

## Local and Regional Economic Development (LRED): Paving Economic Growth in the Province of Leyte

### Context

Results of an Inception Mission conducted in the Visayas in 2002 revealed that there was no dominant subsector in Leyte that harnesses the entrepreneurial potential of the province and promotes local and regional economic development.

Rapid Economic Appraisals (REAs) were conducted in five selected Local Government Units (LGUs). The results demonstrated that the LRED approach was suitable to four LGUs, namely Baybay, Carigara, Ormoc and Palompon. LRED Action Plans developed by the four LGUs were geared towards *improving business and investments* directly and towards *improving the institutional environment*. The stakeholders involved in the process consisted of LGUs, the private sector including business and professional associations and chambers of commerce, nongovernment organizations (NGOs), communities and cooperatives.

### Problem

The economic potential of the LGUs in the Province of Leyte is underutilized. As a result, economic growth and employment generation are held back.

### Solution

Facilitate the implementation of the **Local and Regional Economic Development (LRED)** process.

### Approach

**The LRED: A Participatory Planning and Implementation Approach for Economic Development**

LRED is a participatory planning and implementation process wherein public and private stakeholders in a locality work together to improve conditions for economic growth and employment generation. LRED is about mobilizing people and making them work together to effect change.

The key stages in LRED are

#### A. Preparatory (timeline: one to two months)

- defining selection criteria for LGUs with partners (dynamism of LGU; economic potential; logistical considerations)
- selection process: identification, shortlisting and final selection of LGUs based on criteria

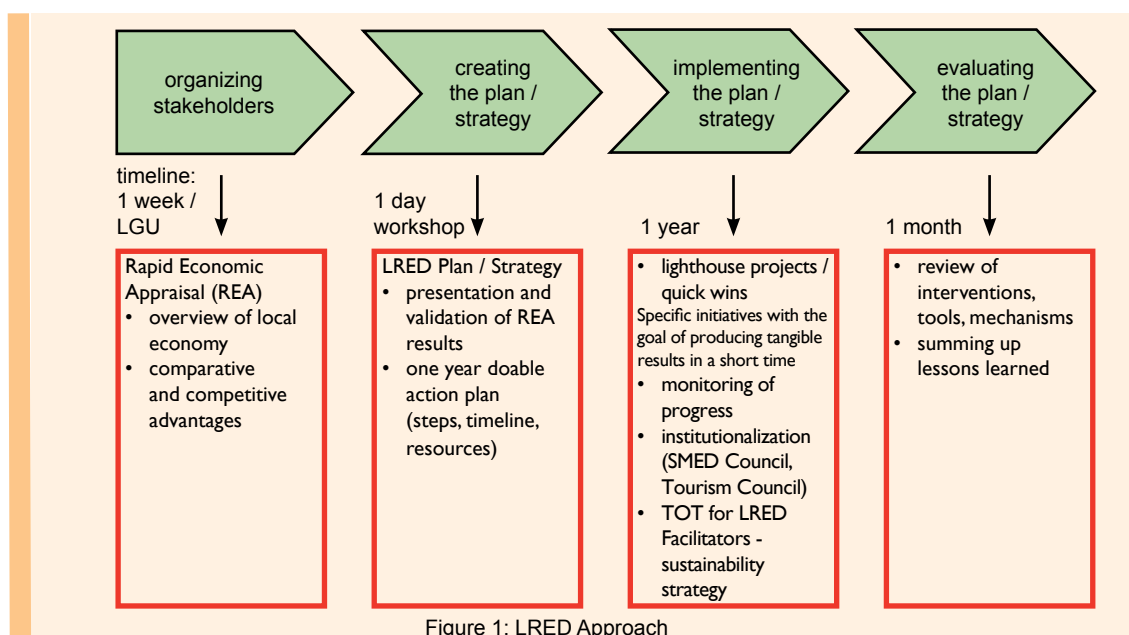
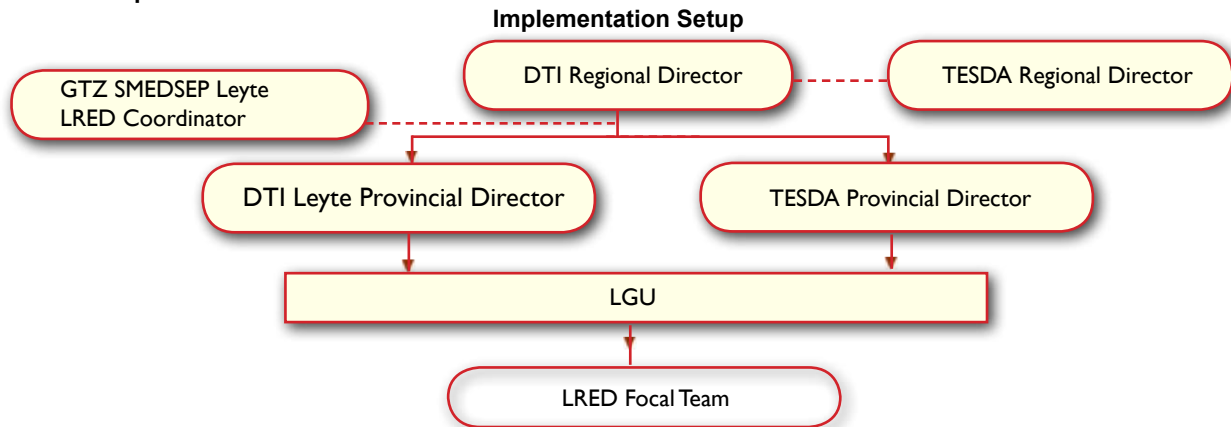


Figure 1: LRED Approach

## B. Actual Implementation



The two important elements of the LRED process are

- 1 capacity building of potential initiators and facilitators to equip them with the basic knowledge on the LRED concept, tools, planning strategies
- 2 integration of the LRED process in the whole planning mechanisms of the host agency / organization.

The LRED approach has been tested and piloted in different areas of varying size. Its tools and methodologies are proven, well documented, user friendly and readily available. Potential for replication is high.

### Key Results

The following outcomes indicate that the LRED approach is becoming an integral part of the economic planning and implementation procedures of the four LGUs - Baybay, Carigara, Ormoc and Palompon

- participatory and bottomup planning processes strengthened
- public - private collaboration strengthened and relations between the LGU and the business sector improved
- service delivery through good local governance enhanced.

*The specific accomplishments / outputs that contributed to the outcomes are*

- the LRED Action Plan in doable, bite sized pieces is harmonized with the comprehensive, long term Local Municipal Development Plan
- facilitation and communication skills of core team significantly improved which strengthened the implementation process
- identified LRED projects served as a catalyst to secure funds and support from national, regional, provincial and local levels of government and facilitated the implementation of the action plan (for example skills training for Baybay to be funded by a congresswoman)
- the Department of Trade and Industry (DTI), Technical Education and Skills Development Authority (TESDA), Department of Agrarian Reform (DAR) and

other German Development Cooperation projects are applying LRED tools in their planning and implementation

- sustainability / institutionalization strategies such as capacity building and creation of ordinances implemented.

### Lessons Learned

- crucial role of consultations and consensus building
- need to facilitate continuous dialogues between the public and private sector
- need for ongoing, iterative capacity building in LRED principles, methodologies and tools
- value of flexibility and creativity in implementation of the approach.

#### **CASE: Palompon and Baybay LGUs in Leyte Province**

Public - private dialogue improved relations between LGUs Palompon and Baybay and the private sector in marketing potentials for investors through prioritizing investment potentials, drafting tourism plans, matchmaking meetings with potential investors, introduction of online business registration,

### Success Factors

- local leadership and commitment from partner LGUs
- participatory and action oriented planning methodology
- continuous facilitation of the LRED process with local stakeholders
- credibility of LRED with the partners (partner agencies and LGUs)
- *seed funds* for lighthouse projects and *quick wins* as catalyst for obtaining local and provincial funding support
- mixture of activities targeting enabling environment and direct subsector promotion
- involvement of stakeholders from the design of the strategy to the ownership and implementation of plans