Local Economic Development Network for Africa (LEDNA) Stocktake

Project Final Report

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Abbreviations and Acronyms

CBO	Community-based organization
DRC	Democratic Republic of Congo
ED	Enterprise Development
EG	Economic Governance
EIU	Economist Intelligence Unit
EtoC	Emerge to Compete
GDP	gross domestic product
ICT	information and communication technology
LDLD	Liberian Decentralization and Local Development
LED	Local Economic Development
LEDNA	Local Economic Development Network for Africa
LiD	Livelihoods Development
LoD	Locality Development
MSME	micro, small, and medium enterprises
NGO	nongovernmental organization
PPP	public-private partnership
QIZ	Qualifying Industrial Zones
RTP	Research Triangle Park
SEZ	Special Economic Zones
UCLG-A	United Cities and Local Governments of Africa
UNDP	United Nations Development Programme
USAID	U.S. Agency for International Development
WE	Workforce Development

Report Summary

The United States Agency for International Development's (USAID's) Local Economic Development Network for Africa (LEDNA) Stocktake task order is intended to support the United Cities and Local Governments of Africa (UCLG-A) in its goal of strengthening local economies by building local economic development (LED) capacity and knowledge throughout Africa. The project is meant to contribute to the body of knowledge of ongoing LED projects in the region, and of LED methodologies more generally, as well as to help build a regional LED consortium through the development of a database of LED practitioners. Specific activities included taking inventory of LED projects in Democratic Republic of Congo (DRC); Ethiopia; Ghana; Kenya; Liberia; Rwanda; Senegal; and Sudan. Beyond this, RTI International produced State of LED reports for each country, and applied our Emerge to Compete (EtoC) methodology in the development of a pilot Strategic Mapping of a sub-national region in order to assess the local context for LED interventions.

This final report is abbreviated in scope, and serves primarily to summarize the findings already reported in the LEDNA Stocktake database, and the State of LEDNA and Strategic Mapping Reports. Additionally, it covers the administrative details of note from August 7, 2008 to October 7, 2009.

All activities outlined in the scope of work were completed successfully, and within the anticipated timeframe. LED Stocktake information for all countries was directly input into the LEDNA database by November 2008; the last of the State of LED reports was completed in January of 2009. The Stocktake and resulting reports will be made publicly available on the LEDNA website, and can be used by the LED community of practice to understand the LED landscape in Africa, to identify best practices, and to assess existing gaps in service, technical assistance, and LED knowledge.

The Strategic Mapping was completed in September of 2009, following a no-cost extension to October 7, 2009. The extension was requested in order to coordinate with USAID/Washington and USAID/Jordan activity schedules in the completion of the Strategic Mapping.

Project findings revealed that, in comparison with other countries in the sample, Ghana, Rwanda, and Senegal have a relatively strong policy framework enabling LED, while DRC and Liberia have among the weakest LED-enabling policies. All countries have a lot of work to do to build their LED assets (universities and other human capital building institutions, LED-related capacity among local governments, enabling infrastructure, business enabling environment, and others), but among the eight countries studied, Ghana and Senegal had the strongest LED capacity, and DRC had the least. Thematically, projects across the eight countries were multi-sectoral in nature, but they tended to have a primary focus of either Enterprise Development or Locality Development. They also tended to be larger (more than US$5 million in funding) and longer in duration.

Lessons from the LEDNA Stocktake and the Strategic Mapping inform our recommendations for further interventions: strengthen critical institutions for growth; build local government management and LED capacity; and harness the energy and talents of youth. For future LEDNA research, recommendations include enriching the LEDNA database further by conducting field research; conducting deeper assessments of the most binding constraints in each of these countries in order to better identify the gaps in interventions; and conducting sub-national level analyses, in order to compare LED capacity in specific municipalities or regions.

Background

USAID issued the present task order to support UCLG-A's LEDNA Stocktake initiative, with the aim of building the capacity of LED actors across the African continent, and promoting knowledge sharing among UCLG-A members and LED practitioners.

LED is a term used by many organizations and governments in different ways. While LED efforts tend to vary based on local context, research has shown that certain guiding principles are broadly applicable to most local contexts:

1. The focus is spatial and sub-national—boundaries are political (e.g., municipal, county, provincial), geographic (e.g., lakes and mountain region, watershed, alluvial plains, ocean shore area), or economic (e.g., capital city region, agricultural food basket area, port, and industrial area)
2. Interventions are components of an overall strategic plan
3. Strategic planning is undertaken, implemented, and revisited by local stakeholders—emphasis on developing economic leadership, benchmarking, establishing targets, using performance measurement to track progress.
4. Government, business community, and other local actors have important roles to play
5. Success comes from retention and expansion of local businesses and jobs, attracting new investment into the local economy, and encouraging a transition from the informal economy to formal sector job creation
6. Emphasis is on creating a positive business and entrepreneurial environment and building networks, partnerships, and sustainable institutions within and between private, public, and civil society actors
7. Implementation typically focuses on key industry sectors and associated value chains—turning comparative advantage into competitive advantage,
8. Activities target hard infrastructure (physical planning of land and other natural resources, transportation, information and communication technology [ICT]), soft infrastructure (human capacity development, workforce skills, development finance tools and systems), and the encouragement of innovation-led economic growth.

The United Cities and Local Governments of Africa (UCLG-A) has identified LED as a priority focus, in support of their mission to facilitate local governments' ability to improve their constituents' lives. They recognized, however, that—though there were clearly a number of LED interventions across the continent—the knowledge generated from these was not easily accessible to all those interested in, or practicing, LED. There was no codified information about ongoing LED projects in the region, nor about which interventions are most effective in specific local contexts. Therefore, the creation of the LEDNA, both as a network of LED practitioners, and as an online platform for knowledge sharing, was proposed. USAID is one of the many international donors supporting UCLG-A's by funding the LEDNA Stocktake exercise in eight African countries.

Separately, RTI had developed its EtoC approach to sub-national economic development, based on its 50-year experience as a central player in the Research Triangle Park (RTP) success story and RTI's decades-long international consulting experience. This approach is local and takes a holistic perspective of economic development in a given region, looking at several Building Blocks of an economy (infrastructure, value chains, availability of finance, business enabling environment, among others) in assessing the context for LED interventions. The Strategic Mapping piece of this task order was designed to apply this EtoC approach to a specific sub-national region or city. The goal is to complement the Stocktake activity by demonstrating the next step in assessing potential entry points for LED interventions in a given sub-national region, thereby contributing to the public body of knowledge on LED strategies and analysis.

Originally, it was thought that the Strategic Mapping would relate to one of the eight Stocktake countries, although from the beginning it was decided that the target for the Strategic Mapping would be determined based on opportunity and USAID/Washington and USAID Mission needs. Consultation with USAID/Washington resulted in identification of synergies with USAID/Jordan activities, and an interest by the Jordan Mission in a Strategic Mapping exercise. Therefore, the Strategic Mapping was conducted in Jordan.

Project Objectives

The overarching objective of the LEDNA project is to promote stronger and more vibrant sub-national and national economies by 1) advancing knowledge of and local capacity for implementing LED strategies and analysis across Africa; and 2) supporting the creation and utility of the LED consortium. To achieve these objectives, the LEDNA Project Scope of Work divided activities along the following lines:

- Tasks 1 and 2—LEDNA Stocktake and Social Network Database: a nationwide stocktaking of LED activities and relevant actors in the following countries: DRC; Ethiopia; Ghana; Kenya; Liberia; Rwanda; Senegal; and Sudan. The Stocktake included as comprehensive a list as possible of current LED activities occurring in

each country, and of recent historical activities (2004 and later). Special attention was also given to cataloguing individuals and organizations that are involved with each activity, including donors, implementers, local counterparts, nongovernmental organizations (NGOs), and government officials. The Stocktake fed into a LEDNA database and is currently used by the LEDNA Consortium.

- Tasks 3 and 4—Country Report and State of LED Report: These two elements were combined into a single report that constitutes an analysis of each country's LED experience, based on the data gathered in the Stocktake. The goal is to identify and analyze key issues, strengths, weaknesses and opportunities; major players and donors; the legislative environment; and best practices in sub-national economic growth.
- Task 5—Strategic Mapping: a targeted LED Strategic Mapping of the LED environment in order to assess future intervention opportunities in a sub-national region.

Research Methods

Stocktake and State of LED Reports

The Stocktakes and State of LED reports were conducted on the basis of desk research, and, when possible, phone and email interviews with project staff. To maintain consistency across Stocktakes conducted by various donors, the activity was informed by UCLG-A guidelines for relevant LED projects to include. In order to be captured by the LEDNA database, projects should have a clear local focus, and be aimed specifically at economic development. Projects were categorized into the following themes:

- Economic Governance
- Enterprise Development
- Livelihoods Development
- Locality Development
- Workforce Development

Examples of the types of projects that would fall into each of these categories are shown in the table in **Annex 1**.

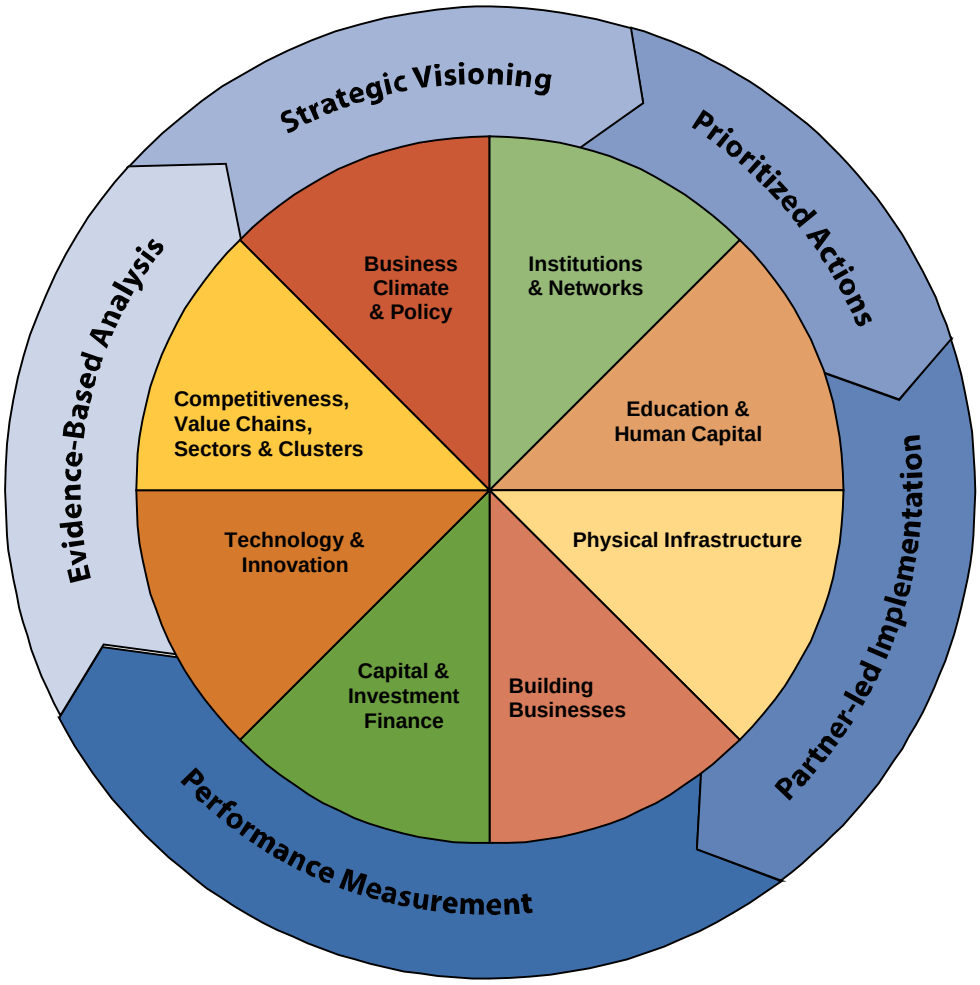
Once the Stocktake was complete, the data and other information gathered for each country was analyzed and compiled in a State of LED Report. The reports are meant to give a snapshot of the LED landscape in each country, and include information such as key issues, strengths, weaknesses, opportunities and threats to LED programs; major players and donors; interested or disinterested government departments; and an overall characterization of LED programs. Additionally, the reports assessed the national and sub-national legislation affecting (either empowering or hindering) LED powers to sub-

national governments. Once again, for consistency, RTI coordinated with UCLG-A to ensure that State of LED reports were in line with those produced by other donors.

Strategic Mapping

The Strategic Mapping was conducted in the field, in coordination with a USAID/Jordan poverty and youth strategic assessment. Nate Bowditch, RTI's senior economic growth specialist, joined a team of four USAID staff in Jordan to assess urban poverty and youth dynamics. At the same time, information was gathered to inform the Strategic Mapping report for the LEDNA Stocktake project.

Figure 1: Emerge to Compete (EtoC) Framework and Building Blocks



The EtoC framework is based on the principle that economic development is a local process and that all essential Building Blocks come into play in driving regions' growth. **Figure 1**, above, shows these Building Blocks as part of a holistic economic development strategy, which is driven by a process of Evidence-Based Analysis, Strategic Visioning, Prioritizing Actions to maximize impact, Partner-led Implementation, and continuous

Performance Measurement. For the Strategic Mapping report, the environment in Jordan—as it relates to each of the Building Blocks illustrated above—was examined.

The assessment team met with a diverse group of implementing partners and stakeholders selected by the Mission's program office, with the goals of getting as comprehensive a picture of the landscape in Jordan, and of maintaining an interdisciplinary approach to economic development, poverty and youth.

Administrative Activities

The project staff was hired and ready to start by contract signing, and research began the same week. Desk research for the Stocktake and social network database population was completed by month three (November 2008) of the contract, with no abnormalities or issues. State of LED reports for all eight countries were completed by month five (January 2009), also with no issues reported.

In August, RTI submitted and was granted a request for a 60-day no-cost extension. The extension was requested to allow more time for consultation with USAID/Washington and USAID/Jordan regarding the exact scope of the Strategic Mapping, and to coordinate with activity schedules in the Jordan Mission. RTI's Home Office Technical Manager, Nate Bowditch, traveled to Jordan in July for 2009 to conduct the field research, and completed the Strategic Mapping report with no setbacks by September of 2009.

The project was a fixed-price contract. No financial abnormalities were experienced.

Tasks 1 and 2: Stocktake and Social Network Data

The primary contribution of the Stocktake and Social Network database population is to provide information to LED practitioners so that they may understand what is being done in these eight countries, where there may be gaps, and, as important, who is working in the region. This last point is important because the success of LEDNA and the utility of the information exchanged will depend on a large and active membership. Secondarily, the Stocktakes supplied the data for the analysis conducted in the State of LED Reports.

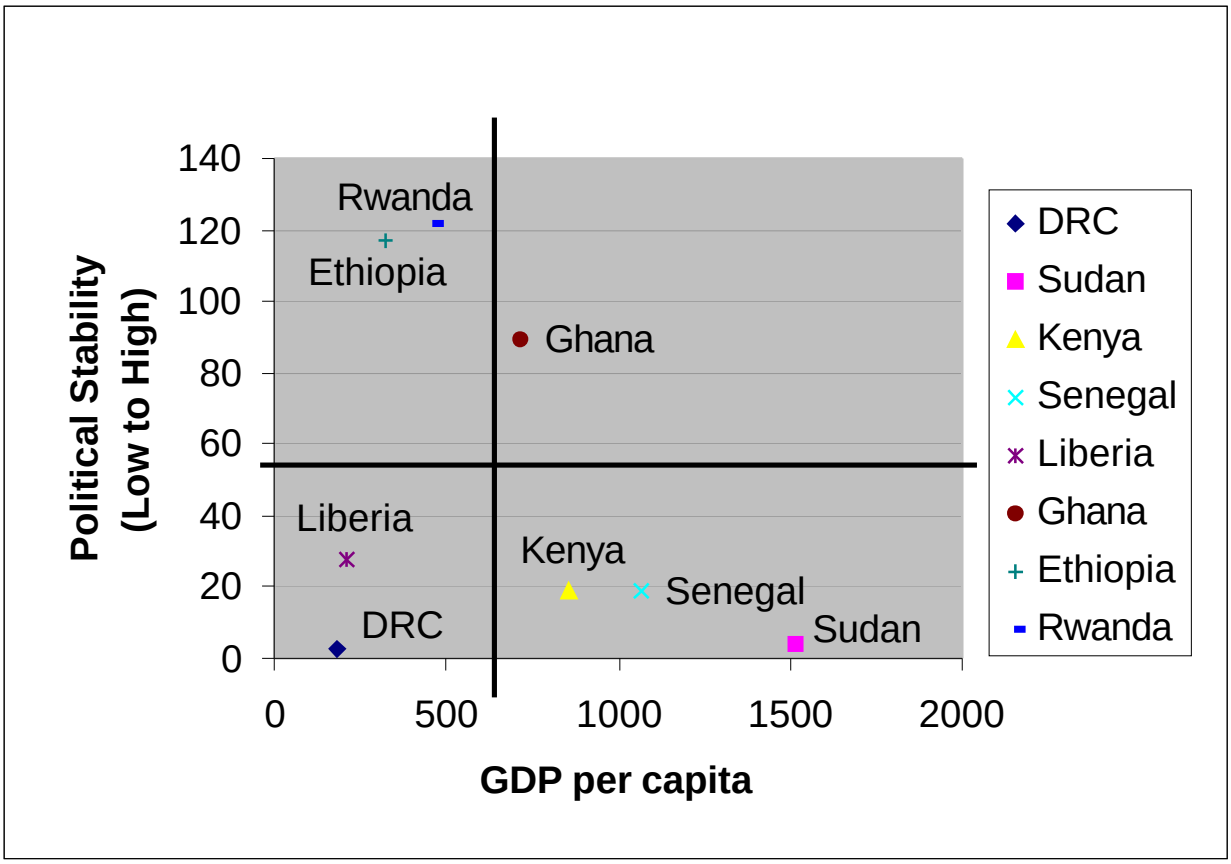
Information gathered in each of the countries was input directly into the LEDNA database, but a record of the data entered is saved in Excel form.

Tasks 3 and 4: Country and State of LED Report

The Stocktake countries were picked in consultation with USAID, and one consideration (among others) was to have a purposefully varied set in terms of level of income and stability—for example, Ghana is comparatively more stable and higher-income than the DRC. Although LEDNA's eventual goal is to complete a Stocktake in *every* African country, it was thought useful to study a diverse group for this particular sample in order to get a glimpse into the issues affecting disparate countries, and to see if there are any

discernable trends. **Figure 2**, below, shows where each of the countries lies along the stability/income continuum (based on The Economist Intelligence Unit's [EIU] Political Instability Index and Gross Domestic Product [GDP] data from the International Monetary Fund's World Economic Outlook Database[2]).

Figure 2: Political Stability/Income Continuum



Relatively speaking, one could divide the eight countries into four categories:

1. Higher stability, lower income: Rwanda, and Ethiopia
2. Higher stability, higher income: Ghana
3. Lower stability, higher income: Kenya, Senegal, and Sudan
4. Lower stability, lower income: DRC and Liberia

Overall, Ghana, Senegal and Rwanda had the most LED enabling policies among the eight countries. In each of these, there was explicit support for decentralization of services and local jurisdiction over economic development programming. Additionally, these three countries were also characterized by strong national level efforts to enable

[2] Per capita GDP for 2008 is from World Economic Outlook Database-April 2009, International Monetary Fund. Accessed on September 16, 2009.
Political instability data is from Economist Intelligence Unit. Political Instability Index. Accessed on September 16, 2009.

economic development more generally, such as creating a favorable business environment. Rwanda and Ghana are both higher stability countries, but it is interesting to note Senegal's comparatively strong commitment to decentralization and LED, in spite of its low ranking in terms of stability. Senegal also had among the most abundant skills base related to LED, with numerous microfinance institutions and training centers fostering skills in micro, small, and medium enterprise (MSME) development, entrepreneurship, market access, and value chain analysis. On the other end of the spectrum, DRC, Ethiopia and Liberia were comparatively weak in terms of a supporting framework for LED. Not surprisingly, DRC, with the lowest ranking in both income and political stability, had the weakest LED enabling environment and the fewest (almost none) LED assets of all eight countries. Liberia, also a lower income, lower stability country, was also weak in terms of LED and decentralization support, but stronger than DRC. Ethiopia, much more stable, but not much wealthier, also had a weak LED enabling framework.

Looking at the countries on a project by project basis, it was clear to see that integration across sectors is important. The majority of all projects identified across the eight countries (and in all but Sudan, the majority of projects in each country) involved integration across multiple sectors. This is in line with the understanding that that economic development must hit on various Building Blocks of economic growth in order to succeed.

Additionally, projects across the board were skewed to Enterprise Development and Locality Development projects. Although, as mentioned above, LED projects were primarily multisectoral in nature, each could be roughly categorized according to their primary focus. Looking across the eight countries, approximately 35% of all projects identified related to Enterprise Development. That said Economic Governance and Locality Development projects followed closely behind, with 26% and 18% of the projects. On the other hand, there was a large gap between these top three areas and Workforce Development and Livelihoods Development projects. We see more or less the same pattern if we look at just the lower income countries in the set (Rwanda, Ethiopia, Liberia, and DRC), or just the lower stability countries (DRC, Kenya, Senegal, Sudan, and Liberia). In these countries, projects primarily fall to Locality Development and Enterprise Development.

In terms of size, the sample of projects was heavily biased toward large projects (in terms of funding and duration). A large proportion was larger than US$5 million in funding, and more than half of the projects were longer than 5 years in duration. This is not surprising, given that internet-based research clearly has an inbuilt bias toward larger, international projects, which are more likely to have an online presence. Moreover, larger projects would presumably tend to have longer timelines.

With such a small sample, it's difficult to say whether any commonalities among the countries in each of the four categories described above can be considered significant. However, the combination of low income and low political stability does seem to

negatively impact the ability to support LED. DRC and Liberia had among the weakest LED enabling policies and LED assets (LED capacity, training institutions, infrastructure, and others). That said, lower income alone doesn't give us much information about LED—Rwanda and Ethiopia are both lower income, but Rwanda has made a lot of progress toward creating a decentralized framework that supports LED, and Ethiopia has not. Likewise, lower stability alone doesn't give us much to work with; Sudan, Kenya and Senegal are all relatively lower stability countries, but Sudan and Kenya could be said to be more or less in the middle of the spectrum (again, among a tiny sample of countries) of LED supporting policies and assets, while Senegal has relatively strong decentralized powers.

The table in **Annex 2** summarizes the findings across all eight Stocktake countries.

Task 5: Targeted Strategic Mapping

The EtoC approach gives us a lens through which to evaluate subnational economic growth. By understanding a region's performance and characteristics in each of the essential Building Blocks of economic growth, we can rapidly assess the context for future LED interventions. In Jordan, the following was found:

Business Climate and Policy*—Clarifying and streamlining legal, regulatory, and support frameworks to facilitate growth:* This was repeatedly cited as a significant difficulty for small businesses and entrepreneurs, and individuals as they seek business permits and professional licenses. This was due, not only in the regulatory burden itself, but also to the inability of local governments to guide permit seekers because of a lack of familiarity with regulatory and legal requirements.

Institutions and Networks*—Mobilizing and linking public and private sector individuals, organizations, and associations:* The critical networks among businesses, between business and government, and between business and other community leading organizations are weak in Jordan. This hampers Jordan's ability to grow local economic leaders and to push for the advances needed in the other Building Blocks to enable businesses to grow.

Education and Human Capital*—Building effective education and training systems to increase productivity and standards of living:* There is no relationship between higher education and the business community to ensure that graduates are being trained for real job opportunities. Graduates cited that it is difficult to find jobs and felt that universities did not prepare them for work in terms of job skills or in terms of life skills.

Physical Infrastructure*—Ensuring existence of adequate facilities and planning to support businesses and communities:* At the national level, this is being addressed through the Special Economic Zones (SEZ) Commission, but there is no involvement from local government. This results in a poor understanding of local businesses' infrastructure needs, local land planning, and environmental regulation.

Building Businesses*—Building entrepreneur, investor, and worker friendly environments to grow and attract businesses:* In Jordan, municipal governments do not have jurisdiction over this, nor do Governorates address this issue. Rather, it is a function of the national-level SEZ Commission, which oversees the development and operation of economic enclaves with no input from municipalities or governorates. The SEZ Commission is led by top business development professionals with close ties to business and government, but this is all at the national level.

Capital and Investment Finance*—Creating financial institutions and systems to finance business creation, support economic development:* The non-governmental community has been effective—especially in rural area—in developing microfinance schemes. However, outside the SEZs, development finance and public-private partnership approaches to LED are just now being addressed through a revamping of the City and Villages development Bank.

Technology and Innovation*—Supporting creation of innovative businesses and special zones that promote the use and creation of new technology for high-value economic growth:* Again at the national level, Jordan has been working aggressively to promote technology and innovation through the SEZ Commission and Qualifying Industrial Zones (QIZs). Yet, this work has yet to involve local and regional governments to create a local environment conducive to innovative entrepreneurship and technology adoption.

Competitiveness, Value Chains, Sectors and Clusters*—Identifying promising sectors, clusters, and firms to build cooperation, linkages, and momentum:* The donor community is driving this work in Jordan, and works through national trade and business associations, rather than with local level entities. There is virtually no comparative advantage, value chain upgrading, or sector and cluster support work undertaken at the local level.

Recommendations

Interventions

Harness the energy and talents of youth. The so called "youth bulge" is not a phenomenon specific to Jordan or the Middle East region. It is widely recognized that Africa has among the fastest growing youth population, and according to the International Labour Office, as many as three in five youth in Africa are unemployed. As the Jordan Mission clearly recognizes, issues of youth, unemployment, underemployment, and LED are all enmeshed.

Engaging youth in their communities and combining this with preparation for concrete employment opportunities, for entrepreneurship—explicitly linking youth programming with LED programming—can be a very effective LED strategy; experience (see CityCorps, VISTA, Peace Corps, for example) shows that young people can apply

motivated, energetic talent to poverty and economic development issues. Indeed, USAID has developed many aggressive and successful youth programs in recent years, and these have the potential to be extended, or expanded towards service. As an example, a large, new program targeting disadvantaged youth (YouthWorks) is underway in Jordan with a major focus on urban neighborhoods. Tying this effort to a broader LED initiative focused on one to three cities could be a powerful, perhaps more sustainable strategy to tackle urban poverty and disadvantaged youth.

Strengthen critical institutions for growth. International economic development experience has firmly confirmed that LED success in country after country is tied to the level of cooperation between local governments, the business community and other community-leading organizations. In the eight Stocktake countries as well as in Jordan, local institutions—and links between local and national institutions—are weak. In Jordan, this was apparent through the inability of the local business community to dialogue with other institutions in order to make their local needs (workforce, infrastructure, land planning, regulatory, or otherwise) known and addressed in national level economic development initiatives. The limited power and input that local governments and Governorates have in economic development initiatives is also telling of weak local institutions. In the Stocktake countries, even in the most LED-supportive environments, interventions are dominated by international donors.

Therefore, further interventions should focus on strengthening business associations at the local level and on creating avenues for the business community to interact with and provide constructive input to governments about their needs.

Build local government management and LED capacity. A corollary conclusion is that the local government capacity to drive economic development initiatives is still weak. As noted above, local governments in the eight Stocktake countries and in Jordan are largely being bypassed in the economic development process. Those Stocktake countries that do have comparatively stronger LED environments are those with more developed subnational governance systems because there are institutional mechanisms that can support LED. In the Stocktake countries, the dominance of international donors and NGOs in LED is in part due to the relatively weak sub-national economic leadership and young governance systems.

Future interventions should focus on local governance and local government management strengthening more broadly, in order to increase their capacity to deliver services and efficiently allocate and manage budgets. Within that, however, local government capacity for LED-specific budgeting, management and service delivery should be addressed. Also important is local government capacity for creating a business enabling environment—advocating for favorable macro policies with the national government, controlling crime, corruption and the local regulatory burden, enforcing contracts and property rights, and increasing accountability and predictability of public actions.

Further LEDNA Research

Field research is needed. The most significant obstacles for the Tasks 1 through 4 of the project were those related to the inherent limitations of desk research: the inventory was restricted to those projects that had an online presence, and typically favored larger projects funded by international donors. From the outset, it was expected that the team would only find approximately ten projects in each country. Indeed, the maximum number of projects in any of the countries studied was 13, and virtually all those identified were conducted by international organizations, with only a few of these from other countries in Africa or African regional organizations. This almost certainly cut out LED projects undertaken by communities themselves, either by the local government, by local NGOs, or by other local and national institutions. By making contact with project staff when possible, the team attempted to mitigate this and find out more information about other projects, but it is clear that without field research, the breadth of any Stocktake will necessarily be limited.

Taking inventory of existing projects is not enough. Although helpful to understanding what sort of activity is going on, a Stocktake is more useful if we already understand what the most binding constraints to each economy are. It is much easier to see, then, what the gaps in service are, and to understand where LED efforts will be most effective. The Strategic Mapping exercise is a step in the right direction.

Go subnational. Although the purpose of the Stocktake project is to understand the LED environment, the research still looked at each country as a whole. A next step could be to look at subnational regions within each country and compare them to other areas. In Liberia, for example, to understand what the different intervention needs are in secondary cities, it could be useful to contrast the environment in Buchanan with that in Monrovia.

Annex 1: Guidelines for Project Categorizations

LEDNA	
Local Economic Development Thematic, Programmatic, and Project Classification	
Thematic and Program Areas	Project Examples in each Thematic Area
Thematic Area **ECONOMIC GOVERNANCE(EG)**	
1. Capacity Building and Organizing for LED	Capacity Building for stakeholders in LED principles and practice
	Stakeholder Engagement and Facilitation Training
	Promoting Multi-stakeholder Trust and Networking
	Strengthening LED Support/Intermediary Organizations
	Establishment and support to LED forums
2. Local Government Improvement	Financial and Revenue Enhancement Projects
	Management Improvement Projects
	Planning and Zoning for Economic Growth
	Developing an Asset Register
3. Empowerment and Inclusion	Economic Integration of Migrants
	Poverty and Risk Mapping
	Equal Opportunity Projects in the context of LED
	Programs for women entrepreneurs
	Programs for indigenous peoples
4. Public-Private and National/Local Partnerships	Developing Partnership Skills
	Feasibility Studies and Business Plans for Public-Private Partnerships (PPPs)
	Partnership Schemes for Service Delivery
	Dialogue between employers and workers Organizations
	Support to public-private-partnerships
5 Strategy Development, Planning, Research and Learning	LED Strategy Development
	Participatory Economic Planning and Budgeting
	Local Economy Assessments and territorial diagnosis
	Benchmarking projects
	Monitoring and Evaluation of LED Strategies and Projects
	LED Learning and Knowledge Sharing
	Establish Urban or Local Research Observatories
	Research on Specific Local Issues
6. LED Policy and Implementation	National LED Policies
	Regional Development Strategies/ industrial/sectoral/cluster policy development
	Policy Implementation Strategies/ Mechanisms (e.g. Structural Funds)
	Economic Diversification Strategies
	Financing of LED (e.g. LED Funds)

LEDNA	
Local Economic Development Thematic, Programmatic, and Project Classification	
Thematic and Program Areas	Project Examples in each Thematic Area
Thematic Area	
ENTERPRISE DEVELOPMENT (ED)	
1. Business Enabling Environment Improvements	One Stop Shop in City Hall
	Red Tape Reduction Programs
	Development of Business Associations
	Local Business and Investment Climate Surveys
	Creating a Favorable Business Climate Initiatives
	Local Government/Business Fora
	Making Markets Work Initiatives
2. Business Retention and Attraction	Local Procurement
	Business Development Centers
	Investment Attraction and Area Marketing
	Business Location Service
	Business Investment Monitoring and Aftercare Service
3. Clusters, Sector and Value Chain Development	Value and Supply Chains
	Cluster and Sub-sector Development
	Business Development Services (e.g., advisory services re production processes, financial management, business linkages, exporting, marketing)
	Financial Services
	Support for Value Chain and Cluster Research
4. Business and Entrepreneurship Development	Basic business management skills development
	Business improvement, e.g., marketing, finance, strategy development
	Technical Assistance Programs in specific sectors
	Entrepreneurship training
	Business mentoring/ ambassador projects
	Schools/ university enterprise projects and youth entrepreneurship)
	Women's entrepreneurship development
	Cooperative Development e.g. shared service coops, producers cooperatives
5. Product Innovation and New Technologies	Support Higher Value Added Production
	Research and Demonstration Centers
	University-Business Linkages
	Technology Transfer Projects
	New Technology Networks and Exchanges
6. Micro Business Development Programs	Managed Workspace/common Facility Centers
	Small Business Grants
	Demonstration Business/Farm and Non-Farm Projects
	Developing Business Groups and Cooperatives

LEDNA	
Local Economic Development Thematic, Programmatic, and Project Classification	
Thematic and Program Areas	Project Examples in each Thematic Area
Thematic Area	
LIVELIHOODS DEVELOPMENT (LiD)	
1. Basic Services to enable economic activity	Water, Sanitation, Solid Waste Management
	Transport and Communications
	Service provision for business activation
2. Community Economic Development Programs	Exchange and Economic Cooperation Networks
	Community-led Reconstruction and Rehabilitation
	Community-based Natural Resource Management
	Local Communication Networks (e.g., radios)
	Producer Co-operatives
3. Reduction of Economic and Social Discrimination	Business Start Up Grants to Disadvantaged Groups
	Counseling, Mentoring and Peer Support
Thematic Area	
LOCALITY DEVELOPMENT (LoD)	
1. Economic Infrastructure—Transportation	Roads
	Rail
	Ports
	Airports
	Urban Transport
2. Economic Infrastructure—Telecommunications	Mobile phone networks
	Internet cafés and facilities
3. Economic Infrastructure—Energy	Electricity
	Gas
	District Heating
4. Economic Infrastructure—Water and Sanitation	Water supply
	Sewerage
	Solid Waste Collection and Disposal
5. Economic Infrastructure—Sites and Premises for Business	Managed workspace/innovation Centers/incubators
	Industrial and special economic zones (including free trade zones)
6. Natural Resource Management	Local Management of Natural Resource Projects
	Support to community-based organizations (CBOs), e.g., water/forest/farmers projects
	Fish Farming Projects
	Improved Tenure and User Rights Projects
	Anti-Desertification Projects
7. Regeneration and Quality of Place Improvements	Environmental Improvements
	Security and Safety Improvements
	Slum Upgrading Projects
	Industrial Zone/Town Centre/ Market Town Regeneration
	Neighborhood Renewal Projects
	Cultural Heritage/Tourism and related asset enhancement
	Brownfield Redevelopment

LEDNA	
Local Economic Development Thematic, Programmatic, and Project Classification	
Thematic and Program Areas	Project Examples in each Thematic Area
Thematic Area	
WORKFORCE DEVELOPMENT (WD)	
1. Job Seeker Support and Job Matching Programs	Employment service Centers
	Job Clubs/Counseling Services
	Job Search Bulletins, Web Sites and Radio Programs
	Employer Skills Needs Surveys and Matching
2. Vocational Training and Skills Development	Training Strategies for the Informal Sector
	Strategies to improve Traditional Apprenticeship
	Continuing adult vocational and technical training Programs
	Marginalized Groups Skills Development
3. Youth Development and Inclusion Programs	Youth Entrepreneurship Training
	Work Placements/Experience for Students
	Teacher Placements in Businesses
	Special Projects for Refugees and Displaced Workers
	Rural Labor Linkage Enterprises

Annex 2: Stocktake and State of LED Summary Table

Country	Assets	Regulatory Framework	Top LED Project Themes as Percentage of Total Projects Identified	Funding Levels as a Percentage of Total Projects Identified	Project Time Frames as a Percentage of Total Projects Identified
DRC	Very few; 5 universities, with programs in business, migration, and economic development	Positives: local governments have revenue raising power. Negatives: nascent decentralization; local NGOs and other grassroots groups are the primary institutional infrastructure and local governments are extensions of these; there are some revenue raising schemes, but these must be approved and/or acknowledged by the Ministry of Finance or the Ministry of Interior.	Locality Development; 45% Livelihoods Development; 27%	>5 million; 45%	>5 years; 91%
Ethiopia	Well-established network of agriculture research centers (most of LED in Ethiopia agriculture-based); this has been a strong resource for LED implementation	Positives: The government has made attempts at market-oriented reforms to create a business enabling environment; most government-directed development programs are labeled poverty eradication, but are LED in scope or do enable LED; decentralization program in place has increased responsibilities and discretionary funds to the local governments. Negatives: there is no specific LED policy; development strategy is focused on emergency poverty alleviation, and agriculture, rather than on enabling economic opportunities; The central government holds all land and rents it out; funding for any LED initiative is crowded out by the war with Eritrea; subregions are not considered autonomous in fact, only by law; although local governments are responsible for several services, there is a lack of local funding, and limited federal funds at the local level.	Enterprise Development; 33% Economic Governance; 25% Locality Development; 25%	>5 million; 67%	3-5 years; 67%

Country	Assets	Regulatory Framework	Top LED Project Themes as Percentage of Total Projects Identified	Funding Levels as a Percentage of Total Projects Identified	Project Time Frames as a Percentage of Total Projects Identified
Liberia	Poor infrastructure, very poor human capital development.	Positives: the Liberian Decentralization and Local Development plan (LDLD) is in place. Negatives: strong role of government in the economy; land tenure issues, inadequate infrastructure, and poor links with larger markets make LED difficult; the LDLD is still very conceptual; absence of basic services hinders LED; aid funds still flow primarily to reconstruction, relief and humanitarian activities, not LED.	Enterprise Development; 43% Locality Development; 29%	>5 million; 43% <500 K; 43%	3-5 years; 57%
Sudan	The Local Government Recovery Plan has created a network of well-trained local government administrators; 6 universities with LED related programming.	Positives: Local Governance Act of 2003 transferred powers from the national to the local levels; localities are responsible for services and economic development. The donor-implemented Local Government Recovery Program will set the LED environment; generally, there is a lot of money for national level infrastructure development, which does enable LED. Negatives: The Local Governance Act doesn't give localities full autonomy; domestic development projects are focused on subsistence agriculture; there is no national LED policy; there is a historical centralization of wealth/power; Northern and Southern government are struggling to decentralize and provide services at local level.	Livelihoods Development; 30% Economic Governance; 20% Locality Development; 20% Enterprise Development; 20%	<500 K; 30%	<3 years; 40%

Country	Assets	Regulatory Framework	Top LED Project Themes as Percentage of Total Projects Identified	Funding Levels as a Percentage of Total Projects Identified	Project Time Frames as a Percentage of Total Projects Identified
Kenya	Proximity and connectivity with the larger Lake Victoria region market; low infrastructure, but high levels of education, and several universities; two strong business associations; strong credit unions.	Positives: strong push to create a macroeconomic environment to enable LED; a few progressive municipalities are making efforts in LED (Kitale and Nakuru); the Local Government Act gives the local government flexibility in how to raise revenue and spend funds; 3 key initiatives strengthen local government responsibilities: the Deconcentration Initiative, Kenyan Local Government Reform Program, and the Poverty Reduction Strategy Paper Negatives: municipal councils are very under-funded, with LED often considered last on their list of services to provide; the National Minister for Local Government still has authority to take over local governments if deemed necessary.	Enterprise Development; 62% Locality Development; 23%	>5 million; 46%	>5 years; 62%
Rwanda	There is an agricultural extension system in place, although it has sparse coverage; there is a network of LED training centers; 2 major universities with experience in LED work, especially with the United Nations Development Programme (UNDP); the Labor Market Information System helps connect labor to employers.	Positives: there is a strong effort and prioritization of decentralization and LED; there are a formalized decentralization strategic framework and a national-level strategic plan; business regulatory streamlining initiative; new powers and authorities for local government, including specific jurisdiction over LED.	Enterprise Development; 60% Workforce Development; 20%	>5 million; 70%	>5 years; 70%

Country	Assets	Regulatory Framework	Top LED Project Themes as Percentage of Total Projects Identified	Funding Levels as a Percentage of Total Projects Identified	Project Time Frames as a Percentage of Total Projects Identified
Senegal	Abundant assets in MSME development, value chain analysis, and microfinance; strong universities.	Positives: strong decentralized powers and central-level support for decentralization; local authorities are embedded in a well-defined framework of territorial governance; close coordination with international donors on LED-enabling projects; there is a national LED program. Negatives: somewhat ineffective implementation b/c of limited allocation of fiscal resources	Economic Governance; 50%; Locality Development; 20% Enterprise Development; 20%	1 million to 3 million; 30% >5 million; 30%	3-5 years; 50%
Ghana	Strong university system; strong agricultural extension services.	Positives: Ghana is a "model" of political and economic reform; comparatively, a pro-business climate; the National Decentralization Plan has strengthened smaller towns; the decentralization process has been considered successful overall (although it is still a developing process); there is increased civil society engagement/stakeholder participation; extensive efforts have been made to encourage district assemblies to promote LED; public-private forums at the district level include entrepreneurs in the policy-making process; the Local Government Act brings economic development under district-level jurisdiction; there is local representation at the highest levels of government; local governments can raise their own revenue and get transfers from central government.	Locality Development; 36% Economic Governance; 18% Workforce Development; 18% Enterprise Development; 18%	1 million to 3 million; 36%	>5 years; 64%