



**International Link and Services for  
Local Economic Development Agencies**

*for a fair, human, sustainable and inclusive development*

# **The Local Economic Development approach: potentialities and limits of ART Initiative through the analysis of study cases**

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## **1. LEDAs and ILS-LEDA**

### **1.1 Background**

The ART Initiative (Articulation of Territorial and Thematic Networks of Cooperation for Human Development) is a global initiative championed by UNDP. It supports and promotes the implementation of an operational, administrative and programming framework to facilitate the articulation between the different international cooperation actors interested in supporting national human development processes. ART Framework Programmes at country level are characterised by five key features: (i) promoting the alignment of international cooperation with national/local priorities and development plans; (ii) implementing, planning and coordinating processes for aid effectiveness at the local level; (iii) promoting innovation, capacity development, best practices and knowledge-sharing via South-South, South-North and North-South partnerships; (iv) promoting local economic development within the Framework Programmes; and (v) mobilising partnerships with decentralised cooperation actors and networks, in line with national/local priorities. The main objective of the ART Initiative is to enhance the capacity of national and local institutions and actors working in a complementary way at the local level for the achievement of the MDGs and sustainable human development.

UNDP ART Programs (AP) support national and local administrations, together with the other actors at territorial level, for sharing strategies, objectives and implementation tools aimed at pursuing sustainable and economic goals, through combining competitiveness, social equity and environmental protection, and addressing the Millennium Development Goals.

The specific added values of the APs consist of:

- a) the pro-active action for ensuring coherence between local strategies and national policies, through shared territorial development plans and priorities;
- b) adding value to local economic potentials, as the main resource for development, possibly through value chains of micro and small businesses;
- c) the systematic inclusion of the most vulnerable people in the formal/informal socio-economic circuit;
- d) the establishment of Local Economic Development Agencies (LEDAs), as participatory territorial instrument to support development processes, through systematic services provided both to population and local administrations;
- e) the facilitation of partnerships (South-South, and South-North), involving LEDAs and other local actors with similar entities at international level, aimed at promoting and disseminating innovative experiences for local economic development.

The paper provides evidence of the achieved results and encountered critical findings within the ART experience, with specific reference to 2 cases: Dominican Republic, which reports about the process for establishing a LEDA for human development, and Albania, which highlights the evolution of a typical LEDA, created in the framework of United Nations Programs.

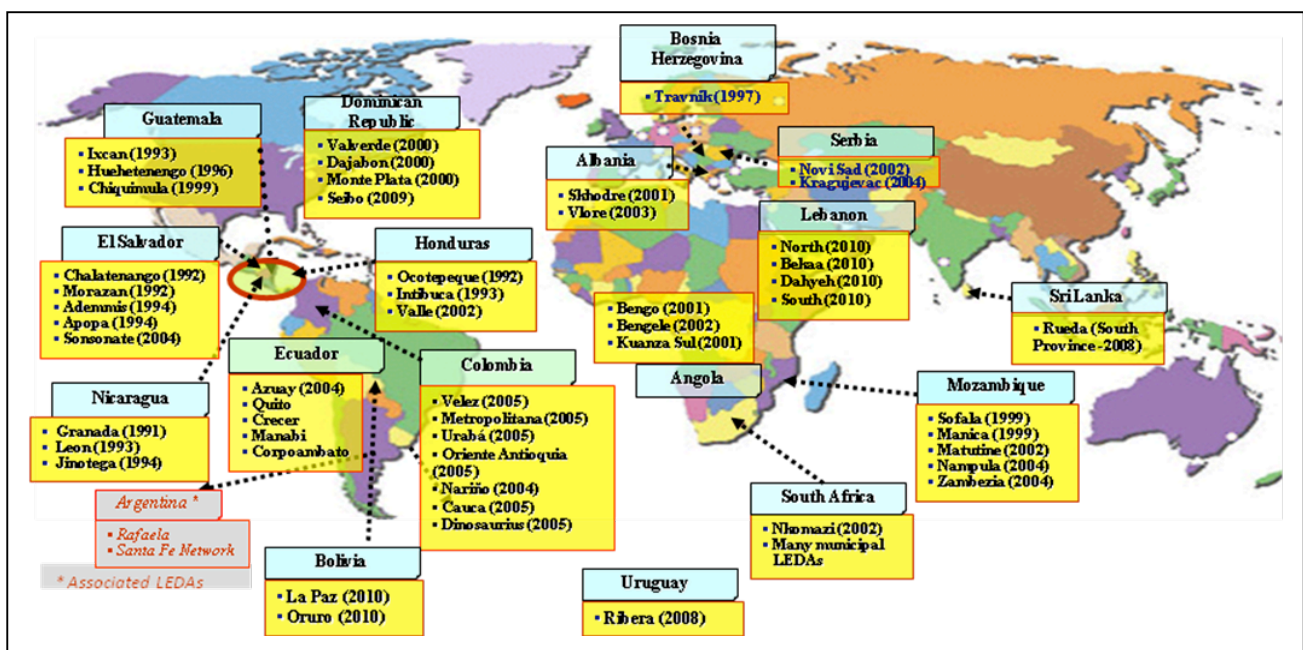
### **1.2 Local Economic Development Agencies: common features in the two cases**

The Local Economic Development Agencies (LEDA) are no profit local public-private structures promoted by the United Nations, through various development cooperation programs for human development since 1992, with the aim of supporting local development processes and strategies through self sustainable patterns.

The LEDAs generally provide services for planning and project development, business development (including financial support, through guarantee funds), human development (including social inclusion), and territorial marketing.

LEDAs, in fact, involve *Governance components* (public-private partnerships, local-national linkage); *Strategic components* (coordination between planning and implementation); *Human Development* (social inclusion, tools for supporting vulnerable groups, centre-periphery relation, environment protection); *territorial promotion components* (project management and international marketing); *provision of services* (technical assistance, vocational training, marketing and micro-finance).

So far 63 LEDAs are operating in 17 developing and transition countries in Latin America, Africa, Eastern Europe and Asia, being part of ILS-LEDA network<sup>1</sup>. Out of the 65, 41 are located in areas where UNDP ART programme is present. Each of them has a membership averaging 60 entities at the local level (local administrations, communities, associations, NGO's, academies, etc.).



A vast literature (AAVV, 2001; Alburquerque F., Costamagna P., Ferraro C., 2008; Boisier S.-Canzanelli G., 2010, BID, 2008; Canzanelli G., 2001, 2007, 2010-1, 2010-2; Eurada, 2005; Formez, 1994 and 2003; Garofoli G., 2009; Ideass, 2008; OECD, 2010; Vazquez-Barquero A., 2010;) gives reference about mission, objectives, role, activities and management of the local development agencies, as they for the first time appeared in Europe in the late 60's and then started operating within the framework of the international cooperation (Canzanelli, 2010-3) at the beginning of 90's.

<sup>1</sup> Albania (2), Argentina (4), Bolivia (2), Bosnia Herzegovina (1), Colombia (11), Dominican Republic (4), Ecuador (8), El Salvador (3), Guatemala (4), Honduras (3), Lebanon (4), Mozambique (4), Nicaragua (3), Serbia (2), South Africa (2), Sri Lanka (1), Uruguay (3)

OECD (OECD, 2010) define the LEDAs as "legal, non-profit structures, generally owned by the public and private entities of the territory" which act as a mechanism through which "local actors plan and activate, in a shared way, initiatives for territorial economic development; identify the most convenient instruments for their design and implementation; and enhance a coherent system for their technical and financial support"

LEDAs enable local actors and organized citizenship to actively participate in the decision making related to development in their territory: membership includes local democratically elected authorities, public and private actors and DCSOs. The 63 LEDAs which at present integrate ILS-LEDA network represent 39 million people through more than 8,500 member institutions, participating into all decision making processes.

LEDAs have proven being an effective tool for harmonizing national economic policies and the ones related to fighting poverty and social exclusion. National governments like the ones of Mozambique, Colombia, Uruguay and Dominican Republic have acknowledged the positive impact as well as the experiences and knowledge generated, and have decided to promote and stir up their dissemination throughout the country.

LEDAs channel resources coming from external institutions for implementing projects related to territorial development. It is esteemed that an average LEDA attracts projects implementation period of 3 years, benefiting directly and indirectly at least 12% of the territory's population. In a globalised world they can link local potentialities and control for addressing global problems such as poverty, environment, scarcity of resources (Boisier, Canzanelli, 2008)

The LEDAs created through the support of ART programmes, and in general the United Nations, are all self-sustainable. Only 6 of all LEDAs established since 1992 closed after the cooperation program ended, whether the other ones not only are fully operational based of their own resources, but in many cases grew a lot, multiplying their capacities and portfolio of services.

They represent a case where aid effectiveness and efficiency has great evidence because:

1. **Ownership** handover is maximized on timing (it is quicker) and quality (it is sustainable), due to the collective shared responsibilities assumed by the local actors in responding to their own needs for sustainable medium-long term development, and to the self-sustainable pattern on which the LEDA have been designed.
2. Quantitative and qualitative **impact** are maximized in terms of employment, social inclusion, enterprises development, strategic plans' design and implementation, human capital improvement, and many other secondary indicators, such as innovation, finance channeling, international networking, impact on national policies, etc. This, in fact, should be measured by the multy year spread effect, that goes much beyond the period of direct external support, due to the LEDA long life (the first ones established in 1992 in Central America are still operating after 20 years). According to the experience, a LEDA supports an average of 30 micro and small enterprise per year, and creates an average of 150-250 permanent jobs per year. Moreover the significant result relies on the stability of these jobs, due to a carefully planned selection of the enterprises to be supported, specifically those responding to the goals identified in the shared strategic planning, and to the value chain approach. Similar figures may be applied to the number of the improved enterprises, of the people upgraded capacities, of the implemented plans and projects, etc.
3. The **contribution/results relation** is also maximized (aid efficiency). If one considers an investment of approximately 700,000 USD is needed for establishing a LEDA in a territory with an average population of 300,000-800,000 people, and that the quasi-certain life is not less

than 15 years (pessimistic forecast), this ratio result of  $700,000/150*15=311$  USD per job!, just to mention one of the main performance indicators

4. **Dependence** from aid is reduced, or at least qualitatively improved. In the majority of the cases the LEDA replaced the role of the international technical assistance in supporting development processes, initiatives, and projects. Nevertheless there are various examples where international cooperation made use of a LEDA's presence in a given area for channeling additional interventions. In these cases there were two advantages: a *cost advantage*, because of the presence of a reliable and capable local structure for the project execution (efficiency increase), and a *impact advantage*, because it could orientate the intervention towards complementarities or high quality support for a more comprehensive development (effectiveness maximization), such as abating extreme poverty, environmental issues, innovation, food quality and consumption, etc.

The pre-conditions applied by the international development programs that allowed these results are:

- the quality of the LEDA design, flexible enough in adapting itself to the specificities of the local context and avoiding the easy and ruinous temptation of applying a same model everywhere,
- the achievement of a higher awareness and willingness by local actors in assuming the leadership of the process,
- the appropriate selection of priorities in terms of tasks and services,
- the elaboration and implementation of LEDA's strategic and financial multi-year plan, that sets up the conditions for its feasibility,
- the appropriate plan of technical assistance and capacity building, as well as start-up follow-up.

The process for establishing a LEDA is in all cases a large participatory path, where the local public and private actors are brought together first for defining their full commitment and leadership of the process itself, and then for defining the design components (vision, mission, objectives, legal framework, organization, services, operations, financial assets).

The case of Dominican Republic illustrates this process in details.

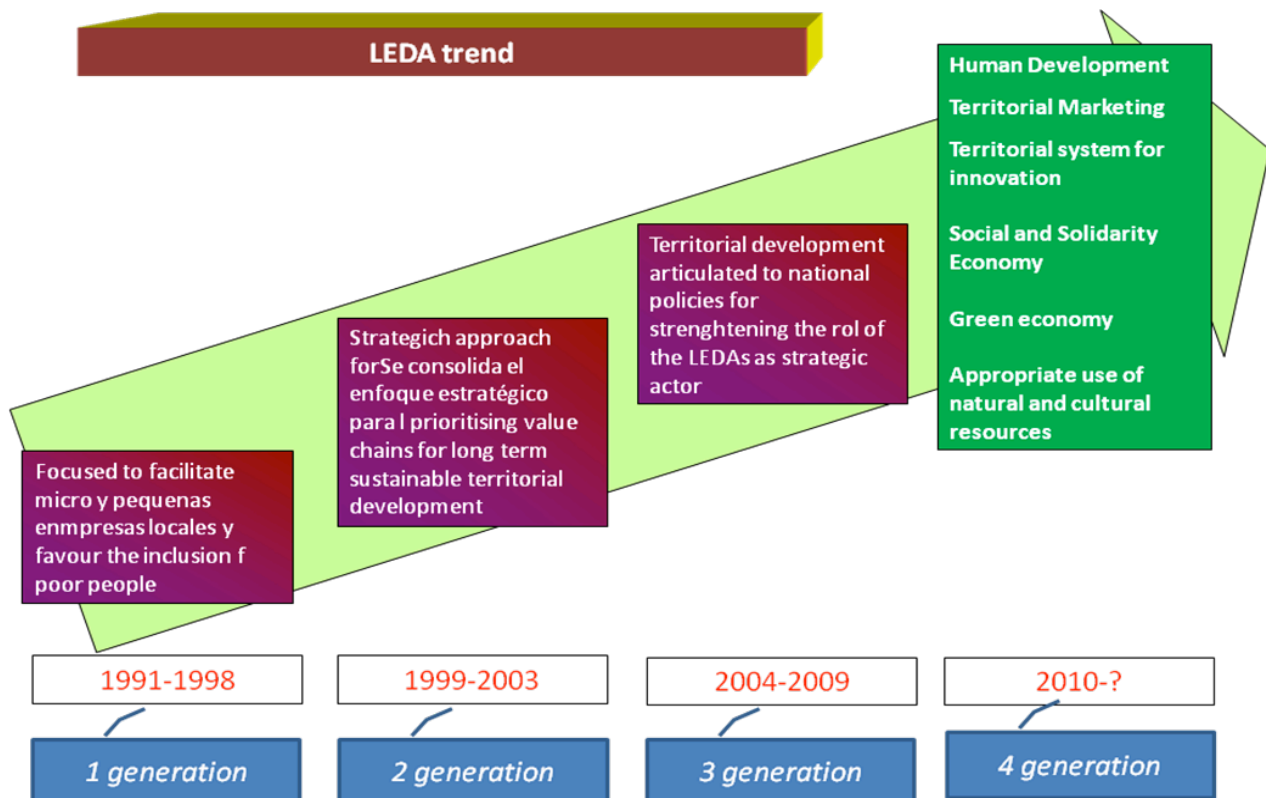
### **1.3 LEDAs and Human Development**

LEDAs operating in the framework of UNDP ART country programmes have the specificity of working for human development.

A recent ILS LEDA survey on 30 LEDAs (V. Milio, 2010) performance with regard to Human Development found that the LEDAs contributed to:

1. Reduce poverty and marginality.
2. Empower capacities of local actors in planning and actions.
3. Combine social and economic development for improving the population living conditions.
4. Protect the environment.
5. Empower women capacities in participating to the economic development.

It is important to underline the LEDAs established in the framework of the United Nations programs showed a significant evolution during four phases, the last one of them is the most challenging, as the following picture shows (G. Canzanelli, 2010-1):

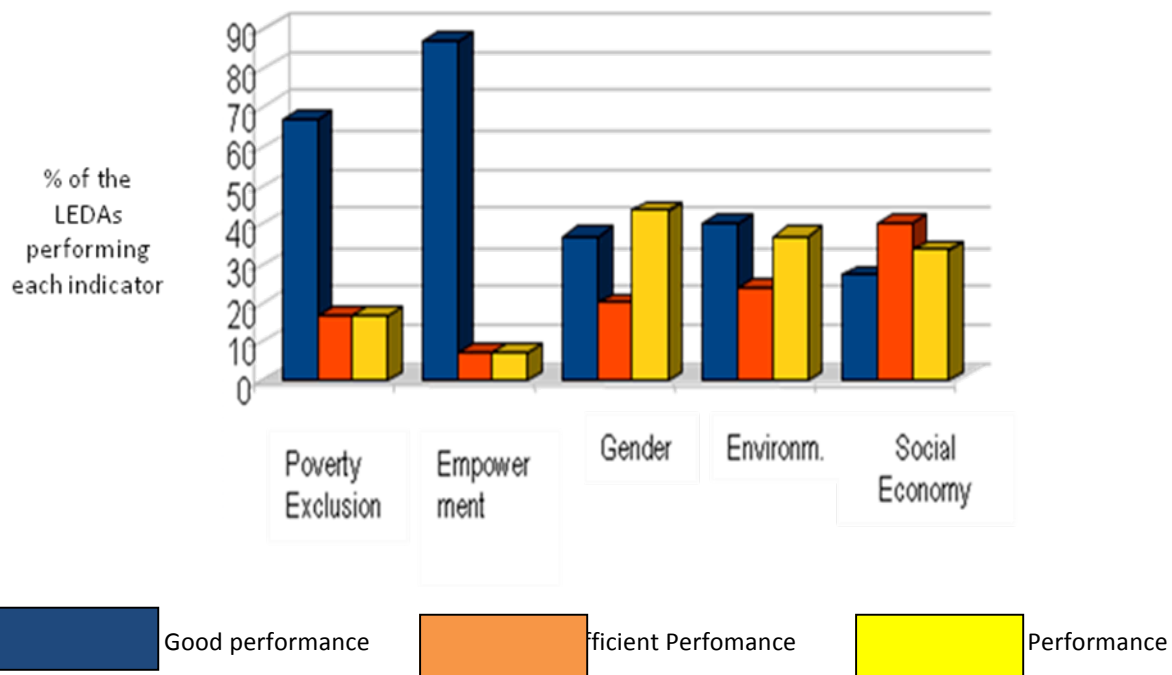


ILS LEDA research on the LEDAs contribution to human development, highlights how they have represented and continue to represent an important instrument for implementation of actions for human development, dealing differently with the various issues analyzed.

The research analyzed five major components of human development: poverty and social exclusion reduction; building capabilities of the local people and stakeholders in planning and implementation; empowering the capabilities of women in participation to economic development; environmental protection; and the promotion of social economy. Thirty Ledas were taken into consideration.

The study put in evidence (see chart) how high is the commitment of most LEDAs towards reducing poverty and marginalization and towards the empowerment of capacities of local people and stakeholders in local development planning. Moderates may be considered the efforts of LEDA in relation to issues of environmental protection and the social economy as insufficient effort in empowering the capabilities of women's participation in the economic development of their territories, although recent innovative experiments have been developed in Central America.

Moreover, the younger LEDAs have performed better on all the components in general weaker, showing a trend towards an adaptation to current needs (environment, gender, socialization of the economy).



## 2. The case of Dominican Republic: building and legitimizing a LEDA

The LEDAs are developing an important empowerment process in the Dominican Republic. They are located in different provinces: Dajabón, Valverde, Bahoruco and Monteplata, regions where there are difficulties related to the economic, social and political structures and where there are low levels of generation of individual and collective human capacities.

In December 2007, under the PADELMI Program, a process was initiated to increase awareness of local actors for creating a LEDA in the Province of Seibo, considering a priority to strengthen the capacities of public, private and social actors to generate economic development, create more opportunities for income and decent sustainable employment through structures that allow to value local economy, reduce poverty, start-up changes towards a competitive and sustainable production and social equity.

Seibo province has a population of 79.091 people and a superficie of 1786.80 km <sup>2</sup>.



A UNDP report in June 2007 stated that the province had substantial differences in the economic dynamics of the heights area (which focuses on the capital Santa Cruz Seibo) and plain area (which focuses on Miches) with livestock and agriculture in the first case and tourism, fishing, and crafts in the second. Trade occurs mainly with the province of Hato Mayor in the case of Santa Cruz, and with coastal areas of the bay of Samana in the case of Miches.

Furthermore, the same report notes that there is little ability to common work between the two municipalities, which, on the contrary, often have conflicting elements between them.

A series of activities took place in both locations, including visits to local actors, meetings and conceptualization workshops, for stimulating common vision and activities. Two workshops were developed on Local Economic Development conceptualization, two meetings to build up and share the methodology and road map for the creation of the Agency, and more than fifteen visits and meetings with local stakeholders in the two cities, to analyze weaknesses, opportunities and potential synergies of the territory.

During this process, more than 30 institutions and 300 people were involved.

The collective awareness-animation work continued with the formation of an advocacy group, consisting of a set of public and private institutions in the province, including the two municipalities of the province (Santa Cruz del Seibo and Miches), Provincial Governor, Office the First Lady, producers/promoters association (livestock-breeders, cocoa growers, ecotourism associations, Federation of farmers, etc.). These institutions had in the beginning very punctual objectives: the assessment of supply and demand of services for local economic development in the province, the identification of the main economic activities and the analysis of endogenous potential.

A visit was also paid to analyze the status of Local Economic Development Agencies located in the other Dominican provinces of Dajabón, Valverde, Monteplata and Bahoruco, in order to have a reference about their status, as its statutory objectives, its territorial , organization and management, participation and sustainability.



The idea was that people of the province understand that only they, if gathering a critical mass of resources for development and governance, could organize and promote their own development from the local level, overcoming many even mental barriers that limit collective action, while potentiating strengths in terms of achieving wellness and improving quality of life for the population.

In this search for a useful mechanism, a crucial importance was taken by the attention to institutional aspects that started from this embryonic feeling for development and the need to build skills and capacity for self-sustained development (Ferranini, 2010).

The conclusion of this process was that there was a difference in perceptions of the people of Miches and people of the capital, and even a latent conflict between them. People from Miches in particular was in a situation of great disappointment because of the fact that a United Nations program heralded as important to address several needs of place-priority schools, roads and agriculture, had failed to achieve concrete results and the community did not see its expectations met.

However the people from Miches were already sensitized on the fact that it was important to join forces and had formed the Federation of Micheans Institutions, built to unify the community groups present in Miches territory, including representatives of churches, clubs, housewives, neighborhood associations, unions, builders, drivers, firefighters, and others.

In relation to the possibility of creating a Local Economic Development Agency, the Federation represented an essential reference with great potential for bringing together groups that support local economic development initiatives.

However, in Miches people thought that the LEDA should be located in Miches ("We are tired of being the product offered", "the true potential of the province of Seibo is Miches and this justifies the creation of an office in Miches").

Miches people had always suffered from one side the dependence from the provincial capital, on the other the lack of support from the provincial government and felt abandoned, and therefore did not see it positive a plan which would unify the two municipalities (fear for the stronger). In the capital Santa Cruz del Seibo, meetings were held with many stakeholders. In this case the situation was different from the case of Miches, because of the existence of already established activities like: livestock, cocoa and fruit production, tourism, small industries. Producers' associations already represented the interests of various sectors, and there was a very active Mayor and several Foundations for the city development.

But people in the capital also did not see positive the idea of integrating with Miches, which was considered a too depressed area in need for an investment/impact rate too high compared to the capital.

So, the ART program worked very hard to promote the integration of Miches and Santa Cruz de El Seibo, to avoid an internal conflict in the same province and favoring this integration to capitalise on a critical mass of resources to improve the competitive potential of the territory around a strategy that linked agricultural value chains (milk, cocoa) to tourism.

The integration was achieved mainly through meetings, forums, workshops that led to the dialogue between productive and social groups in the two municipalities, and working together to view how shared objectives and shared development strategies could benefit the people of the two municipalities better than separated strategies.

It was possible to visualize the elements of common interest as well as a strategy for tourism development, infrastructure implementation, energy production and supply, employment, innovation, marketing, also related to markets of potential common interest, starting with the market linked to tourism in the Eastern region.

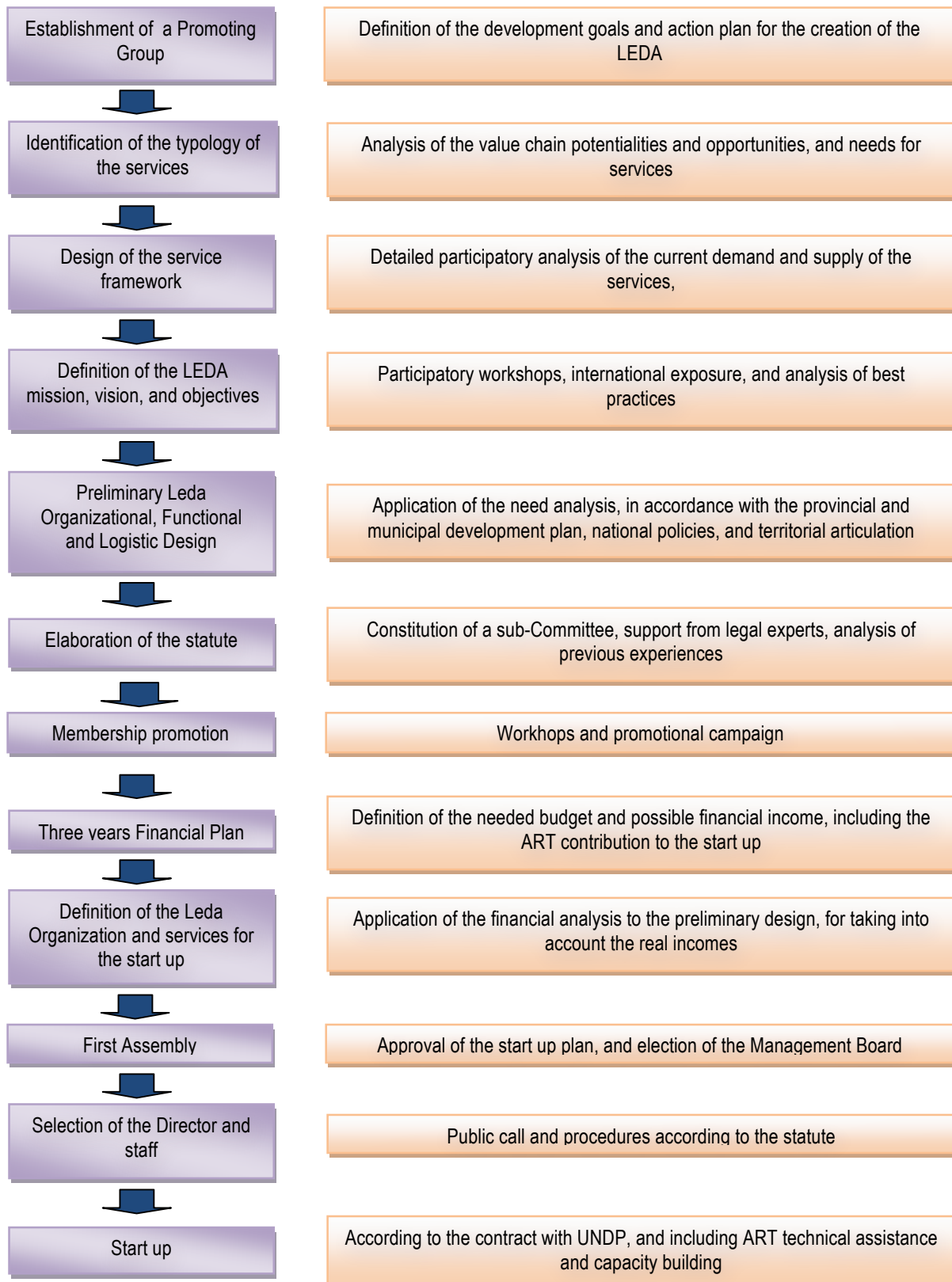
In this process, the community of the Borough of Pedro Sanchez, located between El Seibo and Miches, has made a major contribution to this interaction, especially in the areas of tourism, through CIELO (Committee for Local Initiatives on Ecotourism) made up by a significant base of small social and productive organizations, which has managed to bring together actors from other municipalities. It was then also important to achieve immediate results through this interaction during the LEDA creation process.

These results included the inclusion of a representative of the community organization for tourism in Miches, CONATURA, as well as the positive response from the Office of Management and Development, DGODT, at the request of the Municipality of Miches for technical assistance in designing its land use plan.

The process for the LEDA's constitution took place, eventually, through the following stages (see chart below):

1. Formation of the local economic development promoting group.
2. Identification of typology of services to be rendered by the entity.
3. Design Services Framework.
4. Defining the vision, mission and objectives of the LEDA.
5. Preliminary organizational, logistical and functional design.
6. Preliminary elaboration of the statute.
7. Promotion of membership among institutions and others stakeholders.
8. Preparation of the Financial Plan.
9. Defining the organization, functions, and technical team.
10. Call the General Assembly and election of members of the LEDA Board.
11. Preparation of start-up plan, including procedures for selection and recruitment.
12. Operations start-up: services delivery. Project formulation and development.

## THE LEDA CREATION CYCLE IN THE PROVINCE OF SEIBO



El SEIBO LEDA was legally established in 2008

Name	ADET EL SEIBO (DOMINICAN REPUBLIC)
Mission	The Agency is a space where territorial association is promoted as well as collective management among people representing local institutions, who also have the capacity to influence changes in quality of life in the territory, able to promote local services (business, public and social), where the common interests emerge rather than the individual, where institutional positions are respected, but territorial interests prevail. It is a structure that provides integrated services for social and economic development, which facilitates answers to the demands of local actors for sustainable development and it is a link between national policies and local opportunities and demands.
Members	15 member institutions. 80% from private and social sector, 20% from public sector.
Objectives	The management and promotion of local economic development in the Province of Seibo. Pursue initiatives and projects to generate jobs and income for local population from the exploitation of endogenous potential and the implementation of regional value chains defined as priority the territory (milk, cocoa and tourism) in an associative, participatory, representative and inclusive way, within the framework of democratic economy, regional development and human development.
Services	Services (technical assistance and social development promotion) focus on value chains, especially for micro and small businesses, youth, women and socially marginalized groups.
Operational Structure	The Technical Director, in charge of management, project management and marketing planning; An administrator/accounting specialist, responsible for operational management of the Investment Fund, supported by the LEDA's financial management committee; one Project Management and Planning expert, responsible for Planning and Project Formulation, one Economic Development Manager, responsible for business promotion, associations and entrepreneurship, one manager and social animator, responsible for social promotion and the technical unit for Territorial Development. Roles and responsibilities of these personnel are defined in the LEDA's Manual of Functions and Processes, endorsed by the LEDA Board.
Income	LEDAs, for their operations are based on an annual budget whose resources come from fixed quotas as well as special contributions for activities and projects, donations from members, individuals or legal entities, institutions and national and international organizations (whether public or private), Revenue Management, Project Contributions from Local Governments or the Central Government, the payments for the provision of services, and the revenues from the Investment Fund.
Sustainability	<p>ADEL incorporated into the National Planning System as a tool for implementing the Regional Development Councils actions for development.</p> <p>This implies the LEDAs is identified as executor of public programs and projects, providing significant financial income</p> <p>Another source of income is the contribution of the members</p> <p>The start-up resources were assured by the ART GOLD Program</p>

In a case like the present, with significant integration problems in a given territory due to the aforementioned geo-sociological and economic fracture among different areas, and also due to a lack of cultural history and common identity, the positive elements that have played in possibility of solving the problem of disintegration/fragmentation can be summarised as follows:

- 1) an external stimulus related mainly to the necessary process to envision a concrete goal, as represented by the UNDP ART Programme;
- 2) a group of local leaders and institutions were Federation of Miches on one side and the municipality of Santa Cruz and the community of the Borough of Pedro Sanchez on the other;
- 3) the necessity to find solutions to obtain an increased bargaining power vis-a-vis the Central Government and international cooperation;
- 4) A shared strategy achieved, which has embarked on “reading” the territorial potential, the identification of regional value chains, identifying business development services needed to build a structured offer in the territory for economic reactivation. This was completed with the organization of a structure to integrate and offer services with the aim of activating the local economy;
- 5) the effort for strengthening the territorial association, consequently, based on building trust between different players in the area;

## **2.1 Results**

The results of this process can be summarized as it follows:

1. LEDA incorporated into the National Planning System as a tool for implementing the Regional Development Councils and recognized by the government as an instrument of support to entrepreneurs, population, and Local Governments.
2. The creation by the LEDA of 10 new socio-economic organizations, generating about 40 direct jobs and around 200 indirect jobs.
3. The momentum that has been promoted by the LEDA for fostering territorial planning in the Province.
4. The human development approach in which people and institutions imagine their own development and that has materialized in the Statute and the plans of the same LEDA
5. About 10 project profiles elaborated and investment funds mobilized.
6. Specific planning focused on social inclusion of vulnerable groups has been incorporated into the LEDA plans:

## **2.2 The cycle of social inclusion in the Dominican Republic: Social Animation for incorporating the circuit of regional economic development**

One of the main elements characterizing the human development approach of the LEDA of Seibo is the attention to the most poor and marginal people.

A specific social development plan and inclusion cycle was designed and implemented.

It is aimed at including the disadvantaged groups (unmarried women, unemployed youth, migrants, displaced people with vulnerabilities, etc..) in the economic circuit, and it was built through a three-stage process, which has the objective of facilitating the creation of micro and small enterprises and cooperatives, formed by or inclusive towards specific vulnerable groups.

Phase 1: stimulating demand for business creation

Phase 2: training on the business idea and plan elaboration

Phase 3: start-up and technical assistance

During the first phase the following activities were developed:

- i) identification of the target population segment (sectorial, territorial).
- ii) Dissemination of information in the form of booklets, brochures, news websites, radio, etc. reporting on the launch of the program and its features to attract people and prepare them for the subsequent call.
- iii) Promoting inclusion programme, through massive calls (one or more), which illustrates the program, its goals and tools and motivates people to get involved. At the end of each call, names of interested persons are collected.

During the second phase the following activities were developed:

- iv) Training workshops on basic start-up for enterprises and entrepreneurships, in order to teach the participants what is a formal company, its benefits, but also the risks and the necessary commitment and performance levels, plus minimum basic concepts on entrepreneurship, related to the market and customers, management and accounting. The course objective was also to select among the participants those who wish to pursue "entrepreneurial spirit" and those who rather have no aptitude or interest, but should be oriented toward other forms of employment.
- v) The following activity is technical assistance for developing the idea and related business plan. It is worked individually or in groups of people who are interested in the same category (agro-food, gardening, fruit growing, fishing, livestock, garments, shoes, traditional crafts, etc.) to identify a business idea that can be profitable. Then technical assistance is started to develop the business plan, which is validated if it is viable.

During the third phase, training support as well as technical and financial, is provided for the business concrete start-up:

vi) A group training is held in order to reinforce entrepreneurs' capacities.

vii) Access to credit is facilitated, according to the existing opportunities.

viii) The following and last activity relies on technical assistance to the business start-up, through periodical technical visits or when required by the new entrepreneur.

### **3. The case of the LEDAs in Albania: LEDAs in progress**

Two LEDAS exist in Albania: Teuleda, the development agency of the Shkodra region, and Auleda, the development agency of the Vlora region, and they were established in 2002, in the framework of the UN PASARP international cooperation programme.

Concerning the aim of the current paper, it is significant to underline the evolution of these LEDAs since they were created up to date, as they are supported at present by the ART GOLD Albania programme, for upgrading their role towards being instruments of regional development policies.

At the beginning they mainly have been supporting small local enterprises, with the main objective of helping the most disadvantaged people of the regions in accessing to the economic circuit.

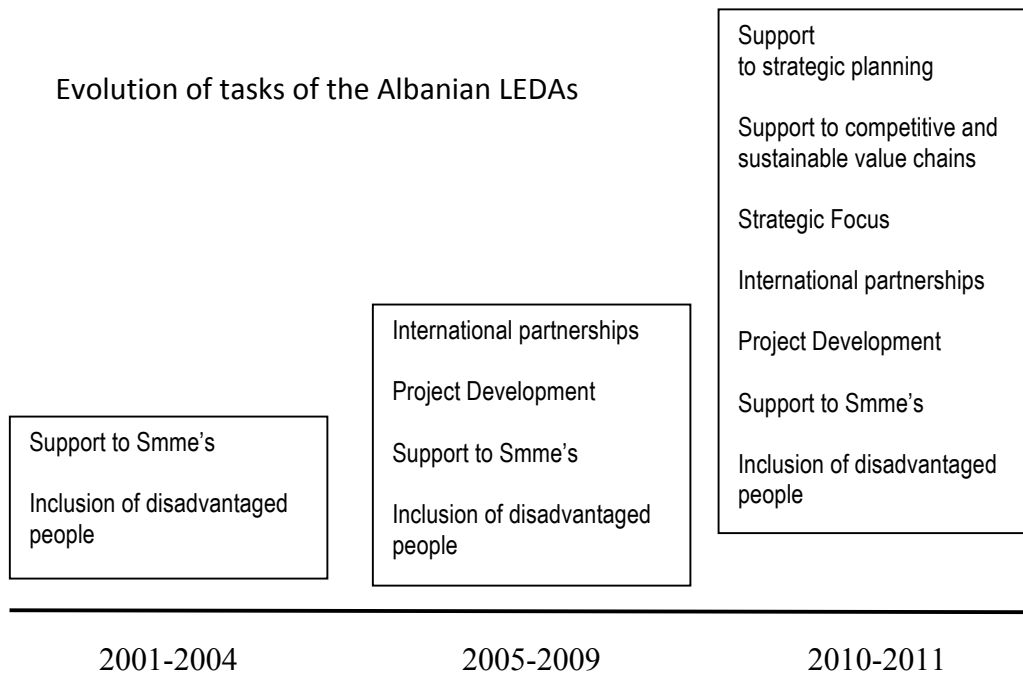
For this purpose, they have been using a specific financial tool, a Guarantee Fund, initially established through an agreement between the UN Pasarp Programme and a selected Bank, for allowing providing collateral leverage and providing the loans.

Their capacities grew in a significant manner and became reference in the region for partnerships projects also with foreign partners, mainly Italian ones. Many projects have been carried on, contributing to improve the regional economic environment, and supporting the growth of the LEDAs.

Various instruments were also made available to the entrepreneurs and population, such as guides for orientating the business ideas, technical assistance and capacity building mainly to the most disadvantaged people, digital catalogues of typical local products, support for projects development etc.

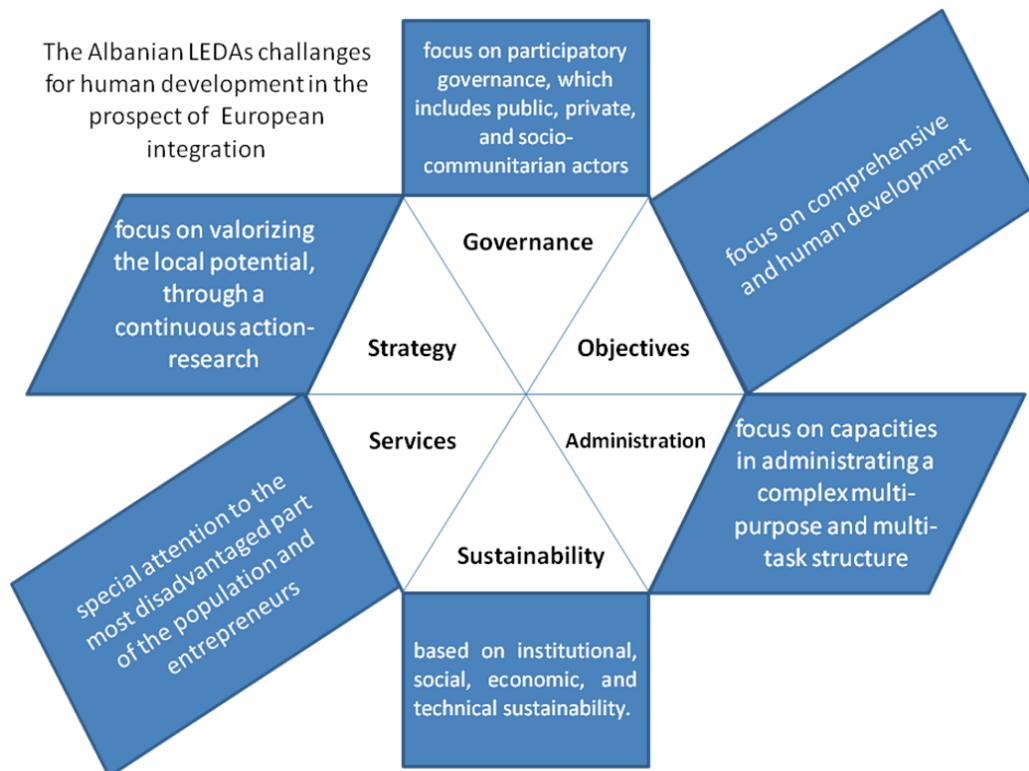
Since 2008 a new political phase started in Albania, related to the pre-candidature for accessing the EU; as a consequence, new decentralization approaches, based on regional development, are under discussion. New tasks are therefore foreseen for the LEDAs, mainly related to strengthening their role in implementing regional development strategies and public policies.

Hence, LEDAs strengthened the relationship with the new administrative environment (regions and municipalities), including them as members, and prepared themselves to play a prime role for regional development (G. Canzanelli 2011).



The new roles can be summarized in the following topics (see the previous chart)

- a) supporting regional planning
- b) focusing on competitive and sustainable value chains
- c) in the framework of these value chains support farmers, micro and small entrepreneurs, and disadvantaged-vulnerable groups for their sustainable inclusion in the economic circuit.





Name	<b>AULEDA (ALBANIA)</b>
Mission	AULEDA is a non party, autonomous, and non-profit association, that provides services and designs and implements initiatives and projects for economic, social, cultural, and environmental development of the Vlora Region, aimed at spreading a culture of integration and the strengthening of resources, skills and competences present in the Region, according to human development principles, and to the Regional and Municipal strategic plans, as well as the national policies
Members	Prefecture, Regional government, Private Associations, 4 Municipalities, 1 Research Institute, 8 Communes, 1 University, 1 Chamber of Commerce and Industry, 3 Government Directorates (ministries delegations in the territory)
Objectives	<p>To strengthen and stimulate the local systems development in relation to governmental institutions and public organizations, as well as with economic, political, and social associations at the regional, national, EU and international level;</p> <p>To contribute in building and strengthening scenarios and strategies for socio-economic planning at the local level, also in connection to networks at the national, European and international level;</p> <p>To provide special attention to social and cultural areas and social groups affected by the phenomena of delay and slowdown, with the aim of including them in the social and economic development;</p> <p>To foster a culture of local development, through awareness of the institutional bodies, capacity building for local authorities and technical staff, as well as direct communication to the public both in Albania and in the rest of the world;</p> <p>To provide services and set up initiatives and projects benefiting the regional population, local administrations and CSOs for improving their capacities and performance;</p>
Services	LED strategy and planning; Economic Animation; Technical and financial assistance to entrepreneurs; Internazionalization; Contacts establishment and development; territorial marketing; project financing.
Operative Structure	1 Director, 1 economic development expert, 1 PCM specialist, 1 admin and finance.
Income	Proceeding from managing the credit mechanism (Guarantee Fund interests, loans interests), as well as projects and contracts s UNDP and Italian Cooperation)
Sustainability	Financial sustainability is ensured through the aforementioned income. Technical sustainability is also ensured by staff training through the link with ILS-LEDA; social sustainability is ensured via the continuous improvement and reinforcement of relations among local actors and with the national government.

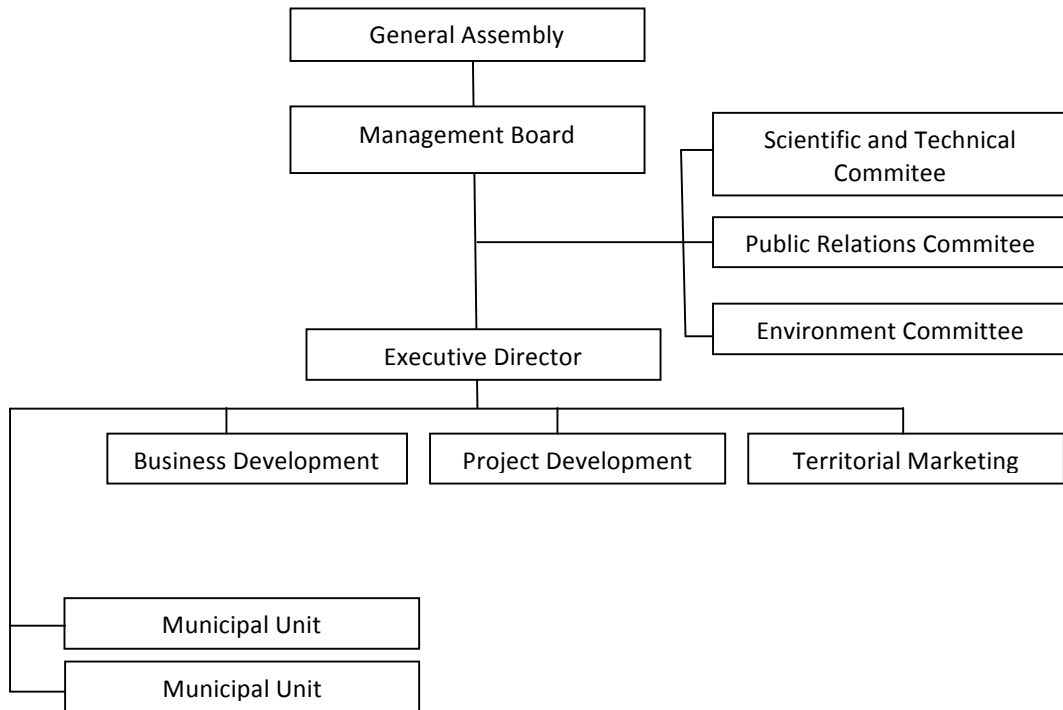
Name	TEULEDA (ALBANIA)
Mission	TEULEDA is a non-profit organization. Its goal is to contribute, according to the capacities of other institutions and in coordination with them, to the definition and implementation of the objectives for local economic development in the region of Shkodra. Teuleda focuses its activities on improved exploitation of local resources, and the inclusion of the marginalized population and deprived areas in the formal economic circuit.
Members	Shkodra prefecture, Shkodra Region, Shkodra University, 3 municipalities, Shkodra Labour office, Chamber of Commerce, Business Incubator, Regional Department for Foods and Agriculture, Albanian Foundation for Training and Development
Objectives	The identification, analysis and implementation of initiatives that foster the development of economic activities and create employment opportunities within a framework that combines poverty reduction and promote integrated and sustainable territorial development.
Sevices	LED strategy and planning, business promotion; Technical and financial support to businesses; Internationalization, Networking, Territorial marketing; Project financing;
Operative Structure	The team includes a Manager, a technician for the productive sector, a project cycle management expert and an administrator
Income	Derived from the management of credit facility (interest of the guarantee fund, interest on loans), the management of projects and contracts (UNDP, Italian Cooperation)
Sustainability	Financial sustainability will be secured by the aforementioned revenues. The technical by continuous staff training and through links with ILS LEDA; the social, through the improvement of relations between local actors and national government

### 3.1 Organizational chart

The LEDAs organization is built according to the following principles:

- a) to involve all the most relevant actors of regional development, through the general assembly and the management board, which assures collective and representative decision making
- b) to provide a light and flexible operating capacity, through the executive board, which prioritizes services, initiatives and projects ,as established by the annual plans
- c) to assure support coverage to all the part of the region, through municipal units.

The organizational chart is illustrated by the following picture.



### 3.2 Results and impact

In the case of Teuleda the more outstanding results were:

- 200 enterprises technically assisted;
- 50 enterprises financed with loans;
- 350 new jobs created, mainly for the most disadvantaged people
- 250 persons trained;
- 35 municipalities staff trained;
- 1,000,000 USD delivered in loans, with a return rate of 100%.
- 10 project realized, that benefited 2500 persons in the field of Education to justice and solidarity development;
- Territorial branding initiatives;
- Digital Catalogue of handicraft products in Shkodre placed in TEULEDA web page;
- Portal for investment opportunities in Shkodra

In the case of Auleda the results were

- 150 enterprises technically supported.
- 180,000 USD credit delivered, with 100% return rate.
- 130 jobs created, mainly for the most disadvantaged people
- 1000 people trained.
- Inter-municipal and regional plans supported
- Social enterprises promoted and supported
- A network of Adriatic area created for favoring fair-trade initiatives
- 15 projects which benefited 1000 people, related to the following topics: environment, tourism, social inclusion (integration of mental health in economy), and agriculture (wine-culture and promotion of fairs and local markets)

### **3.3 Main new activities**

Two main activities characterized the human development approach of the LEDAs in Albania: their role in supporting the regional planning, fostering collective public-private participation and control, and orientating the plan to the Millennium Development Goals, and establishing regional strategies for competitive and sustainable (socio-economic and environmental sustainability) development.

#### Support to regional planning

The LEDAs acquired significant legitimacy both from the institutional and technical point of views for being accrued to be reference for regional planning elaboration and implementation.

The institutional legitimacy is due to the large integrated membership they have, it means they are considered a place where the dialogue between all the actors, the public, the private and the social sector are accustomed to interact and share decisions for actions.

This (collective decision for development actions) marks the difference between any other place where there is certain concertation (fora, consultative committee, etc.) and participation. The participation in the case of the LEDA in Albania is also for implementation.

The specific associative framework allows participation, and control by all the members through the various legal organs, where a balanced presence of all the sectors avoids the dominance of one over the others.

Through the acquired legitimacy the LEDA coordinated and supported the “Partnership Council” for elaborating the regional plans, and facilitated the participation of several institutions of both the areas in the elaboration of the strategic plans, as well as the decisions on priorities, established through specific structures established within the Partnership Councils, constituted by representatives of the Municipalities and Communes, central government sectorial directorates dealing with development-related issues in the region, Local Development Agencies, the universities, the private sector and CSOs.

One specific example concerning the results of this regional planning process in the case of Vlora is reported as follows:

The plan worked taking into account the Millennium Development Goals, national development strategy, the prospects of integration into the European Union and the opportunities to use EU funds, the strategy of decentralization and strengthening local governments.

The process was conducted through four phases:

First phase:

- Identifying needs and resources
- Road map for the elaboration of the Development Strategic Plan.
- Analysis of existing documentation on studies, plans at regional or sub-regional level
- Identify the strengths and weaknesses of the region of Vlora (SWOT analysis).
- Consultation with stakeholders.

Second phase:

- Elaboration of regional studies.
- Construction of tables of preliminary analysis of the cultural, infrastructural, environmental and social aspects.
- Consultation meetings with local stakeholders.
- Monitoring of plans and programs and creating a database with the data identified
- Meetings to share analysis results with stakeholders.

Third phase:

- Definition of reference scenarios for regional development.
- Meetings to discuss and share these scenarios with stakeholders to define priorities for the strategic Plan
- OPEN DAYS in Vlora and Saranda, with the participation of 123 institutional representatives divided into 4 thematic areas: environment, networks, infrastructure, tourism and culture, rural development and diversification of rural products, social sphere.

Through the previous stages the following development guidelines were identified:

- ✓ Community tourism
- ✓ Typical products and rural crafts
- ✓ Fishing and Aquaculture
- ✓ Education and training
- ✓ Stimulation of regional cultural heritage
- ✓ Conservation of landscape and environmental rehabilitation
- ✓ Tangible and intangible networks of energy
- ✓ Social inclusion
- ✓ Strategic Plan for children and youth

Fourth phase: it allowed define the draft strategic plan, through:

- Definition of actions to be implemented for each strategic line.
- Project review and selection.
- Definition of integrated development projects.
- Development of management system implementation plan.

- Design of the draft agenda (action plan).
- Consultation with stakeholders (intellectual, public).

Finally, the development axes and respective priority projects were identified as follows:

- Vlore: cultural and tourism region.
- Shushice Valley: Rural District.
- Coastal area: Tourism.
- Delvina: Food District.

The priority projects are the ones which gather together several smaller projects related to the same subject, identified through meetings with various stakeholders:

1. Thematic Tourism in the region (51 projects)
2. Branding for local food products (12 projects)
3. Protection of water (7 projects)
4. Wastewater Treatment (5 projects)
5. Crafts (3 projects)
6. Digital network technology (1 project)
7. Basic infrastructure (3 projects)
8. Social networking (8 projects)
9. Children in the Region of Vlore (7 projects)
10. Health (3 projects)
11. Jobs for women (2 projects)

### 3.4 Support to competitive and sustainable value chains

This is also a widely participatory exercise, carried on through the action-research participatory methodology.

First of all many actors were involved in the exercise: almost 200 producers or service providers, local administrations, national government directorates, universities, some local NGOs.

Secondly the focus was on value chains more than on sectoral line of products, since this approach provides more sustainability to products and services, it can better address territorial opportunities and needs and gather critical mass of resources for competitiveness,

Thirdly the approach was oriented to prioritize those value chains that, having competitive advantages, could allow the inclusion of the most disadvantaged people (social sustainability), and the environment protection better than other ones.

The result in the case of Vlora was the following one:

**Apiculture resources:** Multi-flower honey (citrus, sage, oregano, mountain savory, thyme, mint, “mountain tea”); propolis and propolis tincture; royal jelly (small quantities); pollen (small quantities); bee wax (small quantities).

**Competitive advantages:** Good quality of multi- flower honeys which have particular smell and taste, with original mixture of flowers, it is recognizable as a Mediterranean product; unpolluted bee wax, pollen, propolis and royal jelly, low quantity of medicines used, organoleptic characteristics of, environmental conditions, belonging to different ecosystems and, fortunately,

not yet degraded, participation of Vlora Associations to the MBF (Mediterranean Beekeeping Forum held in Lebanon in 2010).

Obstacles: Lack of internal cohesion and fragility of the external relationships; too expensive veterinary medicines and the sage bee pasturing; too expensive production tools and machineries, lack of packaging, scarce knowledge and sensitiveness about processing opportunities; absence of mono-flower honey; obsolete instruments for collecting royal jelly and pollen, little production of “no Honey” products lack of know – how, weak innovation and research, and lack of laboratories to process products are serious obstacles for the no-honey products, the lack of certification, lack of branding, weak distribution, high prices, scarce level of promotion and communications on international level.

**Cultural Resources:** Roman settlement, megalithic altar, ruins of a temples, fortresses, castles, mosques, monasteries, churches, Museums, Galleries, Libraries, figurative artists (first of all the masterpieces of Zequir Alizoti), places of culture, cultural heritage, of the Albanian traditional iso-polyphony and Laberia, technical-scientific and humanistic institutions, Universities, a Centre of production and diffusion of rural productive culture (the DBUMK, working of human creativity).

Competitive advantages: Uniqueness of its syncretism , due to the strong interaction among ancient endogenous, ancient Greek, ancient Roman, medieval, western (old Venetian and other Europeans) and eastern (both Turkish Ottoman and “old regime soviet”), Christian (Catholic, Orthodox, Protestant) and Muslim heterogeneous cultural elements, original urban-architectural heritage, (castles and fortresses, churches and mosques, etc.), very rich archaeological heritage region wide, artistic production, tradition of iso polyphony), humanistic and technical-scientific institutions, cultural Associations, knowledge about historical objects, through many research activities, significant existence of interactions among cultural and culturally oriented subjects.

Obstacles: Lack, of a shared awareness about the potentialities of the Culture system, cultural heritage considered only accretion to the general potential of tourist attraction, cultural goods are scarcely taken in consideration as the core of new enterprises, lack of cohesion among cultural actors belonging to different fields of the rich local cultural whole, scarce representation of Shkodra cultural world, lack of strategic management of the system, micro dimension of cultural enterprises scarce knowledge diffusion, lack of a good external marketing.

**Fishery Resources:** Cods (hakes), mullets (mud mullets and rock mullets, blue fish (sardines, anchovies, mackerels); others species of sea fish (sea breams, Mediterranean sea basses, rays); cephalopods (octopus, horned octopus, cuttlefishes, squids), crustaceans (shrimps, langoustines octopus, European lobster, spiny lobster), shellfishes (grooved carpet shell, “lupino” clams, tellins, cockles from the family of Cardiidae, murexes); sea breams and Mediterranean sea basses.

Competitive advantage: Basic local food resource for Vlora gastronomy, and added value for tourism, quality, valuable organoleptic characteristics, , large quantitative potential, , can originate valuable frozen products, uniqueness of the carp of Shkodra Lake, Excellency for . octopus, shrimps, crustaceans,; the sardines, the anchovies, and the mackerels can be easily processed, and preserved naturally or in vegetable oil; through artisanal processes, very valuable food preserves can be obtained.

Obstacles: Very old boat engines, absence of processing lack of of ISO rules and control the HACCP rule introduction, weak services, lack of targeted finance and credit, lack of advanced training for fish breeding, for artisanal product processing activities, and for ISO and HACCP rules management, lack of total quality approach, lack of branding lack of promotion on domestic and regional markets, scarce food education for national and regional consumers.

**Livestock resources:** bovine meat, sheep and goat meat, poultry meat, milk and dairy, with particular reference to the kaçkavall, salt preserved beef meat, potential for small ruminant development.

Competitive advantage: Traditional know-how applied in producing beef meat preserves; traditional ways of breeding sheep; good quality of milk, when it is produced by cows, sheep and goats fed with natural forages or natural grazing, recognizable peculiarities of endogenous cheeses.

Obstacles: Individual production, lack of associations, lack of external relationships, not controlled grazing areas; forage and fodders, lack of slaughterhouses; lack of know-how in processing; weak innovation and research; lack of laboratories to process products; lack of packaging, lack of certification: scarce spreading of good practices; weak service, lack of targeted finance and credit, lack of advanced training for farming practices, artisanal processing, ISO and HACPP, lack of total quality approach, lack of branding, lack of promotion on domestic and regional markets, scarce food education for national and regional consumers.

**Handicraft Resources:** Wrought iron art, handmade textile products, are made of natural raw materials and embody territorial identity value (wool: carpets - kilims, rugs, mats, knotted carpets-, bags, cotton (artisanal coats, embroidery).

Competitive advantages: unique representation of the regional cultural syncretism (ancient Greek, Roman, European, Turkish-Ottoman); uniqueness of the traditional and recognizable know-how of Vlora artist workers.

Obstacles: Scarce awareness about the potentialities considered as a mere accretion to the general potential of tourist attraction (souvenirs) or consideration as potential for new enterprises, the lack of protection of the old design, lack of associations, lack of raw material, as cotton and wool, natural paints, lack of packaging, lack of targeted finance and credit, lack of training for artisanal processing, lack of total quality rules and principles, lack of branding, very weak distribution, scarce level of promotion and communications on international scale.

**Natural herbs Resources:** Mint; mountain savory; “mountain tea” (or “shepherd’s tea”; oregan; sage; thyme.

Competitive advantages: Excellent properties of fresh and dried herbs and their essential oils, and worldwide recognized, the Vlora environment: clean and adequate soils not yet contaminated, many extended areas, belonging to different ecosystems with abundant wild colonies of herbs; recognizable Mediterranean characteristics, mainly for some products, such as thyme, oregano and sage; high levels of biodiversity; uniqueness and typicality as for mountain savory and “mountain tea”.

Obstacles: Lack of associations, Lack of know-how; small quantities of products, scarce knowledge and sensitiveness about processing opportunities; weak innovation and research; expensive tools and machineries; lack of laboratories to process products; lack of packaging, lack of certification, scarce spreading of good practices; weak support, lack of targeted finance and credit, lack of advanced training for farming practices, artisanal processing, ISO rules management, HACCP rules management., lack of approach, lack of branding, weak distribution, scarce promotion and communications on international scale; lack of food education for national and regional consumers.

**Olive-culture Resources:** a common variety, potable olives, kalinjot Albanian endogenous olive, frantoio variety (imported from Italy), leccino variety (imported from Italy). Regional processed products of table olives (produced in artisanal way), and Olive oil.



Competitive advantages: massive number of olive plants, main ingredient in order to produce many kinds of food preserves and ready dishes, good germplasms, uniqueness of the kalinjot, endogenous variety, that could originate highly competitive mono-variety kalinjot extra virgin oil, frantoio and leccino, could originate good mono-variety kinds of extra virgin oil.

Obstacles: generally similar to the other agro-food VC (erbs), and specifically bad quality olive milling plants, low quality of the oil, not correctly managed presence of common Italian “frantoio” and “leccino” varieties, that could endanger the real competitive endogenous resources of the value chain.

**Tourism Resources:** richness of the environmental attractors, due to the presence of many ecosystems, and cultural potential, additional attractors as horse tourism, trekking, “en plein air” tourism, underwater and snorkelling activities, etc, hotels and restaurants, production subsystem is quite relevant, since all the value chains analysed in this document are related to tourism interests

Competitive advantages: The Lonely Planet guide lists Albania as the first attractive country in the world 2011 of Lonely Planet collection; richness of environmental and cultural attractors, potential attractors for horse tourism, trekking, “en plein air”, etc., good hotels and restaurants, many productive value chains with typical goods (honey, herbs, wine, handicrafts, fruit&vegetables, etc.)

Obstacles: Coordination for addressing tourism as an integrated production system, scarce awareness and leveraging of the attractors, scarce presence of agro-tourism activities and bed & breakfast in the rural areas, massive presence of hotels and restaurants in Saranda, low quality of the hospitality infrastructure, little and weak services, lack of promotion+ and guides, lack of waste and water management, lack of public transportation.

**Winery Resources:** the typical wine are Kallmet (red and white wine), and the Shesh (Shesh i bardhë, white wine, Shesh i zi, red wine) are produced.

Competitive advantages: Uniqueness related to being endogenous, made from good Albanian endogenous grape varieties, also having significant properties of recognisability, good environmental conditions (climate and soil).

Obstacles:Lack of associations, Lack of know-how; small quantities of products, scarce knowledge and sensitiveness about processing opportunities; weak innovation and research; expensive tools and machineries; lack of laboratories to process products; lack of packaging, lack of certification, scarce spreading of good practices; weak support, lack of targeted finance and credit, lack of advanced training for farming practices, artisanal processing, ISO rules management, HACCP rules management., lack of approach, lack of branding, weak distribution, scarce promotion and communications on international scale; lack of food education for national and regional consumers.

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[http://www.oecd.org/departement/0,3355,en\\_2649\\_34417\\_1\\_1\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,3355,en_2649_34417_1_1_1_1_1_1_1,00.html)

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