

## Rapid Economic Appraisal: Facilitating Local and Regional Development

### Context

At the initial stage of undertaking the Local and Regional Economic Development (LRED) process, Rapid Economic Appraisals (REAs) were conducted in five selected Local Government Units (LGUs). The results of this investigation demonstrated that the LRED approach was suitable in four LGUs in Leyte Province - Baybay, Carigara, Ormoc and Palompon.

### Problem

There is a lack of results oriented, participatory tools for assessing strengths and weaknesses of a local economy. Existing comprehensive assessments are costly and time consuming.

### Solution

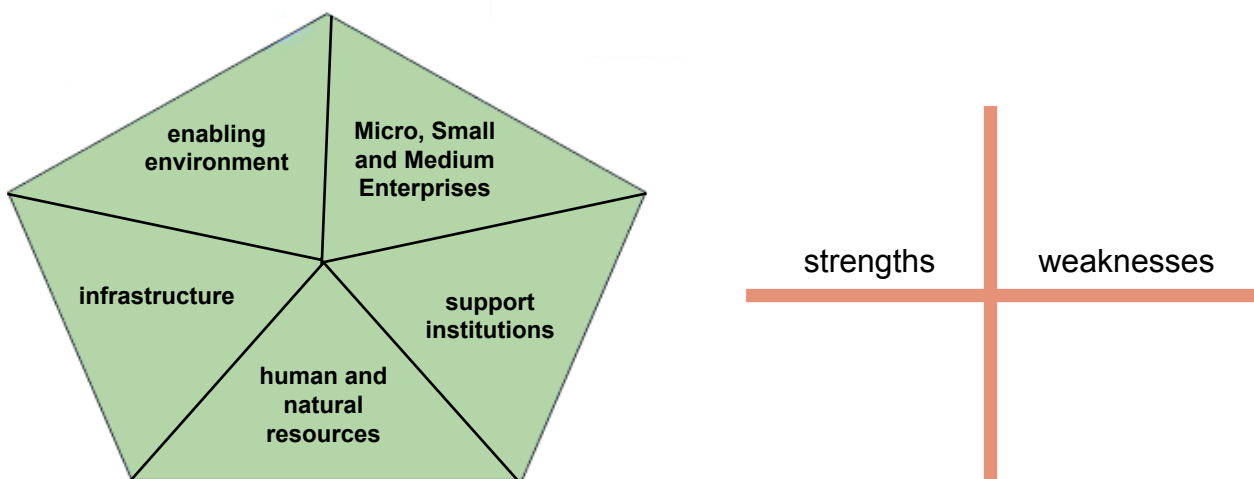
Identify the burning issues and offer ways for the local stakeholders to find the right answers through the conduct of **Rapid Economic Appraisal (REA)** under the Local and Regional Economic Development (LRED) process. Compared to traditional assessments or feasibility studies, rapid appraisals save financial resources and time and still come up with results that are fairly accurate.

### Approach

#### The Rapid Economic Appraisal: A Results-Oriented and Participatory Assessment of the Local Economy

Rapid Economic Appraisal (REA) is a tool to assess the comparative (*natural*) and competitive (*human made*) advantages and disadvantages of a local economy (see Figure 1: The Competitiveness Matrix). REA involves approximately one week of preparatory work and another one week of field work in an LGU.

It is not the intention of a rapid appraisal to delve into details and provide ready solutions. The thrust of the process is to identify *burning issues* and offer ways for the local constituency to find the right solutions. An assessment is undertaken through a series of interviews and focus group discussions with public and private players, guided by questions based on the five fields of analysis of the Competitiveness Matrix. Perceptions of resource persons drawn from the process are then subjected to debate and discussions among local stakeholders and experts.



#### Principles of Appraisal Methodology

- rapid and quick assessment
- stakeholder participation
- action orientation

Figure 1: The Competitiveness Matrix

## Conduct of Rapid Economic Appraisal REA

Preparations	REA Proper (one Week)		
3 - 5 days	1 - 4 days	½ day	½ day
<b>Preparatory Work</b> <ul style="list-style-type: none"> <li>orientation to local administration</li> <li>obtaining approval of Local Chief Executive (LCE)</li> <li>identifying stakeholders for field interviews (resource persons)</li> <li>arranging and finalizing schedule for interviews</li> </ul>	<b>Field Work</b> <ul style="list-style-type: none"> <li>overview of local economy</li> <li>conduct of interviews with public and private stakeholders</li> <li>gathering, analysis of data</li> </ul>	<b>Presentation and Validation of Findings with Stakeholders</b> <ul style="list-style-type: none"> <li>strengths / weaknesses</li> <li>key and burning issues</li> <li>getting the support from the stakeholders (specifically LCE and key business leaders)</li> </ul>	<b>Creation of LED Plan / Strategy</b> <ul style="list-style-type: none"> <li>field of interventions</li> <li>Action Plan / Strategy</li> </ul>

Challenges faced during the conduct of the Rapid Economic Appraisal (REA) were

- overoptimism on part of the participants and facilitators in one of the Validation Workshops in terms of the *doability* of the activities
- the institutional setup of the LRED in the pilot LGU of Ormoc City lacked clarity
- importance to balance representation of public and private stakeholders in the conduct of REA.

Learning from these challenges, the program put more emphasis on the following critical steps in the second Appraisal Mission held in January 2005: sound planning, identifying focal persons in organizing the REA and mobilizing stakeholders as well as ensuring the support of the local administration in the second application of REA.



Stakeholders from the public / private sectors during an REA exercise

## Key Results

The application of the REA tool in the pilot LGUs, partner agencies and organizations of the program has gained a positive response

- REA as a planning tool applied by other LGUs in Leyte, nongovernment organizations (NGOs) and various line agencies like the Department of Trade and Industry (DTI), Technical Education and Skills Development Authority (TESDA), National Economic Development Authority (NEDA) and Department of Agrarian Reform (DAR), NGOs through GTZ EnRD

- stakeholder participation (LGU, DTI and TESDA) promoted
- public private collaboration strengthened
- systematic process in identifying priorities and determining next steps enhanced.

## Success Factors

- sound planning and realistic timeline in organizing and conducting the REA
- identification of clear objectives
- availability of financial and human resources
- competent REA lead facilitator
- right people for the interviews, validation and action planning (public and private sector)
- support of local administration
- participation of public and private stakeholders in all steps from the gathering of data and interviews to the creation of the LED Strategy / Plan

**CASE:** Public and private stakeholders in 4 LGUs in Leyte (Baybay, Carigara, Ormoc and Palompon) appreciated the participatory, systematic and quick assessment process in REA. As such, all areas developed LRED Action Plans geared toward promoting investments directly and partly toward improving the institutional environment.