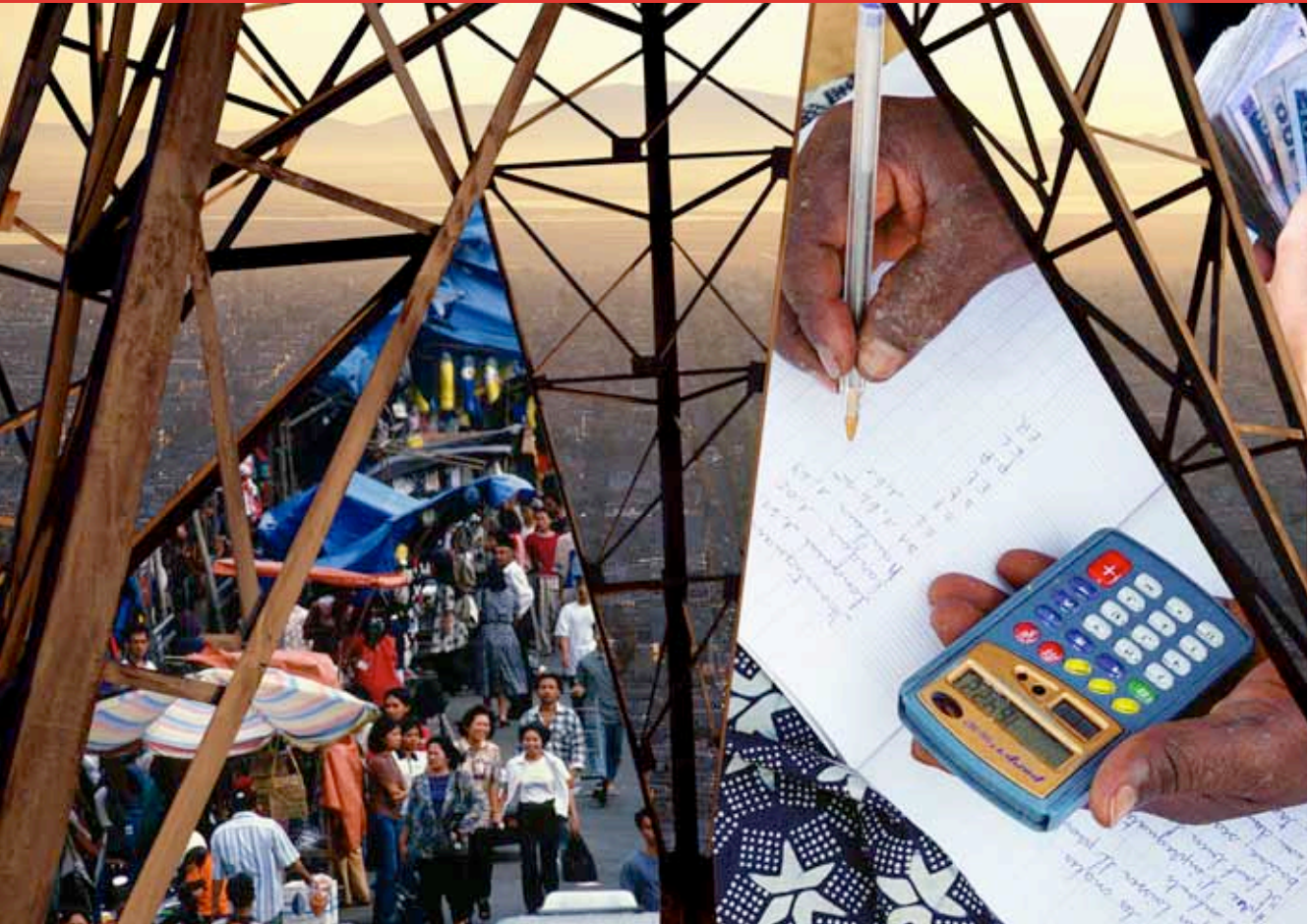


**The Local Economic Development Series**

# Promoting Local Economic Development through Strategic Planning



**Volume 1: Quick Guide**



UN-HABITAT



Copyright © United Nations Human Settlements Programme, 2005

ISBN 92-1-131721-5  
HS/738//05E Promoting Local Economic Development  
Strategic Planning — Volume 1: Quick Guide  
92-1-131726-6 (Series)

#### DISCLAIMER

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries regarding its economic system or degree of development. Excerpts may be reproduced without authorization, on condition that the source is indicated.

Designed and printed in Nairobi by the United Nations Office at Nairobi

Cover photocollage photographs by: Panos Pictures - Aerial view of urban sprawl in Mexico © Mark Henley / Community organiser with calculator in Mali © Crispin Hughes / Crowd in Indonesia © Mark Henley / Black market money change in China © Mark Henley / Coal power plant pylons in Mongolia © Mark Henley

The publication of the Local Economic Development Series was made possible through the financial support of the Dutch Government.

Published by:

United Nations Human Settlements Programme (UN-HABITAT)  
P.O. Box 30030 GPO 00100  
Nairobi, Kenya  
Fax: (254-20) 623091 (TCBB Office)  
E-mail: [tcbb@unhabitat.org](mailto:tcbb@unhabitat.org)  
Web site: [www.unhabitat.org](http://www.unhabitat.org)

and

EcoPlan International Inc.  
131 Water Street, #208  
Vancouver, BC Canada V6B 4M3  
Phone: 604-228-1855 Fax: 604-228-1892  
E-mail: [epi@ecoplanintl.com](mailto:epi@ecoplanintl.com)  
[www.ecoplanintl.com](http://www.ecoplanintl.com)

The Local Economic Development Series

# Promoting Local Economic Development through Strategic Planning

## Volume 1: Quick Guide





# Foreword

All around the world, local governments, the private sector and civil society are demanding better ways to achieve local economic development, a cornerstone of sustainable development. This is due to the fact that local governments face increased democratic reforms and greater decentralization at the same time as massive transformations are taking place in the global economy resulting from trade liberalization, privatization, and enhanced telecommunications. The significance of these changes is that citizens and local governments now face formidable challenges, greater opportunity, and growing responsibility to work together to address the economic health of municipalities and the livelihood of their local citizens, many of whom may be under- or unemployed and living in poverty.

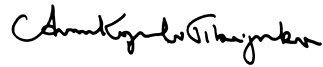


The purpose of the training series on Local Economic Development (LED) is to respond to this demand and help local authorities and their partners in the private, public and community sectors address these issues. Achieving economic growth and staying competitive is a serious challenge in itself. Ensuring the benefits of growth spread widely such that development becomes inclusive and impacting on the quality of life of all citizens is even more challenging. The question therefore is not only how we can make economic growth a reality in our communities, but how we can make sure that the growth benefits the marginalized and the poor. This requires firmly placing LED within the broader framework of local sustainable development. This in turn demands a strategic approach to LED that implies careful consideration of the various trade-offs, and making difficult choices. It also demands harnessing and mobilizing the local human, social, financial and natural capital towards the common vision, goals and objectives that the community aspires to achieve. This is possible only when the various stakeholders and actors join forces to make a difference in quality of life in their cities, towns and settlements.

This series on Local Economic Development, developed by UN-HABITAT, in partnership with EcoPlan International, is built around these principles. Whilst there are many tools and best practices in the field of local economic development, mainstreaming these into the local government institutional structure and development agenda remains a key challenge. This series will go a long way in bridging this gap, and enhancing the role of local authorities, elected officials and their officers, in guiding and stimulating local economic development to the benefit of their citizens.

The process of developing the LED Training Series relied on the above-mentioned basic philosophy of knowledge sharing. As is evident in the Acknowledgements, a wide range of local economic development professionals offered their ideas and experience to make this final document rich in content, robust in methods and widely applicable. There are many to

thank in the achievement of this training series: from the funding agencies – the Canadian International Development Agency (CIDA) and the Dutch Partnership Programme, to the contributing members of the “virtual round table”, to the dozens of trainers and members of local government, private sector and civil society. Their wisdom and pragmatism permeate the documents in this series. Due acknowledgement must also go to Gulelat Kebede and the Training and Capacity Building Branch (TCBB) team of UN-HABITAT who guided and contributed to the project while bringing it to fruition. Final gratitude is reserved for principal author William Trousdale of EcoPlan International, Inc. (EPI), as well as to the many co-authors who undertook the challenge of articulating this innovative training series.



**Anna Kajumulo Tibaijuka**  
Executive Director, UN-HABITAT

# Preface

Strategic planning for local economic development is important. It is a cornerstone of sustainable development. It involves wise resource use, integrating values and thinking ahead. These are demanding tasks that can be intimidating, and at times, overwhelming. They need not be.

In our work around the world, we have seen local economic development (LED) planning processes unnecessarily get stuck, lose momentum or, worse yet, not get started in the first place. In other cases, we have seen LED processes craving fresh insight, innovative ideas or a new sense of direction. We believe that confronting these basic challenges and taking advantage of these opportunities are well within our reach. It is this belief that inspired the development of this training series on LED.

As part of the development of this LED training series, we convened a Global Round Table of LED professionals. From Africa to Asia, Slovakia to Canada, Washington, DC to Quito, we received a myriad of perspectives on the core issues of LED. What we found was encouraging — the opportunities are great, the success stories extensive and the lessons learned helpful. Our Round Table participants pinpointed key issues in LED, such as leadership; enabling environments; children, youth and gender; job quality; society and environment; governance and democracy; culture; capacity; poverty reduction and globalization — to name but a few. Our Round Table participants agreed that for LED to succeed, local leaders and economic development practitioners need to have access to a range of tools, ideas and experiences to help them strategically address their own complex issues at the local level. Local challenges require local solutions.

We believe that strategic planning for LED is a pragmatic and powerful tool that can help significantly address local issues. By engaging in a strategic planning process for LED, at a minimum, this offers a way to improve the necessary interaction among business, government, labor and the poor. If done well, it provides a way to clarify competitive advantages, identify cooperative opportunities, craft innovative options and generate strategies that better achieve local priorities.

The commonality at the heart of all the comments from our Round Table is the belief that LED, broadly defined, can help communities to realize vibrant, resilient and sustainable local economies capable of improving the quality of life for all.

The LED series will yield a number of key measurable outcomes. It would respond to the existing demand and culminate in production of a tangible output that begins with local adaptations of these manuals, and ends with durable, long-term training and capacity building initiatives which are ultimately captured in the application of what has been learned. The LED Training Series targets the development of concrete action plans as a clear output of the training process. Partnerships and cooperation between public, private and civil society sectors underpin these action plans. The series is important in its contribution to promoting knowledge sharing. The LED

Training Series uses case studies and real world examples to encourage the evolution of learning-by-doing. The ultimate success and realization of these outcomes however lies on the creativity of local establishments and actors - local authorities, training institutions, informal sector operators, businesses, and civil society organizations-in adapting the tools to the realities on the ground and using this series as a living document, keeping it enriched through new insights, knowledge and experience.

**So, if you have found yourself asking:**

- How do we get started in LED?*
- What are the steps and tools needed to develop a LED strategy?*
- What are alternative LED programs and projects?*
- What are other communities doing?*

**.....then this LED Manual Series was designed to help you.**

Similar to the other UN-HABITAT training manuals, the LED training manual and companion documents will be accessible to the public in print and electronic formats. It is our vision to have this manual become a “living document” that will continue to be improved over time and we encourage adaptation to local, regional and national contexts. As you use, change and adapt the documents in this training series, we request due acknowledgement and credit.

**Gulelat Kebede**  
LED Project Coordinator  
Training and Capacity Building  
Branch, UN-HABITAT



# Acknowledgements

The ideas and information contained in this training manual series for Local Economic Development (LED) come from many sources and experiences. First and foremost, it is essential to acknowledge the support, advice and contributions of Gulelat Kebede, the UN-HABITAT manager of this project. Without his commitment and professionalism, this document would not have been possible and would have been of a lesser quality. It is also important to acknowledge the important contributions of his colleagues at UN-HABITAT, in particular Tomasz Sudra (who also participated in the field-testing), but Rafael Tuts, Erik Vittrup C., Catalina Hinchey Trujillo, and Dinesh Mehta also made important contributions.

In addition, we would like to thank those that contributed to our “Virtual Round Table,” which served as both the peer review process and a forum for discussion. We would especially like to acknowledge the contributions of Wassala Nimaga, Canadian Urban Institute; Gwen Swinburn and Fergus Murphy at the World Bank; Kees Van der Ree and his staff at the International Labour Organization (ILO); Jacqui Boule, UN-Habitat Special Advisor to KPEL Indonesia; Karen Peachey, EcoTrust Canada; Luba Vávrová, Local Government Development Center Bratislava; Dr. Theo Van Der Loop, Regional and Local Development Studies of the Addis Ababa University; Francis Gentoral, Canadian Urban Institute Philippines; Nestor Vega, International Union of Local Authorities; and Peter Boothroyd, School of Community and Regional Planning at the University of British Columbia.

We would also like to thank other Round Table members for their involvement: Paola Bordi, ILO; Andrew Farncombe, Canadian Urban Institute; Jan Fransen, Institute for Housing and Urban Development Studies; Rebecca Justicia, Fundación Maquipucuna; Fred Fisher, IDIOM/USA; Peter Gerstlauer, LED Coordinator for the Local Government Water and Related Services, Sector Education, Training Authority (LGWSETA) South Africa; Michael Harstone, Oxfam Canada / BC Hydro; Tom Laviolette, Portland Hotel Society; Anna Vasilache, Partners Foundation for Local Development (FPDL); Maria de la Vega, Foundation for Sustainable Development; and Brian Ward, Federation of Canadian Municipalities.

After the peer review process, we conducted several field tests that greatly improved the content and usability of the manual. We would like to acknowledge the special contributions in Romania of Anna Vasilache, Nicole Rata and Ancuta Vamesu. We would also like to thank the town officials of Horezu, Romania and the 40 participants of the three-day workshop where these methods were applied. Finally, much excellent input was received from the participant trainers who came from Bosnia and Herzegovina, Bulgaria, Moldova and Romania during the training-of-trainers exercise, including Zoran Kulundzija, Miglena Todorova, Kostadinka Todorova, Aliona Niculita, Liviu Ianasi, Elena-Marilena Porbumb, Sabina Chirvai, Olivia Baciu and Claudiu Runceanu.

For our work in Zambia, we would like to acknowledge the funding support of CIDA, as well as the facilitation and methodological input of Wassala Nimaga. Great thanks go to our partner organization, the Local Government Association of Zambia, and the significant contributions of Dan Longwe, Maurice Mbolela and Colonel Kenneth Kabungo. The field-testing was greatly facilitated by the assistance of Josephine Muchelemba and Pierre-Paul Perron at the CIDA Project Support Unit in Lusaka. However, the substance came from the Zambian and Zimbabwean participants, and heartfelt thanks go to Josephine Chimbwali, Mbwainga Mbwainga, Daniel Mapulanga, Patrick Katoti, Godfrey Musonda, Lilo Marohn, Mpataji Namumba, Ephraim Belemu, Joyce Chimbila, Ronald Daka, Prof. Peter Lolojih, Joseph Zulu, Morgen Gomo and Jonathan Simbeya.

We recognise the work done earlier by EcoPlan International, Inc. manual, coauthored with Karen Peachey, which was part of international project work completed with the Canadian Urban Institute, with the financial assistance of the Canadian International Development Agency. This local economic development training series has evolved from this earlier work.

Finally, we would like to offer our special thanks to the Canadian International Development Agency (CIDA). Their support allowed for the original manual development. CIDA also actively participated in the Virtual Round Table process and supported the field-testing for this manual.

**William Trousdale**  
Principle Author

# Table of Contents

- Foreword .....iii**
  
- Preface .....v**
  
- Acknowledgements .....vii**
  
- Introduction .....1**
  
- Overview .....2**
  
- Module 1: Where are we now? .....7**
  - Step 1: Getting Started .....7
  - Step 2: Stakeholders and Participation .....8
  - Step 3: Situation Analysis .....9
  
- Module 2: Where do we want to go? .....11**
  - Step 4: Visioning .....11
  - Step 5: Setting Objectives .....12
  
- Module 3: How do we get there? .....14**
  - Step 6: Identifying & Evaluating Strategy Options .....14
  - Step 7: Action Planning and Strategy Documentation .....18
  - Step 8: Plan Implementation .....20
  
- Module 4: Have We Arrived? .....22**
  - Step 9: Monitor and Evaluate .....22
  - Step 10: Adjust and Modify .....23



# Introduction

This document, *Volume 1: Quick Guide*, is the final document in the Local Economic Development Series - **Promoting Local Economic Development through Strategic Planning**. It is a companion piece to the documents described below:-

- ❑ *Volume 2* – Promoting Local Economic Development through Strategic Planning – *Manual: concepts and process* is an approach to LED in a 10-step framework
- ❑ *Volume 3* – Promoting Local Economic Development through Strategic Planning – *ToolKit: Support Tools* provides tools to facilitate each step in the framework
- ❑ *Volume 4* – Promoting Local Economic Development through Strategic Planning – *Action Guide: Ideas and Case Studies* supplies practical action ideas and case studies.

To find more details and references on anything in *The Quick Guide*, go to *The Manual*. *The Quick Guide* serves as an overview for busy executives or those not intimately involved with planning for local economic development. This Training Series is part of a larger UN-HABITAT Training Manual (see **Training Resource Link 1: UN-HABITAT Training Manuals** at <http://www.unhabitat.org>).

# Overview

## What is Local Economic Development?

**Local economic development (LED) is a participatory process in which local people from all sectors work together to stimulate local commercial activity, resulting in a resilient and sustainable economy. It is a way to help create decent jobs and improve the quality of life for everyone, including the poor and marginalised.**

Local economic development encourages public, private and civil society sectors to establish partnerships and collaboratively find local solutions to common economic challenges. The LED process seeks to empower local participants to effectively utilise business enterprise, labour, capital and other local resources to achieve local priorities (e.g., to promote quality jobs, reduce poverty, generate municipal taxes). LED practitioners have many actions available to them. For LED to be successful, participants and practitioners should have knowledge of these actions and be committed to a process to achieve sustainable results. A LED strategy is a process-oriented and non-prescriptive endeavour incorporating:

- ❑ Local values (poverty reduction, basic needs, local jobs, integrating social and environmental values);
- ❑ Economic drivers (value-added resource use, local skills training, local income retention, regional co-operation); and
- ❑ Development (the role of structural change, quality of development).

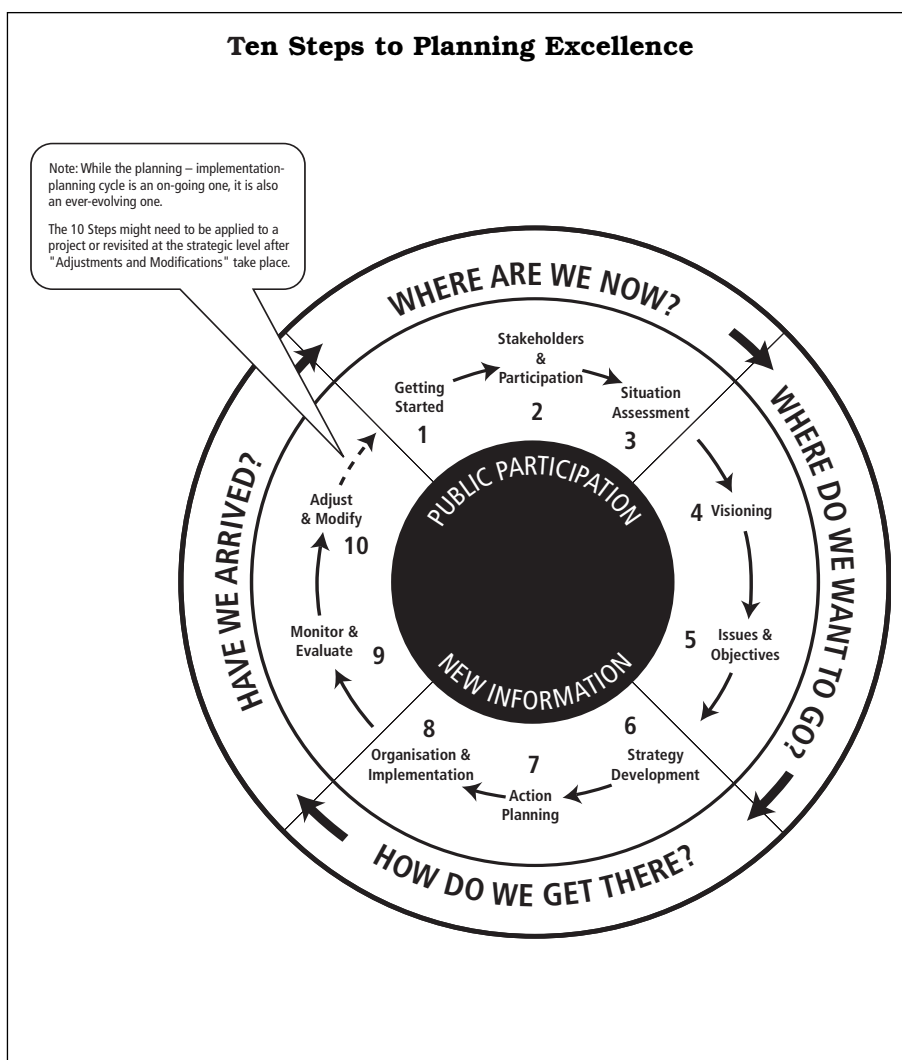
This suggests that LED is not about “quick fixes” or generating “wish lists.” It requires a practical understanding of what the local area does well and what it has to offer; where its weakness and gaps lie, what outside threats and opportunities exist; and, what the local area wants and needs. Undertaking LED requires knowledge of a local area’s regional economic linkages, including its competitive advantage and cooperation opportunities. Success in LED depends on encouraging a business environment where markets can operate efficiently, but appropriately, within the local context. In most local areas (especially in developing or transition countries), micro, small and medium-sized enterprises should be strongly supported and encouraged to take the lead as they play a key role in creating new local employment, wealth and tax generation. Visible results can help maintain momentum in the short term, and simply initiating a single project focusing on one critical issue might pave the way for long-term success. Ultimately, LED is about sustainable development in the long-term, for it takes time to change local conditions and mind sets, build capacity, organise participatory processes and empower stakeholders, especially the poor.

## What is Strategic Planning?

Strategic planning is a systematic decision-making process that focuses attention on important issues and on how to resolve them. Strategic planning provides a general framework for action: a way to determine priorities, make wise choices and allocate scarce resources (e.g., time, money, skills) to achieve agreed-upon objectives. This manual organises strategic planning for local economic development into a series of four basic questions:

1. Where are we now?
2. Where do we want to go?
3. How are we going to get there?
4. How do we know when we have arrived?

Answering each of these questions involves a number of steps that takes you through the strategic planning process. This process is illustrated below as the Ten Steps to Planning Excellence.



## Business-enabling Environments

Good practice in local economic development suggests that use of public resources and government intervention (e.g., public spending, access to services) should focus on improving the basic business environment and reach all levels of society (e.g., rather than supporting individual companies). This means that capable institutions at the local level are essential for effective LED. Beyond simple lack of capacity, expense (time and money) and over-regulation (complex regulations) are the devastating effects of cronyism<sup>1</sup>, nepotism<sup>2</sup> and corruption.

Recent LED research suggests that strong and appropriate institutions are necessary, and governments should pursue four concepts in LED:

- ❑ First, support for institutions and strategies should *combine governance with culture*, to gain respect, legitimacy and acceptance of the local citizens.
- ❑ Second, there is a need for *clear decision rules and procedures in government*, such as effective business codes and land use zones that promote long-term plans and a clear and stable economic "playing field."
- ❑ Third, the *political environment must be safe*. Poor economic policies and weak government systems can seriously impact local economic development efforts by raising risks and increasing production costs. For many investors, consistency, predictability and clarity of government policies and regulations are as important as a business environment with few restraints.
- ❑ Fourth, enabling environments should have a *high ease of business entry and efficient regulation enforcement*. Not surprisingly, researchers have found that countries with heavy regulation and weak enforcement have higher rates of corruption, a larger informal economy, are less democratic and are more likely to be poor.

## Poverty Reduction and LED

LED is now recognised as a key component in broader efforts to reduce poverty. There is also an emerging consensus that LED cannot bring about effective poverty reduction without incorporating explicit poverty reduction actions. Therefore, a key challenge is to ensure the pursuit of inclusive economic development that provides for both the promotion of local wealth creation and poverty reduction; this ensures that those traditionally left out are active participants and have access to opportunities resulting from

---

<sup>1</sup> Favouritism (appointed positions, jobs, contracts) to unqualified friends rather than qualified individuals or firms.

<sup>2</sup> Favouritism (appointed positions, jobs, contracts) to unqualified family members rather than qualified individuals or firms.



development. Inclusive means recognising formal as well as informal economies.

In the formal economy, specific actions might include targeting business expansion aimed at jobs for the poor, targeting the poor as an unskilled labour force for training and placement assistance, and through micro-enterprise/micro-credit programmes.<sup>3</sup> Programmes might also target the informal economy. In addition to reducing poverty, formalising the informal economy might form a long-term goal for health and safety reasons, better public management or increased revenues through taxation. However, abrupt attempts to regulate the informal economy prematurely might lead to more poverty and marginalisation. Rather, local authorities might want to consider actions that tolerate and support the informal economy while they seek to strengthen the skills and resources of people engaged in the informal economy (see **Training Resource Link 2: The International Labour Organisation (ILO) Course Guide on Local Employment in the Informal Economy** at [www.ilo.org/seed/ppp](http://www.ilo.org/seed/ppp)).

## Youth, Children and Women in LED

Youth (including children) and women might warrant special attention in LED strategy development because they tend to be more vulnerable to economic shocks and the transitional pressure of change that accompanies economic restructuring and globalisation. Although not often recognised for their economic impact, children under the age of 18 form a significant part of the entrepreneurs and workforce in developing countries, and more than 50 per cent of the population in some countries. Youth, aged 15-24, make up 41 per cent of the world's unemployed. Together, children and youth offer opportunities to find solutions, while, at the same time, pose a significant challenge to local economic development (see **Training Resource Link 3: Children, Youth and Employment** at [www.worldbank.org/childrenandyouth](http://www.worldbank.org/childrenandyouth) as well as [www.ilo.org](http://www.ilo.org)).

Today, women play a larger role in the market economy, many in insecure, low-income and part-time work in the informal economy. Investing in children, youth and women as productive participants in the economy has stabilising societal benefits that yield returns beyond economic measures.

## Globalisation and Poverty Reduction

Globalisation has changed the development landscape at every level of human organisation. Certainly at the local level, economic globalisation – the rapid spread of markets around the world and the coinciding expansion of economic linkages – is now a fundamental issue. On the one hand, there is the potential opportunity from growing markets and increasing wealth. On

---

<sup>3</sup> See Promoting Local Economic Development through Strategic Planning - Vol 4 - The Action Guide.

the other, not everybody has been able to take advantage of the benefits, bringing the subsequent income inequalities and adverse impacts into sharp focus. Yet, poverty is caused by many factors and attributing the problem to globalisation can be seen as externalising a problem and limiting the options available. Just as market economics is not a zero-sum game (somebody has to lose for somebody to gain), this manual approaches poverty alleviation as more of a challenge in improving democracy by incorporating the poor in the development process. It encourages a pragmatic approach to addressing globalisation and poverty reduction through research into markets, fair trade, information sharing and responsive governments that incorporate participatory planning into the decision-making process.

## Prerequisites for Planning a Successful LED Strategy

**Table 1: A successful LED strategy will. . .**

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

# Module 1: Where are we now?

## Step 1: Getting Started

Is a strategic approach going to be taken?

The very first task in planning for the future is to decide whether or not to take a strategic approach to economic development planning. A strategic planning approach moves beyond ad-hoc decision-making and allows a local area to both create and respond to economic challenges and opportunities. Success usually requires a local champion. This champion will play an instrumental role in initiating and maintaining the process, sustaining commitment and resources, and ensuring that the planning process is open to stakeholders in the local area; this requires an organisational and institutional capacity. The five tasks below outline how to prepare for the process.

**Task 1: Get organised, get commitment and build trust**

Without commitment from other stakeholders, well-coordinated organisation and respected leadership, a strategic planning process can stall before it starts.

**Task 2: Form a core planning team**

Establish a core group before the actual planning work begins. This will be the engine that keeps the process moving.

**Task 3: Determine where the “local” is in the LED process**

Defining the “local” area is a pragmatic exercise based on common linkages, constraints and common sense (e.g. political jurisdictions at the local government level).

**Task 4: Determine organisational capacity and if outside help is needed**

The lead organisation needs to determine its own capacity and bring in outside help if needed.

**Task 5: Plan the planning process**

It is important to be clear about the planning scope, planning process, objectives and expected results before getting started.

**Task 6: Define the LED planning question/challenge**

Understand the ‘triggering event’ and ask questions that address core problems rather than symptomatic ones, giving economic development planning more leverage.

## The importance of the process leader or facilitator

It is important to recognise that the process of planning for LED requires agreement and cooperation among a wide range of stakeholders who might profoundly disagree on a number of key issues. It also requires an

understanding of strategic planning and LED. If a structured group decision process is attempted under circumstances of hostility and disrespect, the results can be alienation and confusion, leading to a sub-optimal process at best, failure at worst. The role of the facilitator is critical in these processes. Their purpose is to create an environment for constructive and co-operative interaction and to maximise productivity of group work and participation. Because much of the success or failure of a LED process depends on the skills of the individual(s) managing or facilitating the process, sufficient resources should be put towards training someone on staff or finding an appropriate person to undertake this responsibility.

## Step 2: Stakeholders and Participation

### What is a Participatory Approach?

A participatory approach involves the inclusion of different stakeholders so that their views, concerns and issues can be included in the planning process. It is also important because it is here that networks, partnerships and information sharing occur that make better, more practical, strategies possible. Reviewing who should be involved in the planning process is an essential first task in creating a successful strategy. Consider including stakeholders from the *public sector* (local, regional, national governments, education institutions); *business sector* (corporations, small business, informal sector, banks, credit unions); *labor* (trade unions, labor unions); *community and non-governmental organisations*; (community leaders; neighborhood groups; religious organisations; women's groups; poor and disadvantaged groups; environmental groups) and the *general public* (informal leaders).

Stakeholders are defined by their stake in the issues (e.g., the client groups such as the urban poor, policy proponents such as environmental NGOs), their formal position (e.g., government authority), their control over relevant resources (e.g., money, expertise) and their power to promote, hinder or block implementation (e.g. activist groups, lobby groups, implementing agencies).

The following are ten factors for successful participation.

**Table 2: Ten Factors for Successful Participation**

1. Good timing and clear need
2. Strong stakeholder groups
3. Broad-based involvement
4. Credibility and openness of process
5. Commitment and/or involvement of high level, visible leaders
6. Support or acquiescence of 'established' authorities or powers
7. Overcoming mistrust and scepticism
8. Strong leadership of the process
9. Interim success
10. A shift to a broader concern

## How to Incorporate Participation in the Planning Process

There are four key tasks to incorporate participation in the planning process:

**Task 1: Determine the extent of public involvement and identify stakeholders.**

Identify stakeholders and develop a plan for participation.

This does not have to be elaborate, but it should answer key questions and consider the breadth vs. depth of participatory planning. It should determine when and how all stakeholders and the general public will be involved.

**Task 2: Establish the size and structure of the stakeholder partnership group.**

The stakeholder group can also provide legitimacy, profile, hard thinking and make sure a full range of issues is considered. Often working groups are also formed to support the work of the stakeholder group.

**Task 3. Establish the procedures and terms of reference of the stakeholder partnership group.**

## Step 3: Situation Analysis

### What is a Situation Analysis for Economic Development?

The situation analysis explores business and market relationships as well as organisational networks within the local area and between the local area, the region and the rest of the world. It looks at economic events and economic trends. It examines the economic base and how the local economy functions. This requires an understanding of local resources, local businesses, what they produce, where businesses inputs come from, and the marketplace. It looks at the economic past and present of a local area and provides base data to identify and prioritise important issues for consideration in future development plans.

### How to Conduct a Situation Analysis

The economic situation analysis involves three key tasks:

**Task 1:** Collect and review research and analysis already completed.

**Task 2:** Create a local area economic profile.

**Task 3:** Conduct assessments and analyses:

- Business and local resident attitude survey (basic issues analysis including perceived problems and opportunities);
- Competition and collaboration analysis;

- ❑ Economic leakage, markets and supply chain analysis;
- ❑ Gender analysis;
- ❑ Livelihood assessment analysis; and
- ❑ SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats).

This information can be collected at different degrees of detail and through several methods. Ideally, all three tasks will be completed in full, but often it is necessary to conduct only a few of the most critical analyses to get started. Variables to be considered when conducting this inventory should reflect the components of a functioning economy, such as human and social capital, financial capital, physical capital and natural capital. Capital is a useful concept because it can be acquired, exchanged, invested and converted into other forms. This dynamic way of thinking about LED keeps the focus on potential change, which is what strategy development is all about. Within each of these categories lies important base-data for understanding a functioning local economy.

**Table 3: Data needs for understanding a functioning local economy**

**Human and Social Capital**

**Organisational and Leadership Capacity:** Partnerships, Networks (from Step 1)

**Knowledge and Information:** Business, Markets and Economic Data, Competition, Quality of Life, Demographics, Household and Family

**Capacity, Competency and Innovation:** Institutional, Experience; Labor force (statistics and data, gender)

**Financial Capital**

**Financial:** Services, Access (credit)

**Natural Capital**

**Resources:** Primary resource, Resource process

**Living systems:** Quality of life, Aesthetics

**Ecosystem Services:** Economic support

**Physical Capital**

**Technology, Machines, Tools, Factories:** Plant, factory and business technology assessment

**Built Environment and Infrastructure:** Geographic, Buildings and Infrastructure (roads, sewer and water, utilities)

# Module 2: Where do we want to go?

## Step 4: Visioning

### What is in a Vision?

The economic vision begins to answer the question: “Where do we want to go?” It is a snapshot of the desired future. It makes clear the core values and principles that are central to what the local area wants to become. The vision is informed by the current situation and looks to the future to alter the current into the desired. Objectives and actions are then based on this vision, thereby connecting the vision to practical decision-making.

### Why develop a vision?

Visions are an important way to harness the power of the mind. By imagining an ideal future while considering the current reality, tension is created. As human beings, we respond to this tension with an impulsive desire to close the gap. A clearly articulated vision statement provides a continuous point of reference to keep closing the gap and keep the process heading in a desirable direction. As a general expression of values, visioning provides an opportunity for the local area to think in broad terms about the future. Developing the vision also provides the opportunity for dialogue, learning, relationship building and awareness raising. Finally, insight from the visioning process supports development objectives, the decision-making framework (discussed in Step 5).

### How to Develop a Vision for Local Economic Development

There are many ways to generate a vision statement, and the five tasks below describe one method:

**Task 1:** Review the SWOT Analysis and other work done previously.

**Task 2:** In a workshop setting, with focus groups or through surveys (a good chance for public participation), ask the following:

- What would you like the local area’s future to become?
- What are the most important economic aspects of the desired future (e.g., jobs, income, poverty reduction, etc.)?
- What is different about your vision of the future from what you see today?

**Task 3:** Collect and group similar ideas.

**Task 4:** Get agreement on themes and have someone from the group ‘wordsmith’ one or two vision statements for approval at later workshops/meetings.

Use this process as a launching point into an issues analysis and objectives formulation.

While a vision makes an effective way to begin a process (e.g., as an “icebreaker”), be careful not to use too much of the participants’ energy and time, or your budget, on this step. It is easy to get sidetracked here, and then not have enough resources or participant enthusiasm for the more concrete decision-making steps discussed in Steps 5-8. In some situations, it might be helpful to examine objectives and actions before or during the visioning process. Doing this helps to ground the local area’s vision for the future from the beginning.

## Step 5: Setting Objectives

### What are Objectives?

The four points below discuss objectives:

- ❑ 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.
- ❑ Objectives clarify directions of preference that can be compared and traded off (a little more of this for a little less of that).
- ❑ Objectives provide decision criteria for evaluating strategy options.

An objective is formed by converting issues and concerns into a succinct statement that describes a direction of preference (more/less) and includes a noun; two examples are: “Expand Employment Opportunities” or “Reduce Poverty.” Identifying a full range of objectives helps to avoid making unbalanced or poor decisions.

### Why do objectives matter?

Objectives are the framework of the LED Strategy. They define priorities for economic development and are the basis upon which actions are ultimately decided. Objectives guide the design of strategy options, allow for evaluation of those strategy options and provide a basis for making tradeoffs and building real consensus – the core of decision-making. After all, actions are taken to achieve objectives, so it is wise to be clear about what your objectives are.



#### **Table 4: Examples of Strategic Objectives for Local Economic Development**

- Promote the Reduction of Poverty
- Maximise Natural Capital
- Promote Decent Work
- Support Existing Local Business Expansion
- Promote Economic Stability (critical for small businesses)
- Promote Business/Investment Attraction

### How to Set Objectives

Setting objectives might take longer than expected. However, here is where time should be spent to ensure that objectives are complete, concise and controllable. Well-constructed objectives will not only provide direction for decision-making but also a framework for monitoring and evaluating how well- chosen actions fulfill the local area's vision of the future (described in Step 9). The following six tasks define how to set objectives:

- Task 1:** Identify key issues (concerns, problems, challenges, opportunities).
- Task 2:** Assess issues (distinguish: cause – effect – outcome).
- Task 3:** Restate issues as succinct statements of objective.
- Task 4:** Organise objectives: separate means from ends, actions from objectives.
- Task 5:** Develop SMART indicators of performance (Specific, Measurable, Appropriate, Realistic, Time dated).
- Task 6:** Prioritise objectives.

# Module 3: How do we get there?

## Step 6: Identifying & Evaluating Strategy Options

### How are strategy options designed?

Strategy options are the heart of strategic planning for LED. A strategy option is an action or group of actions that, when implemented, can help realise the local area's LED vision and objectives. All the previous steps in the process have been designed to allow the LED planning group to create good strategy options. This is perhaps the most tangible point in the planning process – where thinkers and doers connect, where specific actions are envisioned and where those with the greatest promise are chosen. Table 5 below provides a list of 31 common LED actions that could be taken alone, phased in over time or combined as strategy option.

### How are strategy options identified?

- Task 1.** Generate actions for pursuing priority objectives (see Step 5).
- Task 2.** Refine and organise actions.
- Task 3.** Combine into strategy options, evaluate against LED objectives and improve. Do the strategies promote the local area objectives? Do they require tradeoffs and consensus building?
- Task 4.** Negotiate and redesign the strategies; agree on a strategy.

**Table 5: Action Ideas for Local Economic Development**

*Note: These actions are profiled in detail in Volume 4: The Action Guide.<sup>4</sup>*

#### Local Government

Action 1.	Policy and Regulation	Local governments should be involved to some degree in local economic development planning. 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.
-----------	-----------------------	---

#### 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 institutionalising LED include the establishment of a Local Business Council or a Local Economic Development Agency composed of public and private institutions, representatives of political and economic spheres, and civil society.
-----------	----------------------------------	---

<sup>4</sup> Additional Project headings can be found on the World Bank Local Economic Development Web site at: <http://www.worldbank.org/html/fpd/urban/led/implementing.html>.

Action 3.	Demonstration Projects	Pilot or demonstration projects are small-scale, short-cycle projects or test projects that prepare the way for replication or expansion, and keep the momentum in a LED process going.
Action 4.	Research and Analysis	Nearly every action identified will have additional information requirements (feasibility analysis). 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, the supply chain, value-added processing opportunities, import substitution, salvage operations, remanufacturing, concept testing/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 first hand how they work is a powerful catalyst in mobilising activity.
Action 6.	Local procurement and "buy local" campaigns	Local procurement is simply a commitment made by the local authority to buy and 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).
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 businesses, 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 Area or Economic Profile; and a Business Directory.
<b>Advanced Actions</b>		
<b>Marketing and Knowledge Management</b>		
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 and 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 (publications, upgrading, knowledge management) in a strategic way for specific market purposes.
<b>Entrepreneur and small business support</b>		
Action 11.	Incubators	An incubator consists of a building or set of buildings where office space is rented out to fledgling businesses at below-market rents to help minimise their overhead.
Action 12.	Skills Training Center	A skills training centre is a facility that works in partnership with businesses and the local area to provide access to education and training in various fields, conduct programs to assist the creation of employment opportunities and make available a job bank network for the local area.

Action 13.	Micro and Small-Scale	Micro and Small-Scale Enterprise (MSE) development planning Enterprise (MSE) at the local government level aims at creating linkages and Development networking among different stakeholders and sectors of the local economy, and typically includes business support, training and micro-credit.
Action 14.	Small Business Development Centers	Small Business Development Centres (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 MSE, they seek to create linkages and networks, and often include links to business support, training and financing.

### **Physical revitalisation, 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 liveable and attractive for business retention, expansion and attraction of new businesses. Government or partnerships can implement physical infrastructure.
Action 16.	Clusters	“Clustering” refers to firms or entrepreneurs (including farmers) engaged in similar economic activities 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 cooperate to improve their environmental 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 center/ business area upgrading	Similar to Action 7 but more resource intensive. Town Center 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 permits	Development linking is when the concept of spatial planning (bringing people and jobs closer together to reduce travelling times and costs) is expanded by linking profitable growth with redistributive development – concurrent with permitting real estate developers to build in profitable areas, local governments require complementary investment in more impoverished neighbourhoods.

### **Organisational Development for LED**

Action 20.	Creating LED Organisations	Local economic development 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 and many more.
------------	----------------------------	---

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 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, cooperating in a competitive world is a key to success. Both formal and informal mechanisms exist for promoting greater cooperation.
<b>Finance</b>		
(also see Action 21)	Financial Co-op	Local lending institutions and financial co-operatives.
Action 24.	Micro-credit	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 Systems	Local Currency (or Local Area Currency Systems) is a type of parallel currency system where a local area organises and administers a system of exchanging locally produced goods and services; it uses 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.
<b>Investment</b>		
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.
<b>Broad-based Actions</b>		
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, labour, 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 labour, and public health and safety.
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 more cooperative networks.
Action 31.	Invest in Natural Capital	Living systems provide us with resources (trees, water, soil, air, oil) and services (aesthetics, flood control, purification of water and air, pest and disease control, storage and cycling of fresh water). Investing in resources (tree planting, reef protection/development) and services (create urban ecosystems for aesthetics and pest/disease control, maintain wetland for waste treatment and storm water retention, maintain watersheds for flood control, drinking water)

## Step 7: Action Planning and Strategy Documentation

### What is Action Planning?

Once a group of actions, known as a strategy option, has been designed and agreed to by the LED planning group, it must be operationalised. It is one thing to get agreement on a broad strategy, quite another to detail it, maintain the commitment and secure the required resources. Action planning is simply a way to clearly establish what must be done, the date by which it will be done, and who will be responsible for doing the work. Action plans need to be “do-able” within the existing limitations of time, budgets, administrative capacity and political resources. Good action planning offers a chance to double check the strategy option to make sure the strategy is practical and can be implemented. Specifying tasks allows for clear budgeting and a realistic appraisal of the work ahead.

### How are Action Plans created?

An action plan contains a description of the specific tasks and activities necessary to implement the chosen strategy option. The key tasks involved in action planning are as follows:

- Task 1.** Clearly understand the tasks and actions involved in the chosen strategy option (Step 6).
- Task 2.** Determine who needs to be involved and specific roles and responsibilities.
- Task 3.** Determine time frames, resources, funding and pre-conditions.
- Task 4.** Identify risks, gaps and weak links in the action plan and how they will be addressed (e.g., actions or tasks in which there is

no clear leader, no funding or other key resources identified, capacity limitations).

**Task 5.** Reconfirm commitments of each partner.

**Task 6.** Agree on a coordination mechanism.

**Task 7.** Agree on a monitoring mechanism (Step 9).

## Strategy Documentation: Preparing the Strategic Plan

The best LED strategic planning document is brief and easy to use. The LED strategic planning document will be unique in content, but will likely contain the same summary information – information derived from the Ten Steps of Planning Excellence process. A typical LED strategic document will contain the following chapters:

---

Chapter 1: Introduction	Background information and document organisation
Chapter 2: Where are we now?	This provides the overview of the stakeholders and the situation. It is an analysis of the local economy's strengths and weaknesses, and the opportunities and threats, as well as the availability of partners and resources for economic development.
Chapter 3: Where do we want to go?	This contains the final vision and objectives that set the strategic direction for the action plan, which is also included.
Chapter 4: How are we going to get there?	This is the strategy and the action plan. It represents priority programmes and projects for implementation. Here is where coordination of funding sources and partnerships/organisations for economic development are highlighted.
Chapter 5: How do we know when we have arrived?	Finally, the LED strategic planning document should describe the process for evaluation and periodic update.

---

## Step 8: Plan Implementation

### Following Through

At this point of the process, a written *Local Economic Development Strategy Document* should have been produced. This document should outline commitment of resources and establish a clear path of action. But *beware!* LED strategies often become derailed here. **Developing the plan is not the end of the process;** it requires good implementation management.

### Institutionalisation and Organisational Development

New ways of thinking about LED and utilising a participatory approach will take time to be understood, accepted and routinely applied. Research indicates that the full impact of implementing a LED will also take time, especially if institutional adaptations and adjustments are required. Developing new organisations or adapting existing ones are two possible ways to institutionalise and sustain the LED effort. For example, LED could be institutionalised by giving an existing staff member responsibility for LED, or by creating a new position within an existing department. Another way is through the establishment of a Local Economic Development Agency (LEDA), composed of public and private institutions, representatives of political and economic spheres, and civil society (see Training Resource Link 6). LEDAs have demonstrated their effectiveness, especially in institutionally poor environments. In institutionally rich environments, some kind of ‘officialised’ LED forum might be more appropriate, ensuring continuity in consultations, dialogue, strategic planning as well as monitoring and evaluation.

### How is institutionalisation done?

The following tasks are useful in considering institutionalisation:

- Task 1:** Strengthen existing institutional structures to improve their effectiveness in planning, management, and coordination among different sectors; only where necessary, create new institutions to accommodate special requirements both technical and managerial – not covered by existing institutions.
- Task 2:** Change or adjust mandates of existing institutions to integrate new functions and roles.
- Task 3:** Identify and task “anchor” institutions to take the lead and provide a home base for LED activities or phases.
- Task 4:** Link to established policy instruments such as annual budgeting, human resource allocation, sectoral work programs, etc.



- Task 5:** Develop skills necessary to support and routinely apply the LED process (information collection, negotiation, facilitation, strategy formulation, action planning, monitoring and evaluation).
- Task 6:** Modify legal and administrative frameworks to enable a procedural framework for smooth and effective functioning of institutions.
- Task 7:** Provide funds to support expenditure and equipment for capacity-building and sustaining the framework, primarily through public budgetary provisions or allocations.
- Task 8:** Maintain knowledge support and a learning process, for example, through documenting and evaluating lessons of experience and building collaboration with local research or consulting establishments.

# Module 4: Have We Arrived?

## Step 9: Monitor and Evaluate

### What is Monitoring and Evaluation?

#### Monitoring is . . .

**Monitoring** means to “observe” or to “check performance”. Monitoring is a continuous process of collecting information using performance measures (or indicators) to gauge the process or project. Monitoring accepts the design of the strategy measuring progress and performance, and identifies successes or failures as early as possible.

#### Evaluation is . . .

**Evaluation** uses the information from monitoring to analyse the process, programmes and projects to determine if there are opportunities for changes to the strategy, programmes and projects. Evaluation, like monitoring, should promote learning. In the implementation stage of a LED strategy, evaluation is used to determine if the actions are meeting the strategic objectives, efficiently, effectively and/or at all.

### Understanding Monitoring and Evaluation

Monitoring and evaluation (M&E) should be considered during each step of the process and not as a specific “add-on” conducted only at the end of the process. For each step of the LED process, objectives and outputs provide opportunities for M&E. These opportunities can also be conducted as participatory actions with expert support. M&E is not conducted to find fault and be critical, possibly having adverse effects on the project. Instead, M&E is a vehicle for accountability; but it is also a management tool for improving the process, programs and projects. M&E should be used to enhance learning and capacity building throughout all steps of the LED, to empower the participants to do a better job, and to help promote implementation partnerships as partners work through the process together. Done on a regular basis, M&E is a proactive management tool that provides timely, reliable and valid information for adjusting and modifying the LED (see Step 10). The M&E process should be a collaborative one with all those involved to promote learning and a better outcome.

### Why Monitor and Evaluate?

By tracking performance, monitoring ensures that limited resources for economic development can be put to “best use” and that negative or unintended impacts can be identified and minimised. Furthermore, effective monitoring and evaluation will sound the alarm when internal and external circumstances in the economic environment have changed, when key opportunities are being missed, or when implementation of a project is no longer effective. Adjustments in action plans, changes in priorities, or a

complete refocusing of strategic objectives can then be made to ensure the economic development plan remains useful over time. Ongoing monitoring and evaluation should result in the gradual evolution and upgrading of the strategic plan, taking the local area closer and closer to its envisioned future.

## How to Monitor and Evaluate Project Implementation

- Task 1:** Prepare the monitoring or evaluation plan and framework: use project objectives and performance measures (Step 5), determine what will be monitored and what information is required and how it will be collected.
- Task 2:** Determine who will be involved.
- Task 3:** Determine when, where, how to monitor and evaluate.
- Task 4:** Determine documentation and reporting protocol.

## Step 10: Adjust and Modify

The monitoring and evaluation process is designed to track performance and identify where and when adjustments in plan implementation at the project level need to be made or where more fundamental changes to the plan vision or objectives might need to occur.

Adjustments and modifications should occur throughout the strategic planning process whenever new information arises or new priorities for direction or action are identified. And, of course, on a regular basis (every 5-10 years), the strategy needs to be completely revisited. At this time, go back to Step One.

## Web Links

UN-HABITAT <a href="http://www.unhabitat.org">www.unhabitat.org</a> EcoPlan International, Inc. <a href="http://www.ecoplanintl.com">www.ecoplanintl.com</a>	IADB (Inter American Development Bank), sustainable development department <a href="http://www.iadb.org/sds/index.htm">www.iadb.org/sds/index.htm</a>
World Bank <a href="http://www.worldbank.org">www.worldbank.org</a>	ICLEI (International Council for Local Environmental Initiatives) <a href="http://www.iclei.org">www.iclei.org</a>
International Labour Organisation (ILO) <a href="http://www.ilo.org">www.ilo.org</a>	IEDC (International Economic Development Council) <a href="http://www.iedconline.org/">www.iedconline.org/</a>
Canadian Urban Institute: <a href="http://www.canurb.com">www.canurb.com</a>	INED (International Network for Economic Developers) <a href="http://www.ined.org">www.ined.org</a>
CIDA (Canadian International Development Agency) <a href="http://www.acdi-cida.gc.ca/index.htm">www.acdi-cida.gc.ca/index.htm</a>	IULA (International Union of Local Authorities; Local Government Associations & Association Capacity Building) <a href="http://www.iula-acb.org/iula-acb/">www.iula-acb.org/iula-acb/</a>
CFED (Corporation for Enterprise Development) <a href="http://www.cfed.org">www.cfed.org</a>	NCCED (National Congress for Community Economic Development) <a href="http://www.iula-acb.org/iula-acb/">http://www.iula-acb.org/iula-acb/</a>
CUED (Council for Urban Economic Development) <a href="http://www.cued.org/">www.cued.org/</a>	OECD (Organisation for Economic Cooperation and Development, Local Economic and Employment Development) <a href="http://www.oecd.org/home/">http://www.oecd.org/home/</a>
Department of Local Government, South Africa <a href="http://www.local.gov.za/DCD/dcdindex.html">www.local.gov.za/DCD/dcdindex.html</a>	KPEL (Partnership on Local Economic Development) <a href="http://www.parul-led.or.id/introduction">http://www.parul-led.or.id/introduction</a>
DFID (Department for International Development) <a href="http://www.dfid.gov.uk/">http://www.dfid.gov.uk/</a>	UNIDO (United Nations Industrial Development Organisation) <a href="http://www.unido.org/">www.unido.org/</a>
EDAC (The Economic Developers Association of Canada) <a href="http://www.dfid.gov.uk/">http://www.dfid.gov.uk/</a>	USAID (United States Agency for International Development) <a href="http://www.usaid.gov">www.usaid.gov</a>
EPA (Environmental Protection Agency), economics topic page <a href="http://www.epa.gov/ebtpages/economics.html">http://www.epa.gov/ebtpages/economics.html</a>	
ESRC: Cities Programme <a href="http://cwis.livjm.ac.uk/cities/fs_overview.htm">http://cwis.livjm.ac.uk/cities/fs_overview.htm</a>	
EURADA (European Association of Development Agencies) <a href="http://www.eurada.org/">http://www.eurada.org/</a>	
HUD (Housing and Urban Development), Office of Economic Development, Community Planning and Development <a href="http://www.hud.gov/offices/cpd/">www.hud.gov/offices/cpd/</a>	

Without strong local institutions and motivated staff, decentralization and human settlements reform will not deliver the desired development outcomes. Yet, many local authorities and civil society organisations lack the human resources required to meet urgent needs. Training and capacity building is therefore a wise investment into the future sustainability of our cities. The Training and Capacity Building Branch (TCBB) of UN-HABITAT supports national training institutions to build their capacity to implement innovative programmes, focusing on local governance and sustainable human settlements development. Typical activities include training needs assessment, development of manuals, training of trainers, and impact evaluation. TCBB products have been successfully adapted and translated into over 20 languages.

This Quick Guide is a snapshot overview of the Local Economic Development (LED) Series which focuses on promoting local economic development through strategic planning. The series is comprised of four volumes; Volume 1 – Quick Guide, Volume 2 - Manual, Volume 3 - Toolkit and, Volume 4 - Action Guide. The Quick Guide contains summarised information and resources prepared for busy executives or those not intimately involved with planning for local economic development. It is also handy tool for facilitators when approaching and communicating with busy city mayors and business leaders whose support for a strategic planning process is critical. The LED series is a resource for local governments, businesses and civil society organizations, prepared to initiate and implement LED interventions through a locally owned and driven strategic planning process.

ISBN 92-1-131721-5

HS/738/05E

Promoting Local Economic Development Strategic Planning —

Volume 1: Quick Guide

92-1-131726-6 (Series)

**United Nations Human Settlements**  
Programme (UN-HABITAT)  
P.O. Box 30030 GPO 00100  
Nairobi, Kenya  
Fax: (254-20) 623092 (TCBB Office)  
E-mail: [tcbb@unhabitat.org](mailto:tcbb@unhabitat.org)  
Web site: [www.unhabitat.org](http://www.unhabitat.org)

**EcoPlan International Inc.**  
131 Water Street, #208  
Vancouver, BC Canada V6B 4M3  
Fax: 604-228-1892  
Email: [epi@ecoplanintl.com](mailto:epi@ecoplanintl.com)  
Web site: [www.ecoplanintl.com](http://www.ecoplanintl.com)