to quantify outcomes, justify expenditures, determine needed enhancements and develop good practices. It is also a precursor to the whole process starting over again, as LED

strategic planning is not a static process. Continuous review and assessment of the strategic plan is done to determine whether adjustments or new shifts need to be made given updated information and a changing environment.

SECTION 4
STRATEGIC PLANNING FOR LOCAL ECONOMIC DEVELOPMENT

Strategic planning in local economic development is a systematic process of defining a common direction and making decisions on allocating resources to pursue this direction. It identifies important issues and how to resolve them and implies forward thinking and anticipation of the future. It is a cyclical and dynamic process that requires monitoring, modifying, and periodic updating.

> **A LED Strategic Plan is an overall plan which clarifies the process of building a local foundation for economic development. It provides a general framework for action: how to prioritize, make choices and allocate scarce resources to achieve objectives. It will establish an agenda to develop a local area's economic, physical, social and environmental strengths and also address the challenges it faces.**

To succeed in economic development efforts, a community must know where it wants to go and how to get there. A strategy is simply the plan or road map outlining how to get there. It requires a commitment from all those involved in the process to achieve sustainable results. Local leaders and citizens must be involved in developing the strategy because it cannot be successful without their total support.

It is also important that local leaders and citizens understand from the very beginning that they must make a substantial commitment of their time and effort if they hope to succeed.

LED is about sustainable development in the long-term as it takes time to change local conditions and mind-sets, build capacity, organize participatory processes and empower stakeholders.

It is not about "quick fixes" or generating "wish lists". It requires a practical understanding of what the local area offers, its weakness and gaps, external threats and opportunities, and what the local community wants and needs. It requires a good knowledge of the local area's regional economic linkages, its competitive advantage and cooperation opportunities *(UN Habitat 2005)*.

Particular emphasis should be provided to strongly support micro, small and medium-sized enterprises and encourage them to take the lead in playing a key role in creating new local employment and wealth creation.

PREREQUISITES FOR PLANNING A SUCCESSFUL LED STRATEGY

A successful LED Strategy will address the following:

PROCEDURAL CONCERNS	SUBSTANTIVE CONCERNS
1. Have political will 2. Get commitment 3. Include the informal economy 4. Use strategic thinking 5. Evaluate the pros and cons 6. Integrate, network and link 7. Incorporate accountability 8. Incorporate culture	9. Get visible results 10 Understand markets 11. Balance strategies 12. Think about quality 13. Invest in infrastructure, both soft and hard 14. Incorporate natural capital[*] 15. Leverage private investment for public good 16. Establish clear decision rules and procedures 17. Ease business entry and regulatory enforcement 18. Plug leaks/increase multipliers 19. Encourage local business enterprise 20. Attract compatible new business

Table 1 - Tenets of a Successful LED Strategy.
Source: UN Habitat 2005, Promoting Local Economic Development through Strategic Planning.
* See definition on page 7

WHERE DOES THE LED STRATEGIC PLAN FIT WITHIN LOCAL DEVELOPMENT PLANNING?

Strategic planning for local economic development should build on the larger integrated development planning process in the community or locale that includes economic sector planning. In devising this strategy, practitioners in local governance bodies, community leaders and principal stakeholder groups will need to balance local economic development with environmental and social needs (LGSPA, 2009).

The LED Strategic Plan, usually written for a 5 to 10 year period, should be recognized as the economic sector plan integral to the comprehensive local development plans. Ideally, it is best if the LED strategy formulation is done in conjunction with the preparation of these comprehensive development plans. However, it may also be done at any other time as long as the community is ready to pursue LED.

The LED Strategic Plan should tie into and build on the overall vision and goals as articulated in the comprehensive development plan, if these are available and updated. Similarly, socio-economic and ecological profiles contained in the other development plans or other recent studies that may have gathered important information, should also be used in generating data needed in the formulation of the LED strategy.

Conversely, the LED Strategic Plan also contributes to the enhancement and development of the community's sectoral plans and database.
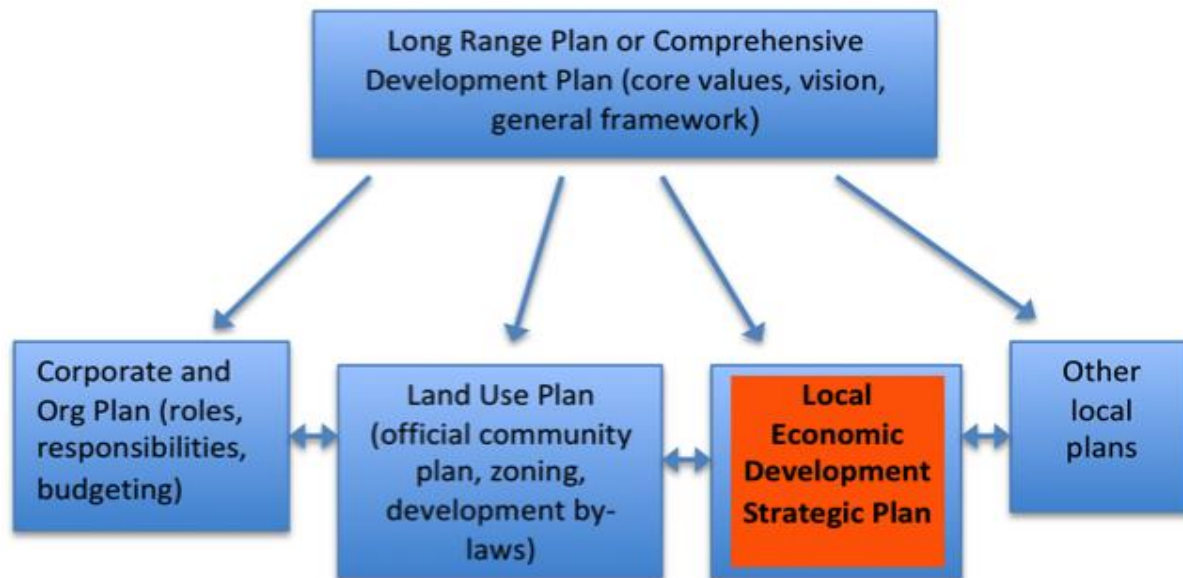

Figure 3 - The LED Strategic Plan

Source: Source: UN Habitat 2005, Promoting Local Economic Development through Strategic Planning.

FIVE STEPS TO STRATEGIC PLANNING FOR LED

The five-step strategic planning process shown below should be tailored to complement, and correspond with other local planning processes. The process is not prescriptive and should be adapted to meet the needs of the individual community.

Step 1. Create a Vision

Step 2. Develop Goals and Objectives

Step 3. Identify programmes and projects to achieve the objectives

Step 4. Prioritize the Actions

Step 5. Document the Strategy

STEP 1: CREATE A VISION

a. Review existing data and identify critical issues from the Local Economic Assessment

- **Prior to holding the visioning workshop**, review what information you already have (i.e. Local Area Economic Profiles, Comprehensive/long-term development plans, other studies from recent government, donor or private sector projects – e.g. People In Action Community Assets and Needs Report 2009, Market Access Rural Enterprise Project, etc.);
- Identify missing data or data that needs updating. Don't forget data on informal sector and gender disaggregated information;
- Determine what main important additional data is still missing and whether important for strategic planning process;
- Decide on collection methods (secondary data sources, new surveys, focus groups, interviews) for missing data;
- Gather the data, determine how to address the important missing gaps; and
- Also review previous community vision statements (there may be some already existing from previous work).

b. Prepare a synthesis report

To facilitate the strategic planning process and prepare for the visioning workshop, it will be helpful to draw up a synthesis report that summarizes the key findings from the review process. This step is not to pre-empt the visioning and planning process but to ensure that the process builds on the findings and recommendations of previous work done in the area.

SYNTHESIS REPORT TEMPLATE

Purpose of Synthesis Report – To summarize the key findings from the review process. This report should not pre-empt the visioning and planning process but to ensure that the process builds on the findings and recommendations of previous work done in the area.

The Review process – Includes information from Local Area Economic Profiles, Comprehensive/Long-term development plans, other studies from government, donor, private sector projects, interviews with key leaders, private sector, informal groups to complete identified gaps. The synthesis should compile this information and identify any missing data that may still be necessary to gather, even if at a later date.

For ease of presentation and summary, a table or matrix may be a good option to use for the report.

Table 1 shows examples of the types of information that can be collected in each of the categories and can be summarized under these broad headings.

Table 2 - Synthesis Report Guide

LOCAL ECONOMIC DEVELOPMENT INFORMATION SYNTHESIS REPORT	
Demographic	**Population :** • By size, age, growth rate, projected growth rate, household size, population density. This could include a poverty mapping exercise to identify demographic characteristics by sub-districts in the community. **Employment :** • Employees by industrial activity -- compare regionally and nationally, and note changes over time, if possible • Age structure of the employed and the occupation breakdown of employed and unemployed (disaggregated by gender) • Structure of employment (full/part-time/male/female) -- compare nationally and over time • Average gross weekly earnings by gender and full- and part-time employment • Unemployment figures, by numbers, age, duration • Numbers and other information on people and activities in the informal sector **Education:** • Numbers and types of schools, numbers of teachers (full-time equivalent) and class sizes • Further and higher education establishments by type and numbers attending. • Educational attainment levels by numbers and types -- compare nationally **Training:** • Numbers and types and age groups of technically qualified individuals and those going through training programs. • Number of training schools/institutions/programs locally available (e.g. Technical-vocational skills training, business planning and development) • An assessment of skill/occupational shortages/oversupply.

LOCAL ECONOMIC DEVELOPMENT INFORMATION SYNTHESIS REPORT	

Economic	• Numbers and sizes of firms, broken down by sectors numbers of full-time equivalent employees, in time series, if possible
	• Number and type of recent (e.g., last 10 years) firm closures, by size, sector and date
	• Number of inward investments, foreign and domestic (both Greenfield and existing companies) by employee size, sector and date
	  • Number of new business start-ups, by size, sector/activity and longevity
	  • Number of companies that export/to where/ by what sector/company size
	  • Top 50 (or so) companies by size -- employment and/or turnover -- by sector and named
	  • Business tax income
	  • Rental/purchase costs for vacant industrial and service sector units, by time series and size groupings
	  • Vacancy rates of industrial and commercial space by size, location, absorption rates
	  • Port/airport/rail cargo/passenger statistics

Investment Climate Infrastructure (Ease of Doing Business)	• Taxation of businesses (both amount of tax and ease of paying the taxes)
	• Opinions on ease of engaging with government practices:
	  o Rules and regulations are unclear, change too frequently
	  o Too much time is spent in dealing with authorities
	  o Rules and regulations are too complex and impossible to comply with
	  o Costs are too high and unpredictable
	  o Corruption and irregular practices
	• Amount of 'red tape' and the ease of getting through red tape (e.g. Health or fire permits, permits to operate, permits to build)
	• Existence of supporting business networks, such as Chambers of Commerce.
	• Access to funding (including training support, business incentives)
	• Assessment of local government/authority's capacity to

	carry out economic development (existence of land use plans, other development plans) • Local authority economic development support (accessibility of government officials, special programs to support new business)
Hard Infrastructure	**Utilities:** • Condition of water, electricity and wastewater provision in areas of economic activity • Cost of utilities (water, electricity, garbage collection) – comparison with other communities (e.g. Carriacou/Petite Martinique vs Grenada) **Land and Land development:** • Assessment of provision of land, real estate/office space for economic development activities (including markets) and Central Business Districts **Roads and Transport:** • Condition of road and bridge network from the location of the economic activity to the market centres • Availability of transportation from the area of study and markets and ports (ports, airports, fish ports, markets) **Agriculture/Fisheries Development Support:** • Availability of irrigation, farm-to-market roads, solar dryers, water impounding systems, trading posts/public markets/food terminals **Telecommunications/Information Communication Technology (ICT):** • Availability of internet services • Broadband strength
National and Regional (Caribbean-wide)	• What neighbouring cities are doing in terms of their local economies • How neighbours are competing (neighbouring communities, islands, countries) • How are neighbours, or could, collaborate (*Use questions on page 12*)

LOCAL ECONOMIC DEVELOPMENT INFORMATION SYNTHESIS REPORT	
	• National level activities that may impact on the community - both positive and negative • Opportunities available through the national and other tiers of government (i.e. national development programs, SME development programs) • Opportunities and threats presented by regional government • Regional (Caribbean-wide) trends that may impact on the community (i.e. New OECS/CARICOM policies) ▪ Overseas Development Assistance/donor projects.

Communities should note that data collection can be ongoing and can sometimes consume the entire LED budget. Good practice indicates that successful local economic strategies often are strategically selective about the TYPE of information that they collect.

When collecting information it is useful to ask 'What will this informational material be used for?' If there is not enough time or money for a thorough data analysis, then focus groups with researchers, the chamber of commerce and other knowledgeable people can be a useful option.

c. Conduct a Visioning Workshop

In a workshop facilitated by external support, the LED Core Team, LED-PAC, LEDO and other stakeholders should engage in a group dialogue, discuss the local economy analysis and agree on a vision of the preferred economic future of the community. The workshop may be designed to take into consideration these five tasks:

1) Present the synthesis document and validate with the participants;
2) **Review the SWOT analysis. If a SWOT analysis was not yet done, conduct the SWOT analysis** based on the synthesis document and other information gathered during the workshop from the participants;
3) Review existing vision statements if any. Stakeholders are then asked:
   • To give concise statements about their "dreams for the economic future of the community".
   • What are the most important aspects of the desired future (e.g. Jobs, income, poverty reduction, etc.)?
   • Whether existing vision encompasses the economic perspective or whether it needs to be reframed to reflect economic aspects and aspirations of the locality.

- What is different about your vision of the future from what you see today

4) Get agreement on themes based on what best captures the group's idea.

It is important that LED stakeholders are able to relate strategy formulation to issues identified in the Local Economic Assessment.

GUIDE QUESTIONS

Here are some guide questions that can be posed to stakeholders to trigger analysis and provide a clearer context and basis for vision setting and strategy formulation:

- What critical gaps and issues identified in the Local Economic Assessment need to be addressed?
- What strengths and opportunities can the LED strategy seek to build on?
- What conclusions can you make about the competitive position of the locality?
- What groups in the community are perceived to be especially disadvantaged (e.g., rural poor, Indigenous People) and must be given special attention?

Make sure that the issues raised are also prioritized into the most important issues for the local area. Often, the top 5 to 7 most critical issues are identified as a final summary of the SWOT Analysis.

In general, a good vision statement should be: a) understood and shared by members of the community; b) broad enough to allow a diverse variety of local perspectives to be encompassed within them; c) inspiring and uplifting to everyone involved; and d) easy to communicate[3]

Timeframe is another important consideration and will need to be specified to help guide the process. Often, 3-5-10 year time frames are selected to keep the vision realistic and to allow for concrete measurement parameters. A balance is required since longer-term planning will send the signal that LED is not about quick fixes, however tangible results are necessary to address urgent needs and keep the momentum going.

To ensure community buy-in and support, it is vital that the right stakeholders participate in a consultative process to develop the vision. Participants should be

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[3] Nagy and Fawcet, Community Tool Box. Online: www.ctb.ku.edu/en/strategic-planning/vision-mission-statements/main

carefully selected keeping this in mind. The stakeholder analysis done in Stage 1 will be a helpful resource in participant selection.

Table 3 - SWOT Analysis Sample Template

Sample Template for SWOT Analysis[4]				
	INTERNAL ANALYSIS		EXTERNAL ANALYSIS	
FACTOR	**Strengths**	**Weaknesses**	**Opportunities**	**Threats**
Labor Market Skills Wage Rates Availability				
Financial Capital Private capital Public capital				
Access to Markets Proximity or distance to market c Proximity to suppliers				
Transportation Access to major highways Access to airports Access to ports				
Sites and facilities Number of sites and size Infrastructure Utilities Telecommunications/ ICT Number of existing structures				
Knowledge Resources Research/Development facilities Industry or trade association				
Education and Training Colleges or universities Higher technical training Vocational skills training Business services and Technical Support				
Business Climate Government responsiveness Taxes Regulations and controls Cooperation/assistance with private sector				
Quality of Life Cost of living Culture and recreation Public services (including peace and order) Attractiveness of city Natural resources				

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[4] Source: World Bank & Cities of Change LED Trainer's Manual

Sample LED Vision

> ### A Special Place
> "The County we envisage will continue to have the social and cultural values that have evolved through time; a community spirit, a sense of belonging, a tradition of self-reliance, social responsibility, sharing, neighbourliness and an appreciation of heritage and culture. This special community and lifestyle will have been preserved through new economic opportunities.
> (Source: 2013 Official Plan of Prince Edward County, Ontario, Canada)

It is also important to note that while a vision makes an effective way to begin a process and get community involvement and buy-in, it is easy to get sidetracked and move too far away from realistic objectives and actions. Sometimes, it might be helpful during the Visioning Workshop to examine objectives and actions before moving too far ahead in the vision formulation. This might help to ground the local area's vision from the start.

STEP 2: DEVELOP GOALS AND OBJECTIVES

Developing Goals

Goals point to specific outcomes that the community seeks to achieve. Goals are much more descriptive and concrete than a vision statement, and should be directly related to the findings from the Local Economic Assessment. Good practice indicates that in selecting goals, a manageable number is usually no more than six (Swinburn et al., 2006).

Other sample goal statements are set out in Table 3.

Table 4 - Sample Goal Statements

SAMPLE GOAL STATEMENTS AND THEIR LINK TO LOCAL ECONOMIC ASSESSMENTS	
GOAL	**LINK TO LOCAL ECONOMIC ASSESSMENTS**
To be the leading producer of cattle, swine and goats in the region	• Strength: vast land resources for forage and pasture development and abundant supply of crops and agricultural by-products for feed • Opportunities: proximity to several research and training centers on livestock production, proximity to market centers outside of municipality through well paved roads • Livestock industry is number 2 in the Local Economic Assessment on industry competitiveness ranking.

SAMPLE GOAL STATEMENTS AND THEIR LINK TO LOCAL ECONOMIC ASSESSMENTS	
GOAL	**LINK TO LOCAL ECONOMIC ASSESSMENTS**
To be the organic fertilizer capital in the region	• Value chain analysis: Fertilizers, seeds, and pesticides accounted for 80% of the value of local corn production. Of the $10 million annual value of corn production, $8 million was draining out of the local economy because farmers were buying inputs from outside sources. • Local organic fertilizer production will reduce cost of inputs in crop production, provide income opportunities and protect the environment
To develop an efficient municipal power supply system	• Weakness: Inadequate power supply. 115 individual/private generators in 23 villages are being used whenever electricity from the government electric cooperative is not available. • Adequate power supply is necessary in order to increase productivity and quality of the metal craft and woodcraft production

Source: LGSPA 2009, Strategic Local Economic Development: A Guide for Local Governments, (CIDA)

Each goal statement should have the following characteristics:

- Be clear regarding what is to be done and why – it should be based on the Local Economic Assessment and flow directly from the vision
- Outcome oriented – represents specific key result areas on which the LED Strategy will focus to achieve the vision. The specific key result areas will be the gaps and critical issues identified in the SWOT Analysis and Local Economic Assessment.
- Robust - it leaves open a variety of possible means
- Inclusive - reflects the voices of all people who are involved and the greatest needs and highest economic priorities of the municipality
- Concise

The set of goals may include statements that are industry-specific (as shown in the box above) as well as goals that impact and cut across all economic activities such as "improved local business investment climate, i.e. business regulations, bureaucracy and assistance to business".

It is important that these goals reflect the community priorities and addresses the major LED issues!

Having industry-based goals, however, provides further focus and a sense of clear purpose to the community and these can become the concrete bases and motivation in the development and improvement of the various enterprise support programmes and services of the local governance bodies related to that industry.

SETTING OBJECTIVES

Objectives are even more specific than goals. They serve as performance standards and targets for development. Objectives answer the question: "What matters?" and ask: "What is important about local economic development?"

Objectives are the basis for generating and designing strategy options. They act as a checklist, or design criteria to address local area values and priorities. They clarify directions or preference and provide decision criteria for evaluating strategy options.

Objectives are the framework of the LED Strategic Plan. They define priorities and are the basis upon which actions are ultimately decided.

How to Set Objectives

An objective is formed by converting issues and concerns into a concise statement that describes a direction. (Example: Expand Employment Opportunities) Identifying a full range of objectives helps to avoid making unbalanced or poor decisions.[5]

In developing objectives, it is important to clearly describe the milestones that will help the community assess where it is (baseline or pre-intervention) and where it will be if the initiative were successful (objectives). (Example: To increase corn production by 10% by 2010)[6].

Objectives should seek to build on strengths, overcome weaknesses, exploit opportunities, or deal with threats identified in the Local Economic Assessment.

This might take longer than expected, but it is important to spend time to ensure the objectives are complete, concise and controllable.

Following are tasks to illustrate how to set objectives[7]:

1. Identify key issues (concerns, problems, challenges, and opportunities)
2. Assess issues (distinguish: cause – effect – outcome)
3. Restate issues as succinct statements of objective
4. Organize objectives: separate means from ends, actions from objectives

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[5] UN Habitat 2005, Promoting Local Economic Development through Strategic Planning.

[6] LGSPA 2009, Strategic Local Economic Development: A Guide for Local Governments, CIDA.

[7] UN Habitat 2005, Promoting Local Economic Development through Strategic Planning.

5. Develop SMART indicators of performance (Specific, Measurable, Attainable, Realistic, and Timebound)

6. Prioritize objectives

SMART Objectives	
ARE THE OBJECTIVES SMART?	
Specific	Does the object address a specific issue?
Measurable	Is it possible to measure the impact when the objective is achieved?
Attainable	Is it an objective that can be achieved?
Realistic	Will there be the sufficient resources to achieve the objective?
Time bound	Is it clear how long it will take to achieve the objective? Is this timeframe realistic?

Source: Adopted from World Bank 2007 LED Primer

The objective takes each goal and breaks it down into separate components.

EXAMPLE OF LED GOALS WITH OBJECTIVES	
GOAL	**OBJECTIVE**
1. To transform local governance bodies/ authorities so that it is responsive to business customer needs	By 2016, to improve business processes, liaison and services so that business surveys indicate a 90% satisfaction rating for all interaction with the government
2. To enable the appropriate provision of business services and conditions to support the development and expansion of new and expanding businesses	By 2016, to ensure, through business attitude surveys, that the local business enabling environment is considered greatly improved by 80% of the businesses

Source: Adapted from World Bank 2007, LED Primer

Once the issues have been grouped and organised into objectives, it is already helpful to get an early sense of the stakeholders' priorities. The focus should be about what people really care about, i.e. the objectives – and not yet the actions or programmes and projects. This is important because once priority objectives are understood and agreed on, opportunities to be more creative and generate a variety of programme and project options arise that will garner more support, because they are more responsive to what the stakeholders are interested in.

Focusing on objectives will help avoid much of the positional, action-focused thinking that tends to polarize participants, limit creativity and stall so many processes. Where there are differences, they can be highlighted, trade-offs discussed and new options for

objectives developed. Then after, wide-ranging ideas for how objectives can best be achieved can be generated and be more easily prioritized.

QUESTIONS TO FACILITATE PRIORITIZATION OF OBJECTIVES:

1. Have issues been translated into the objective? OR Does the objective directly relate to the issue/issues?

2. Does each objective have SMART indicators?

3. Do the objectives take into account the relevant constraints and opportunities identified in the situation analysis

4. Is each an important achievement in its own right or are some repetitive?

5. Do any objectives contain information that is more of an action – i.e. programme/project

The key to prioritizing objectives is to understand what potential change might occur from the full range of LED actions. This understanding should be based on what is important to the stakeholder participants and the change they believe can be achieved. This is often the way to begin, when information and local experience is limited.

The key is to get a sense of what participants believe is important so that more responsive initial actions can be designed to address strategic priorities and further research can become more focused. These priorities may change as better information becomes available and perceptions are grounded by more reliable information.

The list of objectives should be comprehensive and complete, but only include the core ideas that are essential to realizing the LED vision. Objectives should be measurable, operational, concise, and above all, understandable. Include only those ideas that the group can influence or have control over.

SAMPLE OBJECTIVES FOR LOCAL ECONOMIC DEVELOPMENT

Alexandra, South Africa, is a township of 350,000 people near Johannesburg. It faces severe poverty but maintains a robust local area pride. In an effort to address some of the most pressing issues facing the local area of Alexandra, the national, provincial, municipal or local authorities/governance bodies began a collaborative effort called the Alexandra Renewal Project in 2001; the project is still ongoing.

The broad vision of Alexandra is to upgrade living conditions and human development within Alexandra. The Local Economic Development objectives are to:

- Create jobs within Alexandra and the wider regional economy;
- Increase the number and size of small enterprises owned and managed by Alexandra entrepreneurs;
- Create productive economic linkages between Alexandra and the wider regional economy;
- Improve and diversify the skills of Alexandra residents to enable them to participate in the economy; and
- Increase the stability and growth prospects of the local and regional economy.

Alexandra Renewal Project: http://www.alexandra.co.za/focus_eco/led_plan.htm
Source: UN Habitat 2005, LED Series Volume 2 Manual

STEP 3: IDENTIFY PROGRAMS AND PROJECTS

Having completed the local economic assessment and determined a vision, goals and objectives, a community will need to decide upon the key programmes that will become the core of its strategy. These programmes are groups of actions that when implemented, can help realize the local area's LED vision and objectives. This becomes the most tangible point in the planning process – where thinkers and doers connect, where specific actions are envisioned and those with the greatest promise of success are chosen[8].

How to identify the Programmes

Task 1. Generate actions for pursuing priority objectives
Task 2. Refine and organize actions – determine whether it is a project or programme
Task 3. Combine or group into programme options, evaluate against LED objectives and improve/refine.
Task 4. Agree on the programmes

Following are a few examples of programme options that are typical core choices and selection will be depend on local circumstances[9]:

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[8] UN Habitat 2005, Promoting Local Economic Development through Strategic Planning
[9] World Bank, Swinburn, G. 2006, LED Quick Reference, Urban Development Unit. Online at www.worldbank.org/urban/led

PROGRAMME 1: IMPROVING THE LOCAL BUSINESS INVESTMENT CLIMATE – an essential component of every strategy. These are measures to improve the local climate for business and should be consistent with national/state level efforts to improve the business climate:
- Improving processes and procedures for business registration
- Taxation
- Other processes within City Hall

PROGRAMME 2: INVESTMENT IN SOFT INFRASTRUCTURE – improving the commercial environment for business through:
- Regulatory reform
- Skills training and business-focused education
- Research and development
- One-stop shop advisory services
- Business support services
- Business networking
- Financial advisory services

PROGRAMME 3: ENCOURAGING LOCAL BUSINESS GROWTH – enabling the provision of advice in order to retain and strengthen existing local business:
- Technical support
- Resources to enabling existing local business to grow

PROGRAMME 4: INTEGRATING LOW INCOME OR HARD-TO-EMPLOY WORKERS – programmes to mainstream the poor and disadvantaged populations into the economy.
- Ensure that new growth industry extends employment opportunities to low-income workers, including those in the "informal sector"
- Ensure these groups have access to and can take advantage of opportunities for advancement (targeted skills training, special credit financing schemes)

SELECTING PROJECTS

Within each programme area, specific projects should then be proposed and selected on the basis of clear criteria. Each potential LED project should be assessed to determine whether it meets the broader LED goals, objectives and priorities that were discussed and agreed to by the stakeholders. For particularly longer and complex projects, it is useful to undertake a careful feasibility study as a first step to verify whether the project can be technical and financially viable.

Considering the level of "hard" and "soft" infrastructure provision will be important to ensure that an appropriate set of programmes is developed. One of the most effective ways of facilitating job creation, for example, is through such "soft" infrastructure, such

as developing LED programmes that improve the local business-enabling environment and support the development of micro, small and medium sized businesses.[10]

To illustrate the relationship between projects and programmes and using the four programme examples above, here are the types of projects that might fit under each of these programmes[11]:

PROGRAMME 1: IMPROVING THE LOCAL BUSINESS INVESTMENT CLIMATE
Project: Improve local/community legislation and services through a full review of business regulations and requirements
Project: Initiate and establish a 'one-stop shop' to facilitate better 'governance to business' relations

PROGRAMME 2: INVESTMENT IN SOFT INFRASTRUCTURE
Project: Provide training and support facilities to develop local business associations (eg. chambers of commerce, scuba divers association)
Project: Create a vocational scholarship programme to encourage work-based training and education

PROGRAMME 3: ENCOURAGING LOCAL BUSINESS GROWTH
Project: Establish and promote a "Buy Local" purchasing initiative
Project: Improve municipal legislation and services through a full review of business regulations and requirements

PROGRAMME 4: INTEGRATING LOW INCOME OR HARD-TO-EMPLOY WORKERS
Project: Initiate a vocational scholarship programme to encourage work-based training and education
Project: Establish a neighbourhood-specific training and job counseling programme for low-income workers

Including 'early-win' projects that will achieve visible and tangible impact in the short-term will be fundamental to the overall LED strategy development process in ensuring the continued support of the different stakeholders[12].

TABLE OF ACTIONS

The following Table of Actions (programmes and projects) offers a range of ideas that are in use today and can help provide typical core choices. They are divided into *Initial*

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[10] World Bank, 2006, LED Primer
[11] Ibid
[12] Swinburn et al, 2006

Actions, Advanced Action and *Broad-based Actions*[13] that have been used around the world to address common issues related to local economic development.

Initial Actions for LED are good first steps in getting a strategy process moving forward. These actions do not require significant financial capital, infrastructure or organisational capacity. Examples include creating a stakeholder group, committing to 'buy-local' goods and services and implementing demonstration projects.

Advanced Actions for LED are those that require more technical know-how, organisational capacity, experience and funds. They also require further research, specific expertise and more time than initial actions. Depending on the community and the approach selected, these advanced actions might become one part of a larger strategic plan. In other cases, this might be all the local community is capable of implementing. Some examples of advanced actions include construction of physical infrastructure, establishment of business incubators, organizing of co-operatives.

Broad-based Actions are more complex, larger, more expensive comprehensive programmes or sector-based broad support programmes. They may incorporate several of the advanced actions into the integrated broad based-action. These Broad-based Action alternatives generally bring significant results, although are more costly and complicated to implement. Examples of this are a sustainable tourism programme or an urban-rural linkages programme.

These Action Ideas table can be used to help shape the thinking around the types of programmes and projects selected. Choice of actions however, should come from and fit the specific LED context. There are sample Action Ideas listed in Table 4 to help get discussions started in communities.

Table 7 – ACTION IDEAS FOR LED

Action Ideas for Local Economic Development		
Action No.	**Type of Action**	**Description of Action**
Local Governance Authorities		
Action 1	Policy and Regulation	Local governance authorities/community leaders should be involved to some degree in LED planning. Sometimes they take the lead in organizing the plan. Policy and regulation mechanisms can affect local business activity through infrastructure, taxes and regulation of land, buildings and activities. Creating business-and entrepreneur-enabling environments depends on clear and stable policies and regulations.

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[13] UN Habitat 2005, Promoting Local Economic Development through Strategic Planning

Action Ideas for Local Economic Development		
Action Ideas for Local Economic Development cont'd		
Action No.	**Type of Action**	**Description of Action**
Initial Actions		
Action 2	Stakeholder Implementation Group	Once the plan has been agreed to, there needs to be an organisational mechanism for implementing it. Either an existing agency with an identified individual needs to take the lead, or an implementing organisation needs to be formed. Options for institutionalization LED include the establishment of a Local Business Council or a LED Agency composed of public and private institutions, representatives of political and economic spheres and civil society.
Action 4	Research and Analysis	Nearly every action identified will have additional information requirements (feasibility analysis, business plans). The LED process might also have identified key data gaps where spending time and money on additional research is warranted (e.g. Markets and opportunities, value chain analysis, value –added processing opportunities, concept testing, and feasibility analysis).
Action 5	Study Tours	Actually seeing what is possible helps to link concept and ideas with reality. Having leaders in LED strategy visit other communities or locations where LED actions have taken place to see firsthand how they work is a powerful catalyst in mobilizing activity.
Action 6	Local procurement and "buy local" campaigns	Local procurement is simply a commitment by the local authority to hire locally. "Buy local" campaigns are similar except they target consumers and businesses, encouraging them to buy local products (e.g. Local farmers sell to local restaurants, supply cruise ships, hotels).
Action 7	Simple upgrading of local business areas	Sometimes simple actions, such as cleaning up an area, adding plants and greenery or banners can build pride, support local business, encourage infill development and reuse resources.
Action 8	LED publications	Some LED publications can be produced quickly and easily with limited staff time and using information collected during the LED process. Simple publications are useful ways of getting existing businesses involved in the LED process. Examples include a Local Area Brochure and Profile Letter; Local Economic Assessment or Profile, a Business Directory.

Action Ideas for Local Economic Development		
Marketing and Knowledge Management		
Action 9	Knowledge Management	A tremendous amount of information from best practices to lessons learned to business matching depends on good knowledge management. Collection, access and organisation of information and data in a usable way are important. Developing information portals (web-based) is one way to manage and use knowledge.
Action 10	Marketing Promotion	Marketing is a process and a product that uses information to identify customers, position a local area, and sell the local area and/or its products. Promotion is part of marketing. Marketing strategies combine other actions (publication, upgrading knowledge management) in a strategic way for specific market purposes.
Entrepreneur and Small Business Support		
Action 11	Incubators	An incubator consists of a building or set of buildings where office space is rented out to fledgling business at below-market rents to help minimize overhead costs.
Action 12	Skills Training Center	A skills training centre is a facility that works in partnership with businesses and the local are to provide access to education and training in various fields, conduct programmes to assist the creation of employment opportunities and make available a job bank network for the local area.
Action 13	Micro and Small-scale Enterprise (MSE) Development	MSE development planning to create linkages and networking among different stakeholders and sectors of the local economy, and typically includes business support, training and micro-credit.
Action 14	Small Business Development Centres (SBDCs)	SBDCs are places designed to provide a range of support for local prospective and operating entrepreneurs to develop their capacity to run a small enterprise effectively and profitably. Like MSEs, they seek to create linkages and networks, and often include links to business support, training and financing.
Physical revitalization, infrastructure and land planning		
Action 15	Physical infrastructure investment	Investments in physical or 'hard' infrastructure projects are undertaken to improve the built environment. Often these projects are done to improve economic efficiency (transportation) and/or quality of life (water, sewer, power), which make the local area more livable and attractive for business retention, expansion and attraction of new

Action Ideas for Local Economic Development		
		businesses. Government or partnerships can implement physical infrastructure.
Action 16	Cluster development	"Clustering" refers to firms or entrepreneurs (including farmers) engaged in similar economic activities locating in one area and working together to advance business opportunities and add value. Related concepts are growth nodes and investment corridors.
Action 17	Industrial/Business/Science and Eco Parks	The idea is to set aside or zone a significant area of land (a park) where specific activities will take place. Eco-industrial parks (or eco-clusters) have been promoted and are basically the same concept, except they intentionally try and attract businesses that can co-operate to improve their environ- mental and economic performance through more efficient use of raw materials, reducing outputs of waste, conserving energy and water resources and reducing transportation requirements.
Action 18	Town centre/business area upgrading	Similar to Action 7 but more resource intensive. Town Center area enhancement typically involves partnerships and can include physically upgrading the area (building renovation, banners and flags, greenery, daily street cleaning), targeting investment, marketing, events, etc.
Action 19	Linking of Business Permits – 'One-Stop-Shop' (eg. Permits to operate, building permits, fire inspection permits)	Development linking is when the concept of spatial planning (bringing people and jobs closer together to reduce traveling times and costs) is expanded by linking profitable growth with redistributive development – concurrent with permitting real estate developers to build in profitable areas, local governance authorities require complementary investment in more impoverished neighborhoods.
Organisational Development for LED		
Action 20	Creating LED Organisations	LED organisations are devoted to the implementation and ongoing planning of LED actions. They include Business Improvement/ Development Associations (BIA, BDA); Local area Development Corporations (CDC); Municipal Government, LED Department, Chambers of Commerce, etc.
Action 21	Co-operatives	A co-operative is a democratically controlled enterprise owned by its members to fulfill a financial, economic, social or cultural need.

Action Ideas for Local Economic Development		
Action 22	Partnerships	Partnerships between the public and private sector and the local area represent an effective and efficient approach to implementing LED strategies in local communities and are essential in many LED actions.
Action 23	Institutional Cooperation Mechanisms	For local areas, co-operating in a competitive world is a key to success. Both formal and informal mechanisms exist for promoting greater co-operation.
Finance		
Also see Action 21	Financial Co-op	Local lending institutions and financial co-operatives.
Action 24	Micro-credit support	Micro-credit is the extension of small loans to entrepreneurs who are too poor to qualify for traditional bank loans.
Action 25	Local Currency or Local Area Currency System	Local Currency or Local Area Currency Systems are a type of parallel currency system whereby a local area organizes and administers a system of exchanging locally produced goods and services, using an interest-free currency whose circulation is limited to a particular geographic area or social group. The local currency operates alongside the conventional national currency of the country.
Investment		
Action 26	Foreign Direct Investment	This involves attempting to attract foreign direct investment from outside the local area. Once a LED strategy is in place, the goal is to attract investment that is responsive to the local area values.
Action 27	Domestic Inward Investment	Domestic inward investment is an attempt to keep local money in the local economy. Often, money is put into banks that invest outside the local area or investors seek opportunity outside the local area. Local credit unions, community credit/debit cards and other investment strategies can be developed to locally reinvest money earned in the local area.
Action 28	Support for the Informal Economy	The informal economy is comprised of economic activities not recorded and not subject to formal rules of contract, licensing, labor, and taxation. Informal economies often contribute directly to poverty reduction by providing for the livelihoods of large portions of the population. By supporting the informal economy, other important social development issues can also be addressed, including gender equity, cultural preservation, child labor and public health and safety.

Action Ideas for Local Economic Development		
Action 29	Sustainable Tourism Development	Sustainable tourism is often pursued because it is not so dependent on financial capital or major infrastructure, and is therefore an entry sector that can achieve quick results, especially important for poorer areas. It is also seen as a win-win option, designed to mitigate the economic needs of a local area and to protect the cultural and natural environment. However, balance is never an easy task to obtain.
Action 30	Urban-Rural Linkages	Creating improved urban-rural linkages is a key component for ensuring the sustainability of both rural and urban areas. By connecting the resources, the rural people's desire for direct access to end users of rural products and the urban need for more affordable and better quality products can be facilitated through cooperative networks.

Source: UN Habitat 2005, Promoting Local Economic Development through Strategic Planning

STEP 4. PRIORITIZE THE ACTIONS - PROGRAMMES AND PROJECTS

Despite having already prioritized objectives in Step 2, often the result of the stakeholder discussions is a long list of programmes and projects. These may all not be realistic not only from a financial perspective but from the perspective of the capacity of the locale to get everything done within the identified timeframe.

Further consideration should also be given to the whether the action (i.e. programme or project) is sustainable. In selecting LED actions, communities have a range of both problems and opportunities to tackle and selectivity and focus, though hard to achieve is important. To address these concerns, it is important to prioritize the programmes and projects according to agreed criteria.

How to Prioritize Actions for LED

There are several ways to conduct a strategic prioritization exercise appropriate for the participants and the culture in a locality. What is important is that criteria for selection is identified, explained and agreed to. This way prioritization is systematic, transparent and not based on only one or two projects favoured by a few leaders. Referring back to the SWOT analysis matrix and identifying which objectives apply to which issues would be a first step.

There are a variety of criteria that can be identified, with these seven typical criteria being the basic ones to consider:

- Relevance - the greater the contribution to the Vision-Goals-Objectives, the better
- Mandate - the more consistent with (local) government body mandate, the better
- Capacity - the less it requires new capacities, the better
- Resources - The less costly, the better
- Sustainability – have the impacts of the project been considered with respect to protecting the natural world and preserving the capability of the environment to support human life?
- Time Frame – the more doable within the time frame, the better
- Acceptance - the more support it can generate from stakeholders, the better

The following is a Reality Check Tool. This tool is useful to determine the likelihood of success based on the presence on these particular elements:

Table 8 - Reality Check Tool, Source: Adapted from LGL INSTITUTE 2004

'Reality Check' Tool			
CRITERIA	**LIKELIHOOD TO SUCCEED**		
	MORE LIKELY		**LESS LIKELY**
Mandate – the more consistent with (local) government body mandate, the better			
1. Legislative Ease	Yes	Maybe	No
2. Policy Consistency	Yes	Maybe	No
3. Contractual Ease	Yes	Maybe	No
4. Political Will/Champions	High	Neutral	Uncertain
Capacity – the less it requires new capacities, the better			
5. Organisational Capacity	High	Medium	Low
6. Human Resources	Yes	Somewhat	No
7. Expertise	In-house	Available	Uncertain/No
Resources – The less costly, the better			

'Reality Check' Tool			
CRITERIA	**LIKELIHOOD TO SUCCEED**		
	MORE LIKELY		**LESS LIKELY**
8. Affordability	Yes	Average	No
9. Fiscal Resources	Confirmed	Available	Difficult
10. Savings Realized	High	Medium	None
11. Leverage Other Resources	Yes	Maybe	Uncertain/No
Time Frame – the more doable within the time frame, the better			
12. Time Efficiency Realized	Likely	Maybe	Not Likely
13. Timeframe for Results	Reasonable	Challenging	Unrealistic
14. Success Likelihood	High	Medium	Uncertain
Acceptance – the more support it can generate from stakeholders, the better			
15. Community Support	High	Average	Low
16. Partnership Potential	Ready	Maybe	Uncertain/No
Relevance – the greater the contribution to the Vision-Goals-Objectives, the better			
17. Direct impact on objective	Likely	Maybe	Uncertain/No
18. Ongoing Sustainability	Likely	Maybe	Uncertain/No
19. Consequences/Risk	None	Uncertain	Negative
20. Environmental Impact	Positive / Neutral	Minimal	Negative
21. Gender Equality	Supports Equality	Neutral	Negatively impacts equality
22. Cultural Values / Priorities	Supports Values	Neutral	Conflicts with Values
23. _____			

STEP 5   DOCUMENTING THE STRATEGY

At this point, it will be important to write up a local economic strategic plan document to serve as a reference to guide the LED core team, LEDPAC and other stakeholders in

implementation and decision-making. Good practice shows that the best LED Strategic Plan documents are brief and easy to use. If the LED core team cannot write the strategy themselves, often a consultant is hired to document the plan.

Once complete, this document should also be made available to the general public, government and business investors so that they can understand the economic plans of the locale and how they may fit into the plan and be able to contribute to it.

If funds are sought from different sources, whether higher tiers of government, donors or business investors, the LED Strategic Plan should be able to quickly provide coherent relevant economic information and a rationale for coordinated action and efficient use of the funds.

The LED Strategic Plan should also incorporate other planning efforts in the local area, so that it is a comprehensive picture that shows synergy and good coordination. The plan should also include a continuing programme of communications and outreach to involve and engage community partners.

SAMPLE OUTLINE OF A LED STRATEGIC PLAN

Local Economic Development Strategy

Executive Summary

I. Introduction – Background information and document organization

II. Process to develop the LED Strategic Plan – Overview of the stakeholders and how the plan was formulated
   A. LED Core Team
   B. LEDPAC
   C. Multi-stakeholder Groups

III. Local Economy Assessment
   A. Local Economic Profile
      1. Demographics
      2. Economy
      3. Business Environment
      4. Hard Infrastructure
      5. Community/locale/parish, national, regional factors
      6. SWOT Analysis
   B. Competitive and Cooperation analysis

IV. LED Strategic Plan

   A. Vision – Describes an agreed stakeholders' consensus on the preferred economic future of the community

   B. Goals – Identifies up to 6 key priority areas of action to meet the vision and specify the desired outcomes of the local economic planning process

   C. Objectives – Sets the performance standards and targets for development. They are time bound and measurable

   D. Programmes – Defines and groups together similar projects that collectively achieve particular goals and objectives

   E. Projects – Detailed descriptions to implement specific programme components. They must be prioritized, costed, time bound and measurable.

   F. Action Plans – Establishes what must be done, deadlines and who is responsible for doing the work

COMMUNICATIONS STRATEGY

An effective communications plan is an integral part of the overall LED Strategic Plan. Relationships with stakeholders need to be cultivated and maintained on an ongoing basis throughout the life of the strategy. The successful engagement of stakeholders and community members will require a regular flow of information. Stakeholders will need to understand what is being done and why. It is also important to ensure that they have a clear understanding of how their actions or contributions impact project outcomes.

A Communications Strategy should closely reflect the overall the vision and goals contained in the LED Strategic Plan and serve to:

- support the achievement of the overall LED objectives
- engage effectively with stakeholders (both external and internal)
- demonstrate the success and impact of the work being done
- contribute to wide-spread community buy-in and understanding

- change behaviour and perceptions where necessary

It is important that a communications strategy should be seen to contribute to the achievement of the overall objectives of the LED Strategy Plan itself. In this way communications will be recognised not as an "add-on", but something as fundamental as operational or policy objectives to achieving the vision and goals of the strategy.

Once the LED Strategic Plan has been documented, the LED core team and LEDPAC should already be planning to present the plan to senior levels of government (eg. Mayors, appropriate Ministers, development councils, planning officials or other concerned departments) for integration into their comprehensive plans and annual investment plans. This would promote higher-level government support for the plan.

The importance of involving these officials from the beginning should not be underestimated. If not fully involved they should at least be aware of the LED strategic planning process that is underway and that the LED Strategic Plan is viewed as a valuable contribution to the current local planning system, a process that built on previous efforts/documents. This will help to continue to continue to build trust and commitment, and ensure acceptance and use of the output.

Equally important, the Strategic Plan should be presented to community stakeholders during a community assembly or other opportunity. It will keep the community informed and will garner further community interest and support.   Whenever possible the communication tools that are used should incorporate an opportunity to solicit feedback or input.   Stakeholders will be much more engaged in a process or strategy that they have helped to shape.

SECTION 5
IMPLEMENTATION AND ACTION PLANNING

The production of the written LED Strategic Plan is not the end of the LED process. Too often, once plans have been prepared, participants and leaders believe they have completed the process. It is usually this lack of follow through that has frustrated so many citizens and residents. Other times, the selection of the programmes and projects are not realistically done and because of various concerns that are not well anticipated, and the problems not quickly addressed, also resulting in poor implementation.

Once the LED Strategic Plan has been developed and agreed to, it must be operationalized. A simple way to clearly map out what needs to be done is through action planning. The action plan lays out specifically for each project, a hierarchy of tasks, responsible parties, realistic time frames, human resources and financial

requirements, sources of funding, expected impacts, outcomes, and performance measurement systems for evaluating each project.

Each programme or project in the LED Strategic Plan should have an action plan.

HOW ARE ACTION PLANS CREATED?

1. Discuss and list each task or action necessary to achieve the targets set out in the chosen project.

2. List the actors, organisations and individuals that need to be involved in each action and which tasks they are responsible for.
    * Be as specific as possible

3. Agree on a coordination mechanism (essential when multiple actors are involved) and describe it. This may involve an existing individual or organisation taking the lead or the formation of a new position or organisation with a coordinating role. This could also be the formation of a new multi-stakeholder working group with individuals having specific technical skills related to the specific action/project.
    * The coordination mechanism (e.g., regular meetings) should monitor progress including the timely completion of tasks, keeping to budgets, and the maintenance of the agreed to standard of performance and quality.
    * What are reporting structures – how it relates to the LED Core Team and the LEDPAC
    * What is the communication strategy – how will it communicate both internally as well as with broader stakeholders and the public

4. Determine the required resources to complete the action (e.g., people, finances, equipment or information)
    * Verify that funds are available
    * Make sure any other pre-conditions are met

5. Indicate time lines for each action, including sourcing financial and other resource inputs that may be required.

6. Identify risks, gaps and weak links in the action plan and how they will be addressed (e.g., actions or tasks for which there is no clear lead person/organisation, no funding or a lack of other key resources).

7. Identify what new skills may be required for the implementation of programs and projects and list possible ways to access training, technical assistance or other support (e.g. NGOs, other tiers of government, CARILED, other donors)

8. Reconfirm the commitments of each partner (e.g., as specified in partnership implementation agreements, memorandums of understanding, sectoral work programmes, budgets, etc. including attendance at action plan workshops and launch events).

9. Agree on a monitoring mechanism and describe it. This should focus more on project impact rather than the process implementation. Indicators will be needed to measure impact.

Table 9- Sample Project Action Planning Template

<table>
<tr><td colspan="4" align="center">Sample Project Action Planning Template</td></tr>
<tr><td colspan="2">Project Title:</td><td colspan="2">LED Programme Title:</td></tr>
<tr><td colspan="4">Short Description of the Project (Project components and major activities):

</td></tr>
<tr><td colspan="2">Expected Results (Objectives):

</td><td colspan="2">Target Group(s) (Population sector or geographical areas):

</td></tr>
<tr><td colspan="2">Possible Stakeholders:</td><td colspan="2">Possible Contributions to the Project:</td></tr>
<tr><td colspan="2"></td><td colspan="2"></td></tr>
<tr><td colspan="2"></td><td colspan="2"></td></tr>
<tr><td colspan="2"></td><td colspan="2"></td></tr>
<tr><td colspan="2">Project Manager:

</td><td colspan="2">Source of Funding:

</td></tr>
<tr><td colspan="2">Technical Working Group: (If required)

</td><td colspan="2"></td></tr>
<tr><td align="center">Activity</td><td align="center">Timeframe per Activity</td><td align="center">Outputs per Activity</td><td align="center">Cost per Activity</td></tr>
<tr><td>1.</td><td></td><td></td><td></td></tr>
<tr><td>2.</td><td></td><td></td><td></td></tr>
<tr><td>3.</td><td></td><td></td><td></td></tr>
<tr><td>4.</td><td></td><td></td><td></td></tr>
</table>

Source: LGSPA, 2009 (CIDA)

MAINSTREAMING GENDER IN ACTION PLANNING

Ensuring gender considerations are mainstreamed in strategic planning for local economic development capitalizes on the skills and contributions of both women and men, enabling both women and men to equally contribute to and benefit from the fruits of LED. It takes into account the particular interests and needs of both women and men.

These interests and needs can often be different, requiring different approaches and services. Often, the initiative to set up an enterprise comes from women, but only a small percentage is able to continue their business because of conflicts with family time or child rearing, issues with the husband, gender discrimination and health related concerns. The LED Strategic Plan should include programmes and projects that will create an enabling environment for women and men entrepreneurs and offer business development services in support of both sexes. Both women's and men's input are necessary if communities are to prosper, and equality between men and women is an essential element of sustainable development.

Below is a checklist that can be used to assess whether gender equality is integrated into the LED action plans.

Table 10 - Gender Equality Checklist

GENDER EQUALITY CHECKLIST FOR LED STRATEGY FORMULATION

✓ Do the LED policies, programmes and services support equal access to productive resources for enterprise development by both women and men?
- Markets: local and global markets
- Raw materials
- Technology
- Capital
- Training: skills training, management training
- Business services
- Information

✓ Will women workers be protected from gender-based violence and other labour law violations?

✓ Will the informal sector producers and workers be able to avail of support mechanisms (such as social protection, child-minding centers, etc.) that empower women and men?

✓ Do skills trainings and product-related services delivered to women avoid gender

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stereotyping?

✓ Are issues and concerns that impact on women's and men's ability to access productive resources or to become economically empowered addressed?
- Relations between women and their partners
- Personal empowerment i.e. building self-esteem
- Equity concerns, i.e. exclusion due to religion, ethnicity
- Reproductive concerns
- Women's overall lack of political empowerment which affect their decision making

✓ Do the strategies pay special attention to the needs of rural and indigenous women and men?

Source: LGSPA, 2009 (CIDA)

MAINSTREAMING ENVIRONMENTAL SUSTAINABILITY IN ACTION PLANNING

Environmental sustainability is defined as the maintenance of the factors and practices that contribute to the quality of environment on a long-term basis. Successful mainstreaming of environmental sustainability will be based on continuous engagement and partnership. Environmental sustainability is about meeting human needs without undermining the capacity of the planet's ability to support life.

The aim of mainstreaming environmental sustainability into an LED Strategy is to improve or restructure the decision-making process so that consideration of socio-economic and environmental issues is fully integrated at all levels of the planning process.

Incorporating environmental aims into the goals and vision of a strategy will ensure that the Action Plan that is ultimately developed will be grounded in a sustainable overall approach.

The following checklist was created by the UN to provide a point of reference for evaluating the potential impact of a specific programme, project or course of action. In some cases a checklist with this level of detail may not be required, but it serves as a good reminder that environmental impacts need to be considered before, during and after a project or action.
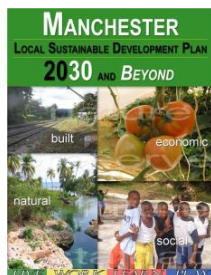
Table 11 - Environment Checklist

United Nations' Environmental Screening Checklist for Programmes and Projects	
Questions	**Answers** Yes /No/ Not Applicable
Biodiversity Conservations and sustainable natural resources Management	
Would the proposed project result in the conversion or degradation of modified, natural habitat or critical habitat?	
Are any development activities proposed within a legally protected area for the protection or conservation of biodiversity?	
Are any development activities proposed in areas of critical habitat?	
Would the proposed project pose a risk of introducing invasive alien species?	
Will the proposed project adversely impact people and communities, including Indigenous peoples, ability to use, develop and protect natural resources and other natural capital assets?	
Will the life-supporting capacities of air, water and soil ecosystems be adversely impacted?	
Does the project involve natural forest harvesting or plantation development without an independent forest certification system for sustainable forest management?	
Does the project involve the production and harvesting of fish populations or other aquatic species without an internationally accepted system of independent certification to ensure sustainability?	
Climate Change Risk Management	
Will the proposed project result in Co2 emissions greater than 100,000 tons per year (from both direct and indirect sources)?	
Is the viability or longer-term sustainability of the proposed project potentially threatened by climate change?	
Will the proposed project likely increase environmental and societal vulnerability to climate change in the long-term?	
Pollution Prevention and Abatement	
Would the proposed project result in the release of pollutants due to routine, non-routine, or accidental circumstances with the potential for adverse local, regional, and trans-boundary impacts?	
Would the proposed project result in the generation of solid waste that cannot be recovered, reused, or disposed of in an environmentally sound manner?	
Will the proposed project involve the manufacture, trade, and/or use of chemicals and hazardous materials subject to international bans or phase-outs?	
Is there a potential for the release of hazardous materials resulting from their production, transportation, handling, storage and use for project activities?	
Will the proposed project involve pest management activities, including the application of pesticides? Would there be any risk of accidents during construction or operation of the project which could affect human health or the environment?	
Would the proposed project pose adverse impacts to ambient environmental conditions?	
Other Potential Adverse Impacts	
Would construction, operation or decommissioning of the proposed project involve actions that would cause physical changes in the locality such as	

topography, land use, water bodies?	
Would the proposed project utilize a previously undeveloped area where there will be loss of green field land?	
Would the proposed project adversely alter existing land uses, (e.g. homes, gardens, other private property, industry, commerce, recreation, public open space, community facilities, agriculture, forestry, tourism)?	
Would the proposed project location be subject to future land use plans which could be affected by or affect the environmental sustainability of the project?	
Would the proposed project lead to significant population density increase which could affect the environmental sustainability of the project?	
Would the proposed project be susceptible to or lead to increased vulnerability to earth-quakes, subsidence, landslides, and erosion, flooding or extreme climatic conditions?	
Would the proposed project pose indirect, secondary or consequential development which could lead to environmental effects or the potential for cumulative impacts with other existing or planned activities in the area?	

SECTION 6
SAMPLE LED STRATEGIC PLANS

http://manchesterpdc.files.wordpress.com/2012/05/manchester-local-sustainable-development-plan-2030-and-beyond-copy.pdf


http://barbadosunderground.files.wordpress.com/2013/07/draft-growth-and-development-strategy-document-for-2013-2020.pdf

http://www.caribbeanelections.com/eDocs/strategy/gd_strategy/gd_GPRS_2011.pdf
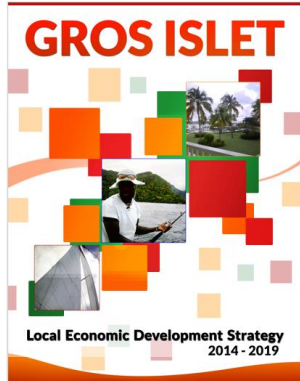
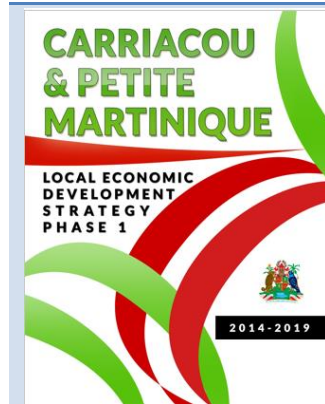http://www.caribbeanelections.com/eDocs/strategy/bm_strategy/bm_national_tourism_plan.pdf

https://www.vaughan.ca/business/Pages/Kleinburg-Economic-Development-Strategy.aspx
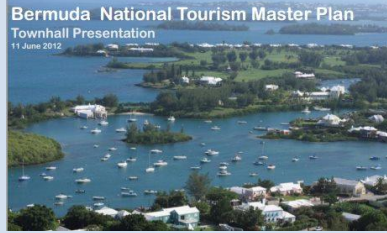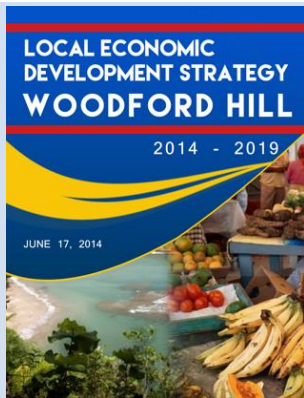
www.cariled.org/publications

www.cariled.org/publications

www.cariled.org/publications

The Strategic Plans developed in Woodford Hill, Dominica, Carriacou-Petite Martinique, Grenada, and Gros Islet, Saint Lucia, were created using the guidelines found in this LED Strategic Framework. For further information on Local Economic Development and LED policies and programs in the Caribbean, visit www.cariled.org or www.fcm.ca/cariled.

SECTION 7
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World Bank, 2009 *Making Local Economic Development Strategies: A Trainer's Manual*, Cities of Change Initiative. Available at: http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTURBANDEVELOPMENT