

REPUBLIC OF GHANA

LED PRACTITIONERS' MANUAL

JULY 2024

Executive Summary

Local Economic Development (LED) Practitioners' Manual

In an era when communities are seeking sustainable growth, Local Economic Development (LED) emerges as a transformative catalyst, anchoring economic progress in local aspirations and resources. This Practitioners' Manual is a compass for those embarking on or refining their LED actions. Through its pages, we delve deep into the philosophy and principles of LED, highlighting its potential to bolster economic resilience, empower communities, and foster sustainable development.

Transitioning from understanding LED's foundational aspects, the Manual provides:

- A roadmap for assessing the local economic landscape.
- Crafting robust strategies.
- Translating these blueprints into tangible action.

At its heart, LED is a collaborative endeavour, and this guide underscores the importance of forging meaningful partnerships and harnessing the collective strengths of stakeholders, organisations, and the communities we aim to uplift.

But every endeavour has its challenges. Equipped with insights from this Manual, practitioners will find themselves better prepared to navigate the intricacies of resource mobilisation, stakeholder alignment, and the ever-changing economic terrain.

Whether you are a policymaker, a local leader, or an LED enthusiast, this Manual is designed to be your trusted companion. It offers a blend of theoretical insights, practical tools, and real-world examples. It stands as a testament to the transformative power of LED and our shared vision of sustainable local prosperity.

Glossary

Action Plan: A detailed outline of steps or activities designed to achieve specific objectives or goals within a set timeframe.

Collaboration: The act of working jointly with other entities or organisations to achieve a common goal.

Community Engagement: The process of involving local communities in decision-making and development initiatives.

Economic Landscape: The overall economic environment or condition of a specific area, encompassing factors like employment rates, business growth, and market trends.

Financing: The act of providing or securing funds or capital for business activities, making purchases, or investing.

Implementation: The process of executing strategies, plans, or initiatives.

LED (Local Economic Development): A strategy that seeks to improve a locality's economic well-being and quality of life by creating and retaining jobs and supporting or growing incomes and its economy.

MOU (Memorandum of Understanding): A formal agreement outlining the terms and details of an understanding between two or more parties.

NGO (Non-Governmental Organisation): A non-profit organisation that operates independently of any government, usually to address social or political issues.

Partnership: A cooperative relationship between people or groups who agree to share responsibility for achieving some specific goal.

Resource: Financial, material and human inputs that can be used to achieve a goal or solve a problem.

Resource Mobilisation: The process of securing resources to support and sustain initiatives or activities.

SMART Goals: Goals that are Specific, Measurable, Achievable, Relevant, and Time-bound.

Stakeholder: An individual, group, or organisation that has an interest or concern in an organisation or initiative.

SWOT Analysis: A strategic planning tool used to identify and analyse an organisation's Strengths, Weaknesses, Opportunities, and Threats.

Acronyms

LED	Local Economic Development
MMDA	Metropolitan, Municipal and District Assemblies
MOU	Memorandum of Understanding
NGO	Non-Governmental Organisation
PESTLE	Political, Economic, Sociological, Technological, Legal and Environmental
SMART	Specific, Measurable, Achievable, Relevant, Time-bound
SWOT	Strengths, Weaknesses, Opportunities, Threats

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1. Introduction

In the heart of West Africa, Ghana stands as a beacon of growth and potential. The nation's focus on sustainable and equitable growth has made the role of LED paramount. The process brings together local government, businesses, and the non-governmental sector into partnerships to create an environment for economic growth, employment generation, and increased incomes. The purpose is to enable the local area to achieve sustainable and inclusive development and an improved quality of life for all. This definition tasks the Metropolitan, Municipal and District Assemblies (MMDAs) to initiate programmes and activities as part of their planning mandate to promote investments, support small business development, encourage local procurement, and implement public-private partnerships.

Given this premise, this Manual guides those dedicated to driving local economies forward and provides a systematic approach to ensure prosperity reaches every corner of our communities.

A. Purpose of the Manual

Local Economic Development (LED) has increasingly been recognised as a pivotal force in driving the economic dynamism of regions and communities. The urgency to harness this force in Ghana is anchored in national policies and legislations. This Manual is designed to guide the implementation of LED in Ghana, drawing inspiration from the National LED Policy (2024) and Implementation Plan, which emphasises actions to **"promote a conducive environment at the district level for sustained local business growth, decent employment opportunities and economic empowerment for all Ghanaians".**

B. Target Audience

While the principles and strategies outlined in this Manual can be of value to a broad audience, it is specifically tailored for:

- **Metropolitan, Municipal, and District Assemblies (MMDAs)**: As highlighted by Chapter 20 of the 1992 Constitution and the Local Governance Act, 2016 (Act 936), Section 12(1) (b) and (2) (c), MMDAs play a central role in local governance and economic development. This Manual provides insights to ensure that LED

initiatives are seamlessly integrated into broader administrative strategies.

- **Other stakeholders involved in LED:** This includes policymakers, local businesses, NGOs, Common Interest Groups (such as Village Savings and Loans Associations, Producer Groups, etc.) and other entities that shape the local economic environment.

- **Community organisations and members:** Grassroots movements and community members can benefit from understanding and participating in LED initiatives, ensuring that growth is inclusive and representative.

C. How to Use the Manual

This Manual is structured to provide a logical progression from understanding the foundational concepts of LED to its practical implementation. Readers are encouraged to:

- Navigate through different sections based on their familiarity with LED.

- Utilise the appendices and resources for deeper insights and tools.

- Adapt the guidance provided to fit the unique contexts and challenges of their jurisdictions.

D. Overview of Contents

Following this introduction, the Manual delves into foundational concepts of LED, assessment methodologies, strategy formulation, and practical implementation steps. Each section is crafted to provide both theoretical knowledge and actionable insights. Additionally, the Manual hosts a wealth of resources and tools designed to aid Practitioners in their LED initiatives.

E. Conclusion of Introduction

Sustainable and inclusive growth requires collaboration, innovation, and persistence. As you delve into this Manual, we encourage you to approach LED with an open mind, ready to harness the vast potential of local economies. We also value feedback and believe in iterative improvements; your insights can shape the future editions of this Manual, ensuring it remains relevant and impactful.

2. Foundational Concepts of Local Economic Development

One must first understand its foundational principles to navigate the transformative agenda of local economic development (LED). Let us explore the essence of LED and understand its importance, scope, and underlying principles.

A. Meaning and Scope of LED

Local Economic Development (LED) is not merely a concept but a deliberate and participatory approach to economic development. At its core, LED centres around collaboration among local stakeholders to create optimal conditions for economic growth and employment generation. It is about leveraging local resources, addressing unique challenges, and capitalising on inherent strengths.

The LED process considers 'local' to sometimes stretch beyond the administrative boundaries of local government and rather embody the spatial dimension for development. Some of the advantages of stretching the territory to go beyond the political and administrative boundary in Ghana are:

- Common socio-cultural links could be exploited to harness the economic potential of a place and, therefore, the need to extend the local beyond the political-administrative boundaries.

- Spatial proximity enables social, economic, and political interaction among actors. This generates cohesion and trust, which are intangible assets for economic growth.

- The territorial approach to development helps to leverage resources among communities, serving as 'pull' factors for underdeveloped localities to benefit from more developed localities.

Ghana's decentralised local government structure recognises the role of National and Regional levels in developing the local area. As such, LED processes must take into consideration the role of these multi-level governance structures.

B. Importance of LED

LED, as a transformational agenda, offers much more than economic growth. Its significance lies in:

- **Sustainable Growth:** LED promotes balanced development, ensuring economic progress does not come at the cost of environmental or social well-being.

- **Inclusivity:** LED is about ensuring that everyone, from local businesses to the average citizen, benefits from economic prosperity.

- **Resilience:** LED's focus on local strengths ensures communities can withstand and bounce back from shocks.

C. Key Principles of LED

The principles guiding LED are drawn from its historical evolution and the lessons learned from past initiatives. Some pivotal principles include:

- **Leadership and change management:** In the context of LED, leadership needs to assume responsibility for championing the development of local economies. This requires a change of mindset to provide business-friendly engagements with all local stakeholders involved.

- **Participatory Approach:** LED is about collective decision-making. It is crucial that all stakeholders, from government bodies to local communities, have a voice in the process.

- **Asset-based Development:** Instead of focusing solely on challenges, LED strategies emphasise harnessing local potential, assets and strengths.

- **Integrated Development:** Economic growth, social well-being, and environmental sustainability are intertwined. LED promotes a holistic approach, ensuring all three dimensions are considered.

Other principles are outlined in the LED Policy and Implementation Plan (2024).

Moreover, insights from the LED Policy and Implementation Plan (2024) emphasise the pivotal role of Metropolitan, Municipal, and District Assemblies (MMDAs) in the LED process. They are tasked with promoting LED and collaborating extensively with sector departments, development partners, the private sector, and relevant local groups to realise this vision.

Quick Guide: Grasping the LED Basics

1. **Meaning and Scope of LED:** Recognize what LED encompasses and its boundaries.

2. **Importance of LED:** Understand the significance of LED in fostering community growth.

3. **Key Principles of LED:** Familiarise yourself with the foundational principles driving effective LED initiatives.

3. The LED Process

A. STEP 1: ASSESSING THE LOCAL ECONOMIC ENVIRONMENT

To unlock the transformative potential of local economic development (LED), we need to analyse the local economic environment. This assessment phase ensures that our strategies and interventions are data-driven, inclusive, and relevant.

I. Stakeholder Identification, Mapping, and Analysis

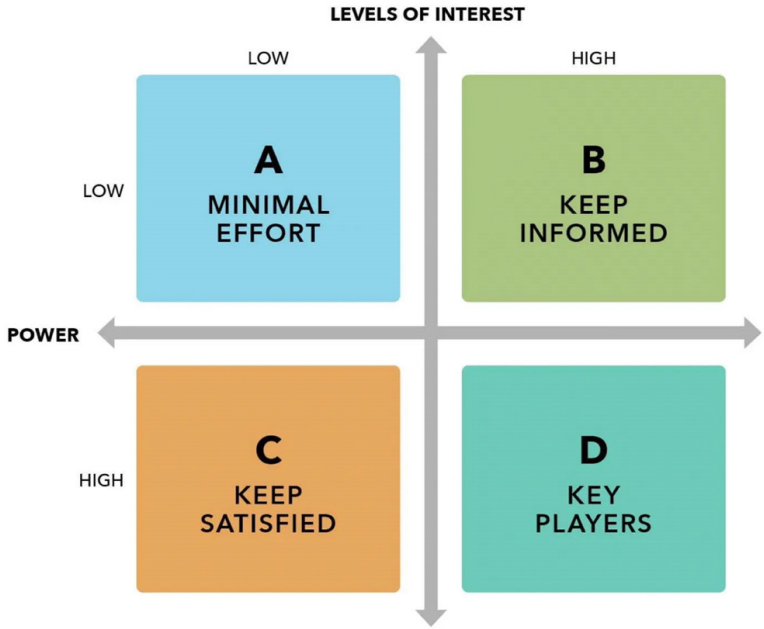
The following areas of analysis should be undertaken as part of the Local Economic environment assessment precisely because LED is collaborative, with stakeholders from both national and local levels playing pivotal roles. To navigate this:

- **Identification:** All economic actors in the local area must be recognised. This includes governmental bodies, private entities, and community groups.

- **Mapping:** Tools like the Alignment of Interest and Influence Matrix (AIIM) can assist in understanding and categorising stakeholders based on their influence and interest.

- **Analysis:** By understanding the needs, concerns, and potential contributions of each stakeholder, we can create a more inclusive and effective LED strategy.

A key stakeholder table, with an indication of their various roles, is provided in the Annexure.



II. Building Partnerships with Stakeholders

Strong partnerships amplify the impact of LED initiatives:

- **Identify Key Stakeholders:** Recognise entities and individuals crucial to the success of LED interventions, from local businesses to governmental bodies.
- **Establish Common Goals:** Ensure all partners align on objectives, creating a unified vision.
- **Foster Open Communication:** Maintain regular dialogue, ensuring transparency and mutual understanding.

III. Analysing Economic Data

Economic data serves as the compass for our LED actions. Metrics like GDP, employment rates, and business growth rates offer insights into the health of the local economy. Additionally, understanding the performance of key sectors, such as agriculture, manufacturing, or services, can

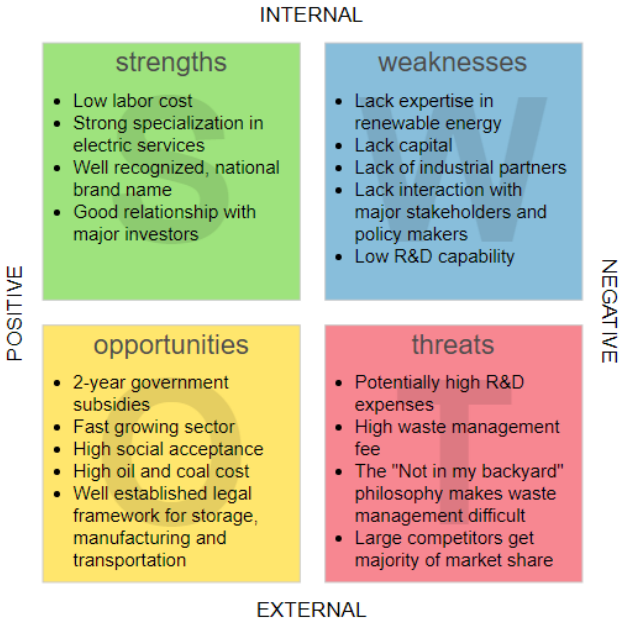
spotlight areas ripe for intervention. Demographic data, which informs workforce development strategies, among others, is equally crucial.

Sources of Economic Data: Administrative Data, Census Data, Academic Publications, etc.

IV. Understanding Local Strengths, Weaknesses, and Market Dynamics

Success in LED lies in leveraging local strengths and addressing inherent challenges. Tools like SWOT analysis can aid in pinpointing:

- **Local Strengths**: Assets such as natural resources, skilled labour, or strategic location.
- **Local Weaknesses:** Challenges that may include infrastructure gaps, skill shortages, or regulatory barriers.
- **External Opportunities:** Some opportunities may include government subsidies, development partner support, and effective and efficient regulatory regimes.



- **External Threats:** Challenges such as political instability, growing unemployment, and limited research and development support can potentially threaten LED advancement.

– **Market Dynamics:** Grasping supply and demand, competitive forces, and potential market niches ensures that our LED initiatives are attuned to the pulse of the market.

Checklist: Gauging Your Economic Terrain

1. **Analysing Economic Data:** Identify data sources and use relevant data to evaluate your current economic status.

2. **Identifying and understanding Local Strengths and Weaknesses:** Pinpoint areas of potential and areas needing improvement.

3. **Identifying and understanding External Opportunities and Threats:** Acknowledge and understand the potential of these on the local economy.

4. **Understanding Local Markets:** Grasp the nuances of your local economic ecosystem.

B. STEP 2: DEVELOPING A LOCAL ECONOMIC DEVELOPMENT STRATEGY

Once the local economic landscape is mapped and understood, the next step is charting a course. Crafting an effective LED strategy requires setting clear goals, identifying potential interventions, and prioritising initiatives based on feasibility and impact.

I. Setting Goals and Objectives

Defining clear and measurable goals serves as the north star for LED initiatives. These goals should:

– Align with national and regional development objectives.

– Reflect the aspirations and needs of the local community.

– Be adaptable, allowing for adjustments as the local context evolves.

II. Identifying and Prioritising Potential Interventions

With goals set, the focus shifts to determining the best means to achieve them. This involves:

- Evaluating potential activities or interventions based on their feasibility, potential impact, and alignment with local strengths.
- Engaging with stakeholders to gather input and ensure holistic and inclusive interventions.
- Considering innovative approaches or best practices from other regions or countries that can be adapted to the local context.

III. Prioritising Actions and Initiatives

Not all interventions are equal. Prioritisation ensures resources are allocated effectively, maximising impact. Criteria for prioritisation can include:

- Potential economic impact and job creation.
- Alignment with broader regional or national development goals.
- Feedback and support from local stakeholders.

This section provides a framework for developing a robust LED strategy, laying the groundwork for subsequent implementation and monitoring. Drawing from the insights in the LED Policy and Implementation Plan (2024) and relevant national frameworks, it ensures that the strategy is grounded in local realities and aligned with broader development objectives.

Quick Guide: Crafting Your LED Blueprint

1. **Setting Goals and Objectives:** Clearly define what you aim to achieve.
2. **Identifying Potential Interventions:** Outline the strategies and tactics to reach your goals.
3. **Prioritising Activities and Initiatives:** Decide on the sequence and importance of your planned actions.

C. STEP 3: IMPLEMENTATION AND MONITORING

Turning vision into reality requires meticulous planning, effective execution, and rigorous oversight. This section delves into the intricacies of implementing a Local Economic Development (LED) strategy and the essentiality of monitoring its progress.

I. Developing an Action Plan

A comprehensive action plan is the roadmap for LED initiatives, detailing the path from strategy to outcomes. The diagram below (template for Programme of Action) can be adopted.

Goal	Objectives	Programme (PBB)	Sub-programme (PBB)	Time frame (year)				Cost			Programme Status		Implementing Institution/Department	
				2022	2023	2024	2025	GoG	IGF/ ABFA	Others	New	Ongoing	Lead	Collaborating

- **Detail Tasks and Activities:** Break down broad goals into actionable steps, ensuring a clear path forward.
- **Assign Responsibilities:** Define roles to foster accountability and ensure efficient execution.
- **Set Timelines:** Establish realistic deadlines, ensuring that initiatives maintain momentum and achieve set milestones. These timelines should align with national dictates and norms (also refer to NDPC planning guidelines)
- **Allocate Resources:** Dedicate necessary financial, human, and other resources, ensuring each initiative is well-equipped for success.
- **Adopt Performance Metrics:** Adopt measurable indicators to gauge the progress and impact of interventions. Some examples of LED indicators may include the number of jobs created, the number of businesses supported with access to financial resources, the number of business operating permits processed, the number of youths trained with employable skills, etc.

II. Implementing LED Initiatives

The transition from strategy to action hinges on effective implementation:

- **Continuous Stakeholder Engagement:** Regular stakeholder interactions ensure alignment, gather vital feedback and build continued support.

- **Adaptability:** While the plan sets the direction, a flexible approach ensures responsiveness to the evolving local context.

- **Collaborative Approach:** Engage with a diverse range of partners, capitalising on their unique strengths and expertise to bolster the impact of LED efforts.

III. Monitoring and Evaluating Progress

To ensure the sustainability and success of LED initiatives, consistent oversight is paramount:

- **Performance Metrics:** track measurable indicators to gauge the progress and impact of interventions.

- **Regular Reviews:** Conduct periodic assessments to ensure alignment with goals, identify potential roadblocks, and make necessary adjustments.

- **Feedback Mechanisms:** Leverage tools such as surveys and community feedback sessions to continually refine and adapt based on ground-level insights.

This section emphasises the transition from strategy to action and the importance of continuous oversight.

Checklist: Bringing Your Plan to Life

1. **Developing an Action Plan**: Map out the detailed steps for your LED initiatives. MMDAs are expected to use the NDPC template for preparing AAPs.

2. **Implementing LED Initiatives:** Execute your strategies with precision and purpose.

3. **Monitoring and Evaluating Progress:** Regularly check in on your progress, ensuring alignment with your goals.

D. STEP 4: FINANCING AND RESOURCE MOBILISATION

Securing adequate funding and efficiently mobilising resources is paramount to transforming LED strategies into appropriate outcomes. This section delves into strategies for identifying funding sources, developing resource mobilisation plans, and managing financial resources effectively.

I. Identifying Funding Sources

Multiple avenues can provide the necessary financial support for LED initiatives:

- **Governmental Budgets:** National and local government allocations specifically earmarked for economic development actions.
- **Grants and Donor Funding:** External support from international organisations, NGOs, and development partners.
- **Private Sector Investments:** Collaborations and partnerships with private entities looking to invest in local development actions.
- **Public-Private Partnerships (PPPs):** Joint ventures where public and private sectors collaborate on actions, sharing costs, risks, and benefits.
- Community self-help interventions and Own Source Funding such as Internally Generated Funds

II. Developing a Resource Mobilisation Strategy

To deliver LED initiatives, a wide range of internal and external resources must be mobilised, including expertise and logistical, social, and financial resources.

A systematic approach ensures that resources, both financial and non-financial, are harnessed effectively:

- **Needs Assessment:** Identify the specific resources required for each LED initiative.

- **Engagement Strategy:** Develop a plan to engage with potential donors, investors, and partners.
- **Discuss:** Discuss and agree on the needed support and set clear timelines.
- **Transparency and Accountability:** Maintain clear records of resources, ensuring transparency in allocation and utilisation.
- **Communicate Results:** intended and achievements communicated through designated channels.

> **Strong Communication**
>
> 1. Ensures Public-Private Dialogue
> 2. Ensures stakeholder access to information
> 3. Deepens awareness creation on LED
> 4. Facilitates visibility of the LED Plan

III. Managing Financial Resources

Effective management ensures that funds are used judiciously and achieve the desired impact:

- **Budgeting:** Allocate funds to specific tasks and activities, ensuring each initiative is adequately financed.
- **Monitoring Expenditures:** Regularly track and review spending against the budget to ensure financial discipline.
- **Financial Reporting:** Regularly update stakeholders on financial performance, fostering trust and accountability.

This section emphasises the importance of financial planning and resource management in achieving LED goals. Proper funding and resource allocation ensure that LED initiatives are ambitious and achievable.

Quick Guide: Fuelling Your LED Initiatives

1. Identifying Funding Sources: Uncover various avenues to fund your activities.

2. Developing a Resource Mobilisation Strategy: Strategise on pooling resources effectively.

3. Managing Financial Resources: Ensure prudent and transparent handling of funds.

4. Partnerships and Collaboration

No entity is an island in Local Economic Development (LED). The synergy of collective effort often yields results that far surpass individual endeavours. This section underscores the importance of partnerships and collaborations, offering insights into building robust relationships, engaging with diverse organisations, and fostering community involvement.

A. Collaborating with Other Organisations

Broadening the collaborative network can introduce fresh perspectives and resources:

- **Engage with Sector Departments:** Collaborate with specialised governmental departments to harness their expertise and resources.
- **Partner with NGOs and Developmental Organisations:** These entities often bring unique insights, funding opportunities, and on-ground experience.
- **Explore Academic Collaborations:** Local educational institutions can offer research support, technical expertise, and access to young talent.

B. Engaging the Community

The heart of LED lies in its local focus, making community engagement paramount:

- Community Consultations: Regular interactions gather feedback, build trust, and ensure LED initiatives resonate with local needs.
- Involvement in Decision-making: Engage community members in key decisions, fostering a sense of ownership and commitment.
- Feedback Mechanisms: Establish channels for the community to voice concerns, suggestions, and feedback, ensuring continuous alignment with local aspirations.

This section emphasises LED's collaborative nature and offers a roadmap

to harnessing the power of partnerships, ensuring that LED initiatives are holistic, inclusive, and deeply rooted in the community they aim to serve.

Checklist: Amplifying Impact Through Collaboration

1. **Building Partnerships with Stakeholders:** Engage and align with key players in your LED actions.

2. **Collaborating with Other Organisations:** Leverage the strengths of various entities for a holistic approach.

3. **Engaging the Community:** Prioritise community input and involvement, as they are at the heart of LED.

5. Challenges in LED and Navigating Them

While LED offers transformative potential, practitioners often encounter hurdles along the way. This section highlights common challenges and provides strategies to navigate them effectively.

A. Understanding LED

Challenge: Limited understanding of the concept of LED

Solution: standardise and communicate what LED means to all categories of stakeholders.

B. Stakeholder Alignment

Challenge: Bringing all stakeholders onto the same page can be daunting, given diverse interests and perspectives.

Solution: Regular communication, transparent decision-making, and inclusive planning sessions can bridge gaps and foster alignment—For example:

The Ada Songor Salt Project demonstrates how regular communication, transparent decision-making, and inclusive planning can bridge gaps, foster stakeholder alignment, and drive successful local economic development.

The Ada Songor Salt Project aimed to revitalise and expand salt production in the Ada West District, which has one of the largest natural salt pans in West Africa. Despite its potential, the area faced issues such as unorganised salt extraction, conflicts among local communities, and underutilisation of resources. A comprehensive project was launched to address these challenges and enhance economic development.

Key Actions and Impact:

Regular Communication: The project involved continuous communication between the Ada West District Assembly, local communities, traditional leaders, and other stakeholders. Regular meetings and updates ensured everyone was informed about the project's progress and plans, fostering trust and cooperation.

Transparent Decision-Making: Decision-making processes were kept transparent, with all stakeholders accessing relevant information. This transparency helped to build credibility and prevent misunderstandings or suspicions among the local population.

Inclusive Planning Sessions: The planning sessions were inclusive, involving representatives from local communities, women's groups, youth associations, and traditional authorities. They allowed for diverse input and ensured that the needs and concerns of all stakeholders were addressed.

Conflict Resolution Mechanisms: The project established mechanisms to resolve conflicts and disputes, particularly those related to land use and resource allocation. Mediators and facilitators were engaged to help navigate conflicts and find mutually agreeable solutions.

Capacity Building and Training: Training programs were provided to local salt producers to enhance their knowledge of modern salt production techniques. These programs aimed to increase productivity, improve product quality, and ensure sustainable practices.

Infrastructure Development: The project included the construction of improved access roads, storage facilities, and processing plants. These infrastructure developments were designed to support efficient salt production and distribution.

Outcomes:

Increased Salt Production: The organised and modernised salt production methods significantly increased output, benefiting local producers and the broader economy.

Economic Empowerment: The project created jobs and increased income for local families, contributing to poverty reduction and improved living standards.

Community Cohesion: Regular communication and inclusive planning helped to build stronger community bonds and reduce conflicts, fostering a more cohesive and cooperative environment.

Sustainable Practices: The emphasis on sustainable production techniques ensured the long-term viability of the salt industry in the area.

C. Leadership and Change Management

Challenge: Lack of leadership, especially at the MMDA level, to drive LED initiatives

Solution: Identify a Champion at the local level to drive LED

D. Resource Constraints

Challenge: Limited resources, whether financial, human, or infrastructural, can hinder LED initiatives.

Solution: Prioritising actions based on impact, exploring public-private partnerships, and tapping into community resources can help maximise the use of available assets—For example:

The redevelopment of Kejetia Market exemplifies how prioritising impactful actions, leveraging public-private partnerships, and engaging community resources can significantly improve local economic development.

Kejetia Market, a colossal trading hub in Kumasi, is one of the largest and busiest markets in West Africa. Its strategic location and robust infrastructure draw traders from all corners of Ghana and neighbouring countries. However, the market's sheer size and popularity necessitated a modernisation and expansion effort to accommodate the ever-increasing number of traders and enhance safety and sanitation conditions.

Key Actions and Impact:

Public-Private Partnerships: The redevelopment of Kejetia Market was spearheaded through a collaboration between the Kumasi Metropolitan Assembly (KMA), the Government of Ghana, and private investors. This partnership facilitated the mobilisation of the project's substantial financial resources and technical expertise.

Infrastructure Development: The project involved building a state-of-the-art market complex. This modern facility boasts upgraded amenities, including advanced drainage systems, superior waste management, and top-notch security features. The new market complex also offers a spacious trading area, effectively reducing congestion and enhancing the overall trading environment.

Job Creation and Economic Growth: The redevelopment project created numerous job opportunities during construction and continues to provide

employment for market traders, security personnel, and maintenance staff. The modern facilities attract more traders and customers, boosting local commerce and contributing to Kumasi's economic growth.

Community Involvement: The project engaged local stakeholders, including market traders, community leaders, and residents, ensuring their needs and concerns were addressed. Regular consultations and feedback mechanisms were established to promote community ownership and support for the project.

Capacity Building: Training programs were implemented to help traders adapt to the new market environment and improve their business skills. These programs focused on financial literacy, customer service, and the use of modern trading tools, enhancing the overall competitiveness of local businesses.

Outcomes:

Improved Trading Conditions: Traders now operate in a safer, cleaner, and more organised environment, which has led to increased productivity and better business outcomes.

Enhanced Economic Activity: The modernised market has attracted more customers and traders, boosted local economic activity and generated higher revenue for traders and the metropolitan government.

Sustainable Development: The project has set a precedent for future public-private partnerships in local economic development, demonstrating the benefits of collaborative efforts in addressing urban development challenges.

E. Regulatory Hurdles

Challenge: Local regulations and bureaucratic processes can pose challenges, slowing down or even stalling actions.

Solution: Collaborating closely with local governmental bodies, seeking expert counsel, and ensuring early engagement in the regulatory process can streamline project execution—For example:

The redevelopment of the Sekondi Fishing Harbour highlights how collaboration with local governmental bodies, expert involvement, and proactive regulatory engagement can streamline project execution and foster local economic development.

The Sekondi Fishing Harbour, located in the Western Region of Ghana, has historically been a crucial hub for fishing activities. However, over the years, the harbour faced significant challenges, such as inadequate facilities, poor infrastructure, and declining productivity.

Key Actions and Impact:

Collaboration with Local Governmental Bodies: The Sekondi-Takoradi Metropolitan Assembly (STMA) played a central role in the redevelopment project. By working closely with the Ministry of Fisheries and Aquaculture Development, the project ensured alignment with national policies and secured necessary approvals and support.

Expert Counsel and Planning: The project engaged experts in marine engineering, urban planning, and environmental management to design and plan the redevelopment. This ensured the project was technically sound and sustainable and addressed all key issues, including environmental impact and community needs.

Early Engagement in the Regulatory Process: From the onset, the project team engaged with regulatory bodies such as the Environmental Protection Agency (EPA) and the Ghana Ports and Harbours Authority (GPHA). Early engagement helped streamline the approval processes, mitigate potential regulatory hurdles, and ensure compliance with all relevant regulations.

Community Involvement: The project actively involved local fishing communities, traders, and other stakeholders through regular consultations and feedback sessions. This engagement helped build community support and ensured that the redevelopment met the needs of those directly affected.

Infrastructure Development: The redevelopment included upgrading fishing facilities, improving storage and processing facilities, constructing new docking areas, and enhancing access roads. These improvements aimed to increase productivity, reduce post-harvest losses, and create a safer working environment.

Outcomes:

Increased Productivity: The modernised facilities have significantly boosted the productivity of local fishing activities, contributing to higher income for fishermen and related businesses.

Economic Growth: The redevelopment has stimulated economic growth in the Sekondi-Takoradi area by attracting more businesses and investment, creating jobs, and enhancing the overall economic activity.

Regulatory Compliance and Sustainability: By engaging early with regulatory bodies and incorporating expert advice, the project ensured environmental and operational standards compliance, promoting long-term sustainability.

F. Changing Economic Landscapes

Challenge: Global economic shifts, technological advancements, or unforeseen events can impact local economies.

Solution: Building flexibility into LED strategies, staying updated on global trends, and fostering a culture of continuous learning can help regions adapt and thrive in the face of change.

This section illuminates potential roadblocks and offers solutions, arming practitioners with the insights to navigate challenges and ensure the success of LED initiatives.

Quick Guide: Tackling LED Roadblocks

1. **Stakeholder Alignment Challenges and Solutions:** Navigate the complexities of diverse interests.

2. **Resource Constraints, Challenges and Solutions:** Find ways to optimise despite limited resources.

3. **Regulatory Hurdles Challenges and Solutions:** Understand and manoeuvre through local regulations.

4. **Changing Economic Landscapes Challenges and Solutions:** Stay adaptable in the face of global economic shifts.

6. Conclusion

Local Economic Development (LED) is a beacon of hope for communities, promising sustainable growth and empowerment. As we wrap up this Manual, reflecting on the actions ahead is essential.

A. Summary of Key Points

- **Strategic Focus:** LED is not just about projects; it is a mindset. It demands careful planning, collaboration, and continuous improvement and oversight.

- **Collaborative Spirit:** The power of collective effort cannot be overstated. From stakeholders to the community, every voice matters.

- **Adaptability:** The landscape of economic development is fluid. Staying agile ensures LED initiatives remain relevant and impactful.

B. Looking Ahead

Change is the only constant. As practitioners, we must be willing to learn, adapt, and innovate, ensuring our LED strategies remain effective in changing times.

C. Resources and Continued Learning

We encourage you to delve deeper, engage with experts, and remain curious. The world of LED offers endless possibilities, and transformative change awaits with the right resources and mindset.

With this conclusion, the Practitioners' Manual on LED offers a comprehensive overview, tools, and insights to navigate LED effectively.

VII. Readings

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ANNEXURE

Annexe 1: SWOT Analysis

The group leader or facilitator should guide the stakeholder group through the questions in the chart below.

Remember to incorporate information from the situational analysis/ business survey and other data as needed.

Strength	***Opportunities***
• What is special and different in your city when compared with other cities, that you would like to remain unchanged? • What are the local area's primary economic opportunities • What are the local area's strongest assets or resources? (such as a skilled work force, beautiful waterfront, or strong manufacturing base) • Does your city/region have raw materials or resources (e.g. timber, agriculture, tourism resources) that may be improved or further processed and sold at a higher price?	• What opportunities exist to maximise, enhance, or support existing strengths that have been identified? • What opportunities external to the local area can be identified? • Are there areas of economic interest shared with nearby cities and opportunities to collaborate? • What regional or national trends could be opportunities for local economic development (for example, social, demographic, political, policy-related, or economic trends)?

Weakness	***Threats***
• What are the local area's biggest weaknesses or problems (think back to what triggered the planning process; what was identified through the situational analysis/business surveys • What are the liabilities or barriers that can limit LED? • What problems are faced by businesses in dealing with local government and other tiers of government? • What are the needs and constraints that restrict the accomplishment of business and economic development initiatives (e.g. need for retraining, poor management experience)?	• What threatens identified strengths? • What weaknesses threaten to become worse, and under what circumstances? • Are any competitors emerging that threaten local industry? What are their advantages? • What regional and national trends could become threats to local economic development? (For example, social, demographic, political, policy related, or economic trends) • Are there environmental factors (e.g. pollution) that negatively impact community health, lowering quality of life, attractiveness of the area, and worker productivity

Annexe 2: PESTLE Analysis

This concept is borrowed from marketing used by entities to scan the environment within which they operate. The concept has been applied in different contexts by different institutions, including governments, to understand the extent to which various elements of their environment influence development outcomes. Institutions such as UNICEF recommend PESTLE analysis to be combined with SWOT analysis to produce a stronger analysis, a better understanding of the current situation, and the potential for improved decision-making. In the context of Local Economic Development, the deploying of PESTLE analysis focuses on identifying the opportunities (in terms of enabling government policies, resources-human and natural/material resources), constraints (inhibiting laws, infrastructural deficits, etc.), strengths (level of entrepreneurship, size of commodity market, supply and demand chains etc.) and threats. In undertaking a PESTLE analysis, there are specific questions to ask. They are:

1. What is the political situation of the district, and how can it affect LED?

2. What are the prevalent economic factors?

3. How important are social factors, including culture and demography, in LED formulation and implementation, and what are their determinants?

4. What technological innovations are likely to pop up and affect LED implementation?

5. Are there any current legislations that regulate LED, or can there be any change in the legislation for LED implementation?

6. What environmental concerns are there in the district, and to what extent would they affect the successful implementation of LED?

Element	***Indicators***
Political	1. Government policies (eg 1D1F); 2. District level policies; 3. Stakeholder needs and demands; 4. Available interest groups; 5. Power relations; 6. Connectedness of key relevant actors/groups; 7. Possibility of conflict etc.
Economic	1. Physical infrastructure (paved roads, water, electricity etc.); 2. private sector size and participation (Availability of private sector resources relevant for LED); 3. taxes and fees regime; 4. unemployment rate; 5. availability of labour with relevant skills; 6. prevailing economic trends; 7. trade and market cycles; 8. production levels; 9. supply chains and commodity flow etc.
Social	1. Demography; 2. Education level; 3. cultural norms, social attitudes, factors in social identity, e.g. religious, socio-ethnic etc.; 4. Migration trends; 5. Heath levels, access to essential services.

Element	***Indicators***
Technology	1. Access to technologies (internet, mobile services etc.).
Legal	1. Business registration and licensing regime; 2. Labour laws; 3. land tenure system, acquisition and registration process; 4. consumer protection laws; 5. safety standards.
Environment	1. Deforestation rate; 2. Weather and climatic conditions (drought, flooding and pollution); 3. Geographical location; 4. Trends or expected future developments in the environment; 5. Urbanization rate; 6. Availability of arable lands etc.

Annexe 3: Key Stakeholders and their roles in LED

Institution	***Role in LED***
Ministry of Local Government, Decentralisation and rural Development (MLGRD)	• Responsible for ensuring good governance and balanced development of MMDAs • Facilitate capacity building programmes for functionaries of the MMDA on initiating, planning and implementation of LED programmes. • Sponsor legislations to parliament as appropriate for LED initiatives. • Facilitate resource mobilization to support LED initiatives at the local level. • Maintain strong inter-governmental relationships within a multi-level governance scheme. • Assist in the dissemination of best practices from the MMDAs. • Provide technical backstopping to MMDAs on LED. • Monitor outcome and impact of MMDAs activities.
Inter-Ministerial Co-ordinating Council (IMCC) on Decentralisation	• Serve as platform for engaging MDAs to promote LED at the MMDAs. • Mobilize resources to support MMDAs to initiate and implement LED activities.

Institution	***Role in LED***
National Development Planning Committee (NDPC)	• Formulate LED-centered national Development Framework. • Provide guidelines for the preparation of Medium-Term Development Plans (MTDP) with a focus on LED. • Provide technical support to MMDAs to implement LED. • Develop LED-centered Monitoring and Evaluation Framework to monitor MMDAs development programmes. • Report on MMDA LED initiatives at the national level.
Local Government Service (LGS)	• Build capacity of staff of MMDAs on LED to address persisting knowledge gaps. • Ensure MMDAs have full complement of staffing. • Develop LED performance indicators for staff performance assessment programmes. • Collaborate with other MDAs to facilitate LED at the MMDAs.
Ministries, Department and Agencies (MDAs)	• Facilitate level engagement of stakeholders at the MMDA. • Support policies and legislations on LED. • Support departments of the MMDAs in line with LI 1961. • Facilitate integration of staff into the MMDAs.

Institution	***Role in LED***
Regional Coordinating Councils (RCCs)	• Strengthen supervisory role of the MMDAs. • Strengthen capacity of the Regional Planning Coordinating Units (RPCUs) to support the MMDA Planning Coordinating Units. • Support capacity building programmes of MMDAs. • Facilitate peer-learning among MMDAs. • Facilitate business promotion programmes at the regional level.
MMDA	• Initiate and maintain regular dialogue between the MMDA and other stakeholders • Identify local resources and opportunities • Review and re-align by-laws to support LED • Identify and initiate LED activities • Mainstream LED into MMDA Development Plans. • Offer leadership for initiating and implementing LED activities. • Provide infrastructure to support LED.
Traditional Authorities	• Work together with MMDAs to streamline land administration programmes. • Support in conflict resolution and other programmes that enhance business environment.

Institution	***Role in LED***
Private Sector	• Identify and invest in business opportunities at the local area. • Support MMDAs by paying taxes and levies regularly • Mobilize resources and invest in economic sectors. • Support MMDAs to build the capacities of youth for sustainable employment.
Financial Institutions	• Develop financial products to support local businesses • Support MMDAs to organize financial instruments seminar for local businesses • Support LED by providing financial and technical services for stakeholders in the MMDA
National Association of Local Authorities of Ghana (NALAG)	• Facilitate LED awareness among its members • Lead research on LED and integrate LED into training programmes • Support MMDAs to implement LED • Create opportunities for peer-learning for and among MMDAs • Encourage MMDAs to share experiences and best practices on LED

Institution	***Role in LED***
Civil Society Organisations (CSOs)	• Participate in activities of the MMDAs especially activities on economic governance • Include economic issues in their advocacy and training programmes • Actively participate in LED monitoring activities of MMDAs • Share information on best practices of LED and citizen engagement in governance • Showcase economic potentials of MMDAs to attract investments in LED
Community	• Participate in public dialogues of MMDAs, especially on LED • Identify and share information on investment potentials • Assist in resource mobilization for LED by MMDAs

Annexe 4: Stakeholder Expectation Matrix (SEM)

	Local Assembly	***Traditional Authorities***	***Financial Service providers***	***Transport operators***	***Local Businesses***	***Youth***
Local Assembly		Provision of land	Provision of credit to local businesses	Provision of high-quality transport services to residents	Payment of BOP and required fees and rates	Avail themselves to work
Traditional Authorities	Engage them consistently		Provide loans to households	Facilitate free movement	Pay land rent	Engage in productive ventures
Financial Service Providers	Facilitate access to local businesses	Facilitate access to land for operations		Free movement of goods and services	Save, borrow and investment	Save and borrow for productive ventures
Transport Operators	Provide efficient transport system	Allocate land for bus terminals	Provide credit for procurement of vehicles		Patronise their services	Patronise their services

Local Businesses	Reduce cost of business operations and facilitate access to credit and financial literacy	Allocate land for business activities	Provide credit and financial literacy	Provide affordable and efficient transport services		Acquire relevant skills and avail themselves for employment
Youth	Invest in Skills development, provide startup capital and employment opportunities	Provide land space for business	Provide startup capital	Provide affordable and efficient transport services	Provide quality products	

Annexe 5: Local Economic Development Information

Demographic	Population by size, age, growth rate, projected growth rate, household size etc. Employees by industrial activity. Age structure and occupation breakdown of employed and unemployed. Average gross monthly earnings by gender and full/ part-time employment. Numbers and other information on people and activities in the informal sector. Numbers and types of schools, teachers and class sizes. Further and higher education establishments by type and numbers attending. Educational attainment levels by numbers and types - compare nationally. Training numbers, types, age groups of technically qualified individuals and those going through training; assessment of skill, occupational shortages, oversupply.

Economic	Number and size of firms by industrial sectors; numbers of full-time equivalent employees. Sector contributions to the local economy Number and type of recent firm closures by size, sector and date. Number of inward investments, foreign and domestic by employee size, sector, value, date. Number of new business start-ups, by size, sector, activity, export, enterprise size. Rental, purchase costs for vacant industrial and service sector units, by size. Vacancy rates of industrial and commercial space by size, location, absorption rates. Port, airport, rail cargo, passenger statistics; number of informal businesses. Local production and consumption of goods and services (volume, value, sources, destinations) Local exports and 'imports'; number of markets; Local expenditures on utilities, goods and services Key economic leakages Areas of Competitive advantage Transfers and remittances (outwards and inward) Funds mobilized by the financial sector in locality-categorised into bank and non-bank financial inst5itutions PPPs

Business Environment	Extent of 'red tape' and the ease of getting through red tape. Existence of supporting business networks, such as Chambers of Commerce, Association of Small-Scale Industries, other business associations. Local authority economic development support - services offered or subsidized. Local government capacity to carry out economic development; access to funding; promotion of investment opportunities; Access to business registration, permits, operating licenses, etc. (BAC/BRC, FDA, EPA, MMDA) Cost of business start-up. Ease of and flexibility in payment of taxes.
Hard Infrastructure	Condition of water, electricity, sanitation, and wastewater provision in areas of economic activity and, generally, in the locality. Assessment of provision of land, real estate, utilities, office space for economic activities. Availability and quality of road and other transport modalities to nearest major. Markets and industrial sites. Telecommunications and, health facilities,

Regional, National, and International Information	What neighboring cities are doing in terms of their local economic development. How neighboring localities are competing. How they are, or could, collaborate. What is happening at the national and international level that could have an impact on the locality. Opportunities available through the national government (initiatives, policies, incentives). Major international/global trends that may impact on the local area. Opportunities and threats presented by both regional and national governments. Opportunities in the international environment.

Adapted from Swinburn et al. (2006).

Annexe 6: LED Programme Options and Possible Projects

Programme	***Description/ Objective***	***Examples of Projects***
Improving the Local Business Investment Climate	Being responsive to local businesses including MSMEs by putting in place, procedures and regulations that improve the functioning of local businesses	Improving business registration and permit acquisition Passing by-laws favourable to business development
Investment in Hard Strategic Infrastructure	Investing in improving the physical environment for businesses, in order to make it more attractive for business retention, expansion and recruitment	Developing, improving and/or expanding industrial sites, buildings, and land banks for MSMEs
Investment in Sites and Premises for Business	Improving the physical environment to make it more attractive for businesses	Preparing industrial and commercial sites, including business parks, technology parks, incubators, etc.
Investment in Soft Infrastructure	Improving the commercial environment for businesses	Enabling or providing skills or vocational training Improving delivery of MMDA services to businesses
Encouraging Local Business Growth	Responding to the needs of MSMEs and Private Sector players	Facilitating technical and financial assistance to businesses Introduce and encourage 'buy local' campaigns

Programme	***Description/ Objective***	***Examples of Projects***
Encouraging New Enterprise	Creating a favourable environment for business start-ups	Support the establishment of formal and informal business networks
Promoting Inward Investment	Attract businesses to an area from elsewhere in the country or from outside the country	Facilitate access to business sites and premises Facilitate access to local suppliers and resources/ local assets
Sector (and Business Cluster) Development	Encouraging and supporting inter-firm collaboration, institutional development and targeted industrial sector	Develop local purchasing agreements Provide cluster-specific information
Area Targeting/ Regeneration Strategies	Examining a specific area within an Assembly to address a specific area-based problem such as a redundant factory, a declining shopping area, a slum in a district	Encourage investment into particular locations of the district. Promote entrepreneurship training and MSME support programmes
Integrating Low Income or Hard-to-Employ Workers	Introducing programmes to mainstream the poor and disadvantaged populations into the economy	Promote skills retraining and job placement programmes for the vulnerables

Annexe 7: Criteria for prioritising feasible projects

	Grading according to elements of Criteria				
Criteria	***Very Likely (5)***	***Likely (4)***	***Average (3)***	***Less Likely (2)***	***Not Likely (1)***
Mandate 1. Consistent with MMDA mandate 2. Satisfies legislations 3. Consistent with Policy 4. Can be contracted easily 5. MMDA has political will					
Capacity 6. MMDA has organisational capacity 7. MMDA has Human Resource 8. MMDA has/can get access to Expertise					

	Grading according to elements of Criteria				
Criteria	***Very Likely (5)***	***Likely (4)***	***Average (3)***	***Less Likely (2)***	***Not Likely (1)***
Resources 9. Affordability 10. Adequate fiscal resources 11. Savings Realized 12. Potential to leverage other Resources					
Timeframe 13. Time efficiency realized 14. Time frame for results-medium term 15. Likelihood to succeed					
Acceptance 16. Community Support 17. Partnership Potential (PPP)					

	Grading according to elements of Criteria				
Criteria	***Very Likely (5)***	***Likely (4)***	***Average (3)***	***Less Likely (2)***	***Not Likely (1)***
Relevance 18. Direct impact on LED Objectives 19. Ongoing Sustainability 20. Positive Environmental Impact 21. Approved land use pattern achievable 22. Consequences/ Risk manageability 23. Gender Equality 24. Inclusiveness					
Multiplier Effect 25. A Positive Trigger 26. Creation of more jobs 27. More Sectors/ Sub-sectors affected positively					

Annexe 8: Estimating Local Income

LOCAL INCOME AS AN ESTIMATION OF THE VALUE OF THE LOCAL ECONOMY

The analysis of the local economy must go beyond the infrastructure inventory and information on production or Agro-processing.

The creation or stimulation of the "internal market", which means increasing the purchasing power of the citizens, is seen as an objective or a result of the local economic development of a Municipality, Metropolitan Area or District. Increasing all citizens' local income must be a primary result of inclusive local economic development.

The concept of Local Income makes it possible to build an acceptable image of the local economy. Local income is both the direct result of local economic activity, the primary condition for its growth, and an indicator of the potential for creating additional wealth.

Indeed, Local Income, defined as the sum of the revenues of external origin received by regional, private, and public actors after the deduction of their expenses abroad, constitutes an acceptable operational instrument for an economic analysis of a Municipality.

This approach or tool will focus on the value of the internal market and the sources of local income of an MMDA (through an estimate of the value of local production intended for local consumption).

The analysis of the source of local income has four (4) components:

1. Selling locally produced goods and services (exports)

2. Incoming financial transfers without counterpart in goods and services

3. Outgoing financial transfers without counterpart in goods and services

4. The purchase of goods and services from abroad (imports)

Exports (basic sector)

Selling locally produced goods and services in external markets captures external revenues and injects them into the local economy of the Municipality. The corresponding income is formed either inside the Municipality (e.g. agricultural exports, tourism, hotels) or outside (e.g. sale of migrant labour).

Incoming financial transfers

Transfers, monetary flows can be public (e.g. support from PTFs, subsidies to the territorial Municipality, state taxes and duties, etc.) or private (e.g. intra- or inter-family solidarity transfers or clans)

Outgoing financial transfers

Transfers and outgoing monetary flows can be public (e.g. taxes paid at the national level, transfers sent outside the Municipality, infrastructure built outside by residents, etc.).

Imports

Purchases of goods and services from outside the Municipality (MMDA) de facto reduce the income of the citizens of a given Municipality. Indeed, the expenditure for the purchase of these imported goods and services constitutes income, not for the local economy but for the exporting economy.

However, some imports may benefit the municipality's citizens, for instance, when their price is lower than the price of locally produced goods and services. Some Imports, therefore, make it possible to ensure the accessibility of these goods and services to a larger local clientele.

Therefore, it will be necessary to analyse which types of imported goods and services can be replaced by those produced locally (Competitiveness).

Activities for domestic markets (domestic sector)

The municipalities' internal market is based on goods and services with a residential and economic function, both public and private. They mainly concern basic current consumption (food, housing, clothing and care, education, transport, etc.) produced locally, as well as the construction, maintenance and management of infrastructure and equipment, and financial services and administration of a Municipality.

Methodology for Local Economy assessments based on local income

Main steps:

1. Organisation of value chain, distribution of actors with their income and expenditure, location of the source of income and destinations of expenditure.

2. Values and types of local production for local consumption versus Products and services designated for customers outside the Municipality.

3. Basic goods and services for residents.

4. Value of goods and services imported and exported.

5. Incoming and outgoing financial flows, including incoming and outgoing financial transfers (without counterpart in goods and services) and their actors.

6. Strengths, weaknesses, opportunities and threats (SWOT) for each economic component.

7. Visualisation of the financial flow diagram.

Detailed steps for data collection:

Identify the main economic activities of a Municipality (for example :)

i. Products and services to external customers (potential or actual collection of income on external markets)

ii. Basic goods and services to residents (supply of goods and services for residential purposes, internal market)

iii. Other goods and services (supply of goods and services to residents and operators, domestic markets).

For each economic activity:

i. Analyse the functioning of the value chain from start to finish,

ii. List all the actors with their revenues (turnover) and their expenses

iii. Locate, in relation to the Municipality considered, the source of revenue and the destinations of expenditure (% local, % inside the Country, % outside the Country)

Estimate the value of goods and services imported from the Municipality

i. Identify imported products/services

ii. Estimate the volume and value of each product/service imported

iii. Calculate the annual turnover

Estimate the value of the Municipality's exported goods and services

i. Identify the products/services exported

ii. Estimate the volume and value of each product/service exported

iii. Calculate the annual turnover

Quantify incoming financial flows (see the attached spreadsheet)

i. Identify the actors concerned (projects/programs, civil servants, army, churches, Western Union, banks, etc.)

ii. Estimate the actual annual expenditure in the Municipality for each actor

iii. Calculate the total annual financial inflows

Quantify outgoing financial flows (see the attached spreadsheet)

i. Identify the relevant actors present in the Municipality

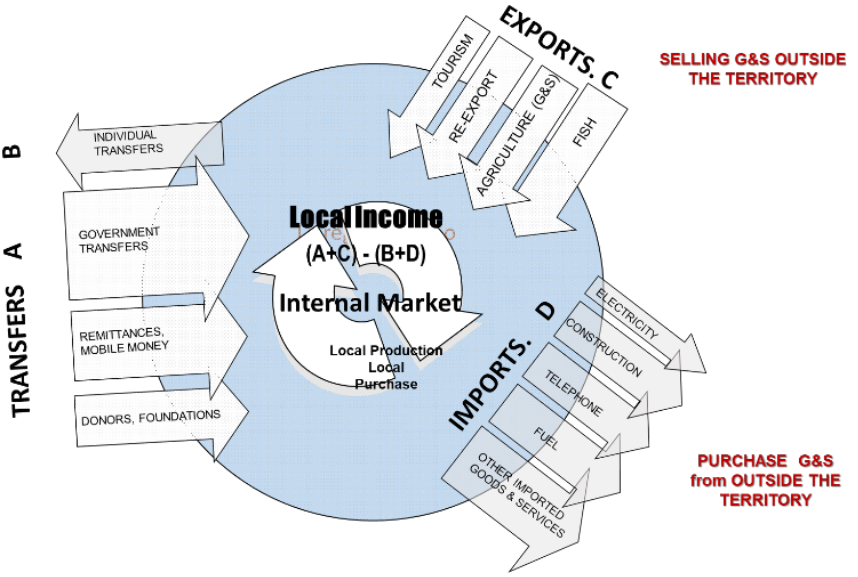
ii. Estimate their expenses (investments outside the Municipality, bank transfers out of the Municipality, remittances) for each actor per year

iii. Calculate the total of annual financial outflows

Identify for each economic component the strengths, weaknesses, opportunities and threats.

Calculate the Local Income (TI) of the Municipality

LI = Exports + financial inflows – imports – financial outflows



Visualise incoming and outgoing goods and services and financial transfers based on the financial flow diagram:

The spatial flow diagram visualizes in an orderly and rational way the relative weight of a district's incoming and outgoing financial flows. The flows (arrows) are based on an estimation of the value of the export of locally produced goods and services, the import of goods and services, and the incoming and outgoing transfers (non-market flows).

This diagram aims to open reflection and debate with a wide range of stakeholders, facilitating the identification and choice of relevant strategies for local economic development.

The main interest of the financial flows diagram is, therefore, to visualise the relative importance of a municipality's economic challenges based on two fundamental questions that are quite simple to answer: where does the money come from, and where is it going?



MINISTRY OF LOCAL GOVERNMENT,
DECENTRALISATION AND RURAL DEVELOPMENT