



Asia-Pacific

LOCAL ECONOMIC DEVELOPMENT IN ASIA

Proceeding of the Introduction to Local Economic Development





Organizing the Efforts and Related Stakeholders

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White the same determined to the



SDG 8, "Promote Sustained, Inclusive and

Productive Employment and Decent Work

for All" specifically points out the importance

Sustainable Economic Growth, Full and

of LED to foster sustainable economic

Local governments have a significant

stake in this goal and in LED. They can

nurture the the concept of LED and its

businesses to flourish.

application for the benefit of the community. Lastly, they can catalyze actions that produce an encouraging environment for

embrace and act as a coordinator for the

stakeholders ensuring equity stands point

on the practices. Their leadership can also

development.

Dr. Bernadia Irawati Tiandradewi

UCLG ASPAC

To address the emerging challenges of partaking in regional and global commitments, including the ASEAN Economic Community and SDGs, we see the role of local governments to be critical in bridging gaps, by crafting innovative solutions that generate economic productivity. They can bolster the Small Medium Enterprises (SMEs), facilitate vocational training towards skilful labour, provide significant investment in the form of adequate and decent infrastructure, as well as incentives for business activity. The next question is then how to mainstream LED at the local level and what policies are needed to fully implement this strategic role of local authorities?

We, in UCLG ASPAC, have been raising awareness towards strengthening local economies. This LED training hosted by Seberang Perai Municipal Government was our capacity building effort to nurture local governments' performance. It has produced champions to disseminate further the notion of LED. They will play as our 'invisible hand' to reach wider audience. With their knowledge, they can inject the key principles of LED to their respective unit and government creating a new learning path beyond the workshop.

We also have established an Asia Pacific LED network as a platform for local governments to continuously learn from their peers. The Network will facilitate the post activity of the LED training which will be supported by UCLG ASPAC to deliver more promoters of LED.

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Development Training

Seberang Perai

Dato' Maimunah Mohd, Sharif Mayor of Seberang Perai, Malaysia and President of MALA

Seberang Perai is not a rich city, but we are rich in dreams. We dare to dream and we believe that financial constraints do not hinder us to dream 'big'. The city is rich in natural and heritage resources. With this strength, we envision that Seberang Perai, the future of Penang, emerges as the world class tourist destination. The vision to promote tourism in the city will definitely open more opportunities for local economic development. Opportunities to run business of handmade product, local foods, and others are few examples which can be tapped by local community.

Benefiting local community by empowering and embracing them in the process has always been our main endeavor. We aim to engage our people to increase their quality of life. The LED approach suits to our vision as it emphasizes on partnership and bottom-up strength. It also acknowledges the inclusive work and the principle of equality in the practices. Foreseeing the borderless economic region in ASEAN, LED value can be 'a backbone' of our municipal economy and a strong foundation to beat with global competition. Simultaneously, integrating LED in our policy is in line with the commitment of Sustainable Development Goals (SDGs). There is no doubt to tighten our localities and work hand-inhand together with our community for a prosperous city.

To promote the spirit of LED, Seberang Perai wasz keen to host the LED training held on last December 2016. We are grateful to collaborate with UCLG ASPAC to produce 'LED promoters' in Asia as well as in my respective administrative boundaries. They are our future champions who will leverage the economic wisdom in wider places.

I am hoping that the learning will continue beyond the 3 days of workshop. The implementation of roadmap and pilot project in Seberang Perai are our joint homework in bringing more tangible benefit and outcome from the training. We need team work, together with the people and work with the people. Our 4P's commitment is Public, Private, People Partnership. All the lessons learnt, we will take note of the best practices and challenges as a guide for us to move forward. Now, we are ready to play an active role in UCLG ASPAC LED working group to share and update ourselves on the progress of LED.

Secretary General UCLG ASPAC





Starting from the discussion of Malaysian Association of Local Authorities (MALA) with UCLG ASPAC on the needs for Malaysian local governments to learn more about the concept of Local Economic Development, an initial idea of the LED Training was developed. After a series of discussion between UCLG ASPAC and Seberang Perai Municipal government, this training was organized on 13-15 December 2016 with the support of DELGOSEA Network.

LED offers all stakeholders, both at the local and national level, a platform to sit together and find agreed solutions on how to improve the economy at the local level. This idea is in line with the principle of "leaving no one behind" which serves as the foundation of Sustainable Development Goals and New Urban Agenda.

As part of efforts to localize the SDGs in local governments in Malaysia, Seberang Perai Municipal Government organized this two and a half day event. The training was attended by Malaysian local authorities as well as by DELGOSEA Network members from the South East Asia region. The training highlighted, explored, and studied the possible practices of local economic development

in other countries in the region.

The training was delivered in two (2) different methods including Training of Trainer (ToT) and general workshop. Taking place on the first day, the ToT aimed to cater participants from nine (9) different countries in South East Asia, South Asia, and the Seberang Perai municipal government on how to analyze challenges and propose possible solutions in improving local economy. Amongst the subject of the training, the forum presented about the five stages of strategic planning process, examples on successful LED Strategies, the right timing for LED, and various ways on how to move forward with local economic development. Participants also learned a wide variety of LED case studies on tourism development, manufacturing development and business attraction, cluster-driven growth like solid waste management, informal economies and public markets, and small medium enterprises efforts as well as national LED initiative.

To complement the ToT, the general workshop was held purposing to raise awareness on LED. It engaged the ToT participants as co-facilitators to convey the basic knowledge of LED to the bigger audiences. Given the opportunity to involve in the workshop, they would be able to obtain understanding about LED, and also to practice their facilitating skill gained in the first day of training. It thus resulted to gaining proficiency on the notion of LED.

The workshop served as a learning platform for a mixed group of government officials, local government associations, and civil society organizations from Indonesia, Laos, Thailand, Vietnam, Cambodia, Philippines, Bangladesh, India, and the host, Malaysia. Malaysian local authorities composed majority of the participants, and they were member municipalities of MALA.

The forum discussed a range of topics starting from the fundamental concept of the LED to the operational plan of action in their respective municipalities and/or countries.



03 DAYS

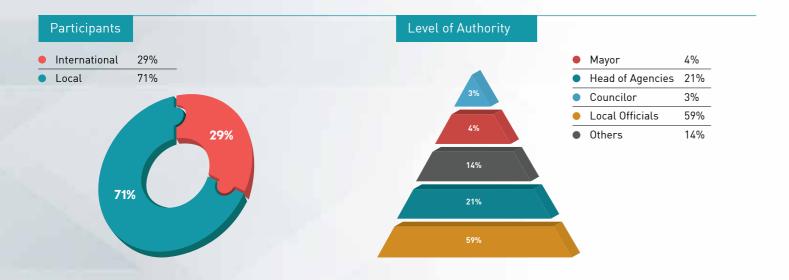


09 COUNTRIES



60 PARTICIPANTS

from local governments and associations



Training Objectives

- To introduce the concept of local economic development to government officials as well as local associations
- To share inspiring experiences and lessons learned of city government in working for local economic development.
- To analyze challenges and propose possible solutions in improving local economy of cities
- To know and understand different tools needed for local economic development

"I really enjoyed the session. I am sold out by the plan already and I will take it forward when I am back at home".

Mayor Stephany Uy-Tan, Catbalogan City, The Philippines



Prof. Saswat Bandhyopadhyay, facilitator of LED training is coaching the trainees on understanding LED strategic planning

Why Training of Trainers?

LED requires commitment to form the policy as well as to employ to the practices. It is a continuous effort of partnership with local stakeholders in boosting local economy. Collaboration is the key-word in LED underlining the inclusiveness.

Bringing the main message of LED, the training in Seberang Perai was structured with two(2) different methods of learning. First, there was a Training of Trainer (ToT) held on 13 December 2016 with only selected participants. The framework of ToT was chosen due to the need of local governments to create a "champion" to promote and mainstream LED.

- Each participant in ToT was coached to guide or teach other government officials with the significance of local economy upon returning to their respective municipality.
- Participant learned on the guiding knowledge of LED and its strategic procedures.
 The objective was to provide more knowledge hence they would be able to facilitate the workshop.

- Skill upon assessing the local economic characteristic as well as mapping of strength, opportunities, weakness, and threat was practiced to introduce and experience the tools.
- The training emphasized on the individual development to promote the notion of LED thus the module concentrated on the theoretical perspective of inclusive

The ToT was delivered in more condense sessions in order to cater the delegates with more analytical ability in setting up LED. The participants are invited to facilitate the second day of general workshop to deploy their knowledge into other colleagues.

The framework of ToT was chosen due to the need of local governments to create a "champion" to promote and mainstream LED.





- COACHING
- TEACHING
- KNOWLEDGE
- SKILLS
- EXPERIENCE
- LEARN
- DEVELOPMENT



What is the difference with the general workshop?

The 2nd day of LED event was organized with different composition yet similar substances. It was a workshop attended by more participants coming from other Malaysian municipalities aimed to raise awareness of bigger society on LED. Combination of ToT and workshop has resulted more outcomes of learning not only in the form of knowledge but also local "promoter" to disseminate the message.

- Not only for raising awareness, the workshop also aimed to define strategies on mainstreaming LED in local units which is set to be the main advocacy elements to the local governments.
- Short and simple presentations were delivered and facilitated by the ToT participants. They started the induction by sharing short description and principal characteristic of LED with simple language.

- Intensive discussions in every session as well as group exercises were organized to nurture the sense of local economic planning and a purposeful roadmap and action plan.
- Participants were welcome to add information from their perspective as well as to convey feedbacks. This has resulted in accelerating the learning process leading to enhanced comprehension among participants.
- Inspiring lesson learned from other municipalities were presented to promote the advanced practices or progress of LED.
- The workshop gathers ideas to overcome the common challenges of municipal economic to accelerate the development process.





- COACHING
- GOALS
- TEAM
- SUCCESS
- RESULTS
- PROGRESS
- IDEA

Combination of ToT and workshop has resulted in more outcomes of learning not only in the form of knowledge but also local "promoter" to disseminate the message.

Learning Map Well-paid The ToT and workshop of LED comprised of several modules aiming to build local promoters of LED and to mainstream the principles in the local governments. Each of the modules correspond to each other creating a comprehensive framework of learning. Gender Equality Guiding Principles Basic Strategic features **Procedures Partnership** Module 1. Introduction of LED Overview of different success The session focused on stories in LED the introduction of the **Theoretical** concept of LED, its key Perspective drivers of change, and the related stakeholders **Public Public Private** Market **Partnership** Output: Module 3. Understanding the basic notion of Organizing the Effort and LED including principles, procedures and theoretical framework Related Stakeholder The session provided the ntroduction on various related stakeholders in LED and its case studies in other South East Asian countries Culture and Solid waste informal economies management Contextual Strategy Consolidated **Practices** Transaction Local cost **Economic** Module 2. Assessment Strategic Planning Monitoring **Quality of** Process local regulation Stakeholder Mapping Understanding the main elements of local economy governance

Module 4. Global context of **SDGS** Interaction **Business** between LG & licensing **Entrepreneurs** Infrastructure Module 5. **Business Enabling** Access to **Environment** land The session provided the governance elements and its correlation to benefiting LED Workforce affairs Security & Business Conflict

Local governments'

Materializing SDGs through a Genuine LED

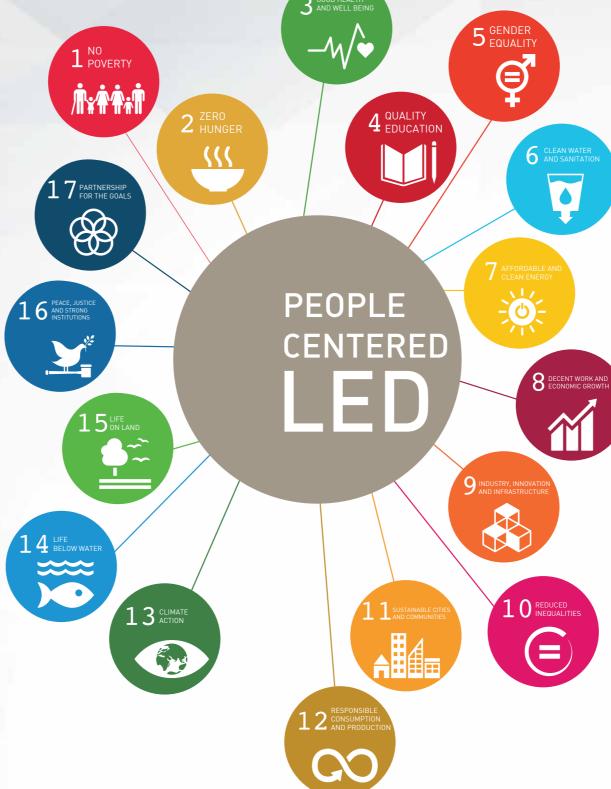
"The purpose of LED is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business, and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation."

(World bank)

Decentralization has brought a delegation of power at the local level. Municipalities have ability to intervene some functions as the result depending on the countries degree of devolution. At the context of economy, the transfer of authority has delivered an opportunity for local government to manage local resources. They are responsible to organize all assets in the form of human resources, capitals, physical investments or others for the purpose of local prosperity. Local Economic Development (LED) is introduced as an alternate of economic development approach to assist local actors in meeting the common objectives.

GUIDING PRINCIPLES OF LED

1	2	3
LED is a strategically planned process	LED involves integrated interventions across multiple sectors	LED is premised on strong local leadership
4	5	6
LED is about sustainable development	LED is premised on stakeholder engagement/ participation	LED inclusivity focuses on enhancing gender equality
7	8	9
LED promotes a strong enabling environment	ED involves partnering and partnerships	LED emphasizes creativity and flexibility in its approach
	LED involves partnering	



The post-2015 development agenda, namely the "Sustainable Development Goals (SDGs)" was adopted by the United Nations in September 2015 comprising 17 Goals of the global 2030 commitments. The Goals principally aimed to reduce inequality and promote economic, social and environmental development. According to the United Nations, all Goals of SDGs can be grouped into five (5) principal elements including people, planet, prosperity, peace and partnership. Each element is mutually corresponding to each other resulting to an interconnected vision.

Addressed as one of the elements, prosperity has been injected as a common resolution. Global community has seen the economic crisis as a major challenge in eradicating poverty, ending hunger and inequality. The notion of inclusiveness and sustainable economic growth has been introduced to reduce the gap in economic status and to create better conditions for society through livelihood activities

In support to this commitment, Local Economic Development (LED) stands out as a proven economic governance toolkit by combining the localities strength with the promising opportunities. Its unique experiences of a locally driven partnership is proven to generate more sustainable opportunities and robust local economic system. This substantial correlation between LED and SDGs was presented by Ms. Atik Kumala Dewi from UCLG ASPAC.

LED can be seen as an approach to localize the SDGs. Unlike the conventional economic development, LED is a locally owned and context-specific. It starts with localities strength and opportunities to fulfill the community needs.

Furthermore, LED calls for strategic and comprehensive territorial planning. It mutually integrates the social, cultural, and environmental values in managing the consumption and production activities. Having this equality notion, LED allows for more geographically dispersed economic development, impacting the wider community, including women, indigenous people, youth, ethnic minorities and vulnerable groups.

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The Role of Local Governments

TERRITORIAL DEVELOPMENT
STRATEGIES

Enabling public services and infrastructure so that enterprise flourish and designing local economic development strategies.

Uniquely situated to work jointly with urban and rural reighborhoods. Regional production and consumption is enabled through food markets, which are critical public spaces.

FOSTERING LOCAL ECONOMIC DEVELOPMENT AND CORDINATION

FOSTERING LOCAL ECONOMIC DEVELOPMENT AND CREATING EMPLOYMENT

Central actors in providing an environment that is safe and stable and that enables decent jobs.

Driven by bottom-up approach, LED needs to be designed and delivered by local people to better respond to the needs and to optimize strengths within a particular endogenous framework. Local government is in a better position to analyse both the potentials and challenges to economic development at the local level. They are closer to the people and local development issues and have the responsibilities of local development. Local government also has a key role to play in meeting the social, economic and material needs of their communities and areas under their jurisdiction. They are able to structure and manage their administration, budget and integrate their development process to give priority to basic needs and the promotion of social and economic development of their areas. Additionally, they play critical role in supporting other stakeholders to promote economic development by building partnerships between local authorities, communities, businesses and other stakeholders including informal economy which are key to the success of local economic development.

Being the center of coordination, local government should play a strategic role, provide guidance to other local economic development promoters and should actively coordinate and consolidate their actions towards achieving a locality's strategic economic. They should also intervene to enhance regulatory environments and also invest strategically in a manner that accurately responds to the strategic growth needs of their local economies. Lastly, they should intervene to promote the development of responsive business development and financial services sectors that address the intricate needs of a locality's economic sectors, clusters and value chains.

The previous experience of MDGs has shown an important lesson learned that local government are essential actors in providing basic services delivery. To avoid similar challenges, the global commitment of SDGs aims to engage local governments in the process to ensure its meaningful impact. This will involve in the economic development as well as LED referring to their contribution in SDGs. Bringing local governments in the front requires well capacitated institutions. UCLG ASPAC has been working to cater local governments by assisting them in internalizing SDGs in their respective plans and policy. Specifically on LED, the training is one example of capacity building activities aiming to the issue in the local level.

Partnership for an Advance Learning in ASEAN Community

Collaboration is the guiding principal in LED. All stakeholders need to work hand-in-hand to realize the common objective of prosperity. It shall be placed in advance by mapping the local actors to ensure their functions are incorporated.

Not only at the local level, partnership is essential to organize at the regional level. Over the last decade, South-South cooperation has become more prevalent, with municipalities across and within regions sharing their experience on similar issues and building long term relationships of mutual support. Such platforms are available bringing opportunities for local government to involve and expose the municipalities in broader community.

Local government associations play a key role in supporting and showcasing these partnerships. They can also recommend policy changes or even scaling up of pilot work in the specific thematic areas. In line with this mission, UCLG ASPAC has been promoting decentralized cooperation to accelerate the peers learning in flourishing Asia and the Pacific.

The association also has involved the DELGOSEA network and facilitated the capacity building activities among its members. DELGOSEA has been remarkably active in facilitating best practices exchange of good governance in the South-East Asia sub-region. Several thematic issues are covered such as solid waste and local economic development. It aims to enhance local capacity and prepare them to the regional agenda of ASEAN Community.

Additionally, UCLG ASPAC also established a working group of Asia Pacific Local Economy. This board supports to enrich the notion of LED and its application in Asia Pacific.

Over the last decade, South-South cooperation has become more prevalent, with municipalities across and within regions sharing their experience on similar issues and building long term relationships of mutual support.

The Partnership for Democratic Local Governance in Southeast-Asia (DELGOSEA)

The network was launched in March 2010 initiated by UCLG ASPAC, Konrad Adenauer Stiftung (KAS) in the Philippines, and other organizations from the Southeast Asia: the Local Government Development Foundation (LOGODEF) in the Philippines, and the Thailand Environment Institute (TEI). It was co-funded by the European Commission in the 1st phase and continued with the support from KAS and UCLG ASPAC in the 2nd phase. The project is a network of Local Government Associations (LGAs), local authorities, NGOs and academic institutions in ASEAN countries, focusing on transnational exchange of good governance practices in four main areas: people's participation in planning and decision-making, institutional governance

urban environment, fiscal management and investment promotion strategies.

The 2^{nd} phase of DELGOSEA aims to advocate Association of South East Asian Nations (ASEAN) to engage local governments within its decision making process.

Asia Pacific Local Economy Working Group

UCLG ASPAC established a network of local governments on local economic development. The initial members were local governments in South East Asia under DELGOSEA network. The LED Alliance Network aims to expand a broader membership in the Asia and the Pacific region.

The Network has missions as follows:

- 1. To enhance inclusive LED.
- 2. To build green and sustainable business and local government capacity in promoting SME among the ASEAN countries.
- 3. To strengthen SMEs within Association of South East Asian Nation (ASEAN).

The Network has the objectives:

- To encourage good governance in the ASEAN.
- 2. To reduce the gender inequality gap in LED.
- 3. To facilitate municipal governments, SMEs, and civil society to build networks and partnerships.
- 4. To create ecosystems for SMEs and inclusive LED development.
- 5. To facilitate and mentor the new and existing entrepreneurs to encourage LED.
- To adapt informal rules and regulations to accommodate informal sector, minimizing its negatives while boosting its positive contributions.

Business Enabling Environment / Economic Governance

"We must understand economies of scale. If our government has target to boost economic growth, it means we need more inputs. Sometimes government takes pragmatic ways to take big investors and sometimes forget the local people."

Mr. Endi Jaweng,

Executive Director of Committee Monitoring the Implementation of Regional Autonomy Watch (KPPOD), Indonesia



Governance rests in the value of inclusiveness and accountability. When a system is accountable both in the internal system and to the external parties, it can draw more investor as it provides more insurance and safeguard. A substantial correlation between governance and economic growth has been discoursed particularly in developing countries. Governance can provide a conducive environment and system for economic activities through a simple and transparent procedure of business permits. This has resulted to a "trust" partnership leading to sustainable production and stable economic growth.

Bringing good governance framework to LED, the positive and responsive political systems could lead to a maximization of innovation, production, and job creation of local society. Several elements of good governance benefiting to local economy are accountability of governance, political stability and lack of violence, governance efficiency, legal framework, and law enforcement. With all the prerequisite indicators in place, the economic governance index will increase in the municipalities.

The Regional Autonomy Watch or also called KPPOD has been working to set up a tool to measure the local economic governance index.

Mr. Endi Jaweng, Executive Director of KP-POD (Regional Autonomy Watch), Indonesia elaborated their research and findings of economic governance in Indonesian municipalities. The organization has conducted a country survey and assessment aiming to promote bureaucratic reform in good economic governance. Local Economic Governance (LEG) consisted of policy-framework, institutional-design and public-service related to business activities which provided positive condition for the creation of local business climate. "Governance became a local instrument to create a competitive as well as a good institutional environment required for inclusive development." explained Mr. Jaweng in his presentation.

Local Economic Governance

- Infrastructure
- Access to land
- Business licensing
- Local Regulation
- Capacity & integrity of the Head
- Interaction between Local Govt &
- Entrepreneurs
 Business Development Program
- Security & conflict resolution
- Workforce affairs

Private Sector Growth

Business climate and investment attractiveness

- Reducing the Cost:
- * Start up and Operate Business
- * Sell goods and service
- Increasing income:
- * Better access to marke

Increase Work Opportunities

Increase Income & Purchasing Power

Local Economic Devt: Increased Welfare Quality of Life, etc.

"The question about economic governance is about creating an institutional framework which would allow increased work opportunities, increased income and purchasing power of the people, thus increased welfare and quality of life." further described by Mr. Endi Jaweng.

Local economic governance index 2016 by KPPOD assessed seven local regulations and conducted field survey in 40 regions. The finding showed that in Indonesia, the infrastructure, regulation, transaction cost, and business licensing are the main obstacles for economic governance. There is a need for creation of affirmative policy to micro, small and medium enterprises (MSMEs). Smaller business actors commonly have lower level of awareness and participation in Business Development Programs (BDP). BDP is government program to support and strengthen MSMEs in expanding their business scale. It also can function as a communication forum between local governments and the entrepreneur actors. A forum was found essential as platform to bridge the gap between these different actors as well as to discuss business forum. Despite its benefit, only few numbers of MSMEs participate

in this meaningful policy. Promotion and dissemination to BDP then shall be made.

Furthermore, in most Indonesian municipalities, performance of licensing services was still found poor. In particular for MSMEs, licensing process as well as retribution and tax were considered challenging for business starters. Their small business scale was the main cause resulting to uncertain profit. Local governments hence need to improve the bureaucratic procedure in order to produce efficient and effective working policy. The poor economic governance may provide significant impact to widening the economic gap. The assessment has noted improvement in some municipalities yet supplementary works are required.

In conclusion, high and sustained economic growth that generate more jobs and provides benefits across every level of society would only be possible with an active, effective, honest, and fair governance at all level.





LED and Strategic Planning Process

"Creating new jobs and developing human capacity are not easy tasks. Local institutions and national policy makers must align local human and natural resources of the community to match both global and regional markets, and they can strive to create new jobs that fit both the local people and the place" (Blakely and Bradshaw, 2002).

Different cities in different part of the world face the same challenge to boost economic growth for their people. With experts flying in to the training from various backgrounds, participants could learn from their peers on how local governments in other cities prepare, conduct, and evaluate their LED process. With an estimated 3.5 billion people today, United Nation models indicate that 6.5 billion people will live in cities by 2050. This requires participation from everyone at all level to ensure the local economic development plan is developed strategically.

Prof. Saswat Bandhyopadhyay, an academia from the Centre for Environmental Planning and Technology University (CEPT University), opened the discussion by explaining LED's definition from the World Bank, "the purpose of local economic development is to build up the economic capacity of a local area, to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector work collectively to create better conditions for economic growth and employment generation".

A local economic development strategy is a process-oriented and non-prescriptive endeavor incorporating local values, economic drivers, and development. It shall emphasise the local values which are defined as the distinctive circumstances or necessities in bringing more advantages to people including poverty reduction, basic needs, and local jobs, integrating social and environmental values. On the other hand, the economic drivers include value-added resource use, local skills training, local income retention, and regional cooperation. Lastly, development is as important as the first two key factors which includes the role of structural change and the quality of development.

Objectives:

- 1. To discourse the benefits and challenges of economic planning
- 2. To elaborate the connection between strategic planning processes and local economic development
- 3. To present an overview of the stages of local economic development
- 4. To provide an example of strategic planning process of LED in ASEAN cities



"LED is not about one sector. It is about multiple sectors and creating partnership. You get to have everybody involved. You cannot have 50% of the citizens sit at home and expect economic growth. Gender balance is also important. If there are economy, people are happy; people are paying taxes; the (local) government is rich and they can invest more in infrastructure."

Prof. Saswat BandhyopadhyayFacilitator of LED training

Following the introduction of LED from Prof. Bandhyopadhyay, Mayor Stephany Uy-Tan of Catbalogan City, shared her experience of LED and strategic planning process in Catbalogan City of Philippines.

Catbalogan city has combined soft-skill and hard-skill elements in the development including governance, infrastructure and partnership. According to the Lady mayor, transparency and accountability are the key in creating government efficiency. The quality and reliability of government services can support for effective and sustainable productive expansion of economic dynamism. Catbalogan thus applied the minimum standard of governance performance known as Seal of Good Local Governance (SGLG) from the Philippines' Department of the Interior and Local Government and received several awards including best performing Local Government Unit (LGU) Cooperative Development Office in 2014, 2015, 2016. The City Cooperative Office, a specific unit handling cooperative enterprises, has managed to enhance the city services

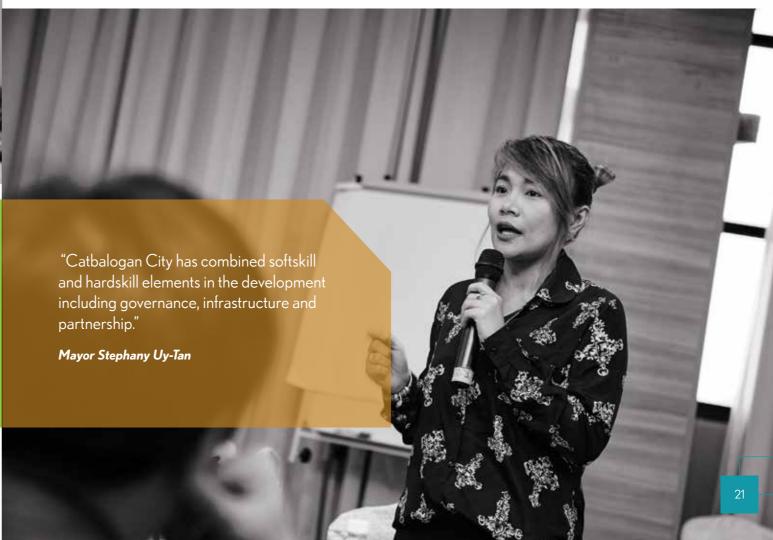
An award from national governments includes a form of incentive to local governments' endeavor of delivering good services to citizens. Mayor Stephany emphasized that awards could be an appreciation of performance in achieving efficiency. Another way of appreciation from national government would be the provision of more budgets for local governments. Giving more incentives could encourage local government to improve their functions towards better policies and programs.

in fostering the local economic development.

Ten Steps to Planning Excellence



Source: The Local Economic Development Series. Promoting Local Economic Development through Strategic Planning. Volume 2: Manual, UN-Habitat, EcoPlan International Inc., 2005



THE SEAL OF GOOD LOCAL GOVERNANCE



Good financial housekeeping



Disaster preparedness



protection



and order



management



Business-friendliness and competitiveness









Through the experience, local governments of Cambodia learn that LED enables district administration, farmers and business people to be aware of common tasks and to work together to deal with common issues. District administration officers could also improve their knowledge on the opportunities for LED (i.e. how to use existing infrastructure, resources and cooperation with other local stakeholders to strengthen the roles of district).

As sustainability is key, various efforts have been made by the Cambodian government to ensure good practices continue. District administration integrates LED into their national program as well as in the annual work plan of sub-national administration. In addition, they also seek development partners to support their on-going and future programs of LED as well as allocate more budgets in commune/district for local economic development

From the panel discussion, the participants drew conclusions that LED is about innovation and adding the value of the existing practices. "Innovation is not from nothing to something but rather from something to something better," said Mr. Raulito Reyes, Investment Promotion Officer of Catbalogan City, Philippines.



Agricultural product selection conducted by local farmers in Koh Thom District, Cambodia.

LED for Cambodian government is, first and foremost, building the capacity.



in the development process.

- Mr. Kong Vann, Councilor of Koh Thom District in Cambodia and his interpreter shared their district experience in developing agricultural business for LED.
- The Catbalogan Public Market Vendors Multi-Purpose Cooperative (CPMVMPC) provides assistance in selling of marine products at the Public Market.
- The Canlapwas RIC Multi-Purpose Cooperative (CRICMPC) continues to facilitate rice trading at Purok 1, Barangay.
- The Canlapwas Ornamental Producers Cooperative (OPC) works to facilitate in cut-flower procurement and sell it at

In preparing the LED strategic planning, a baseline is needed to portray the economic activities and its trends in the city. This relevant data and information is beneficial particularly in developing policies and forthcoming program plans to be implemented in the city. Learning to this advantage, Catbalogan has maintained the database properly and updated in a single LED directory. Furthermore, the city has been extending partnership to the network of stakeholders not only to have co-sharing resource to support the implementation of programs, projects and activities but also to promote and to have exchange of knowledge. This has resulted to meaningful collaboration leading to inclusiveness

Adding to the experience of Catbalogan, Mr. Kong Vann, Koh Thom District Councilor of Cambodia elaborated their vision in building LED; a district in which the people live in prosperity and well known in agricultural field. This vision has been transformed into several missions which are to build the capacity and human resources in consultation, information sharing, and LED initiatives with the value of openness, good governance, and mutual respect. With these concepts, LED for Cambodian government is, first and foremost, building the capacity.



Members of Committee and Business Group convened meeting together to overcome various challenges including price of agriculture products and markets

Organizing the Efforts and Related Stakeholders

Challenges on development are most evident at the local level. This is the place where service provider, policy-makers, private sectors, civil society organizations, and the people live closely and face daily life problems. Local economic development plays a vital role in ensuring the social and economic gap is significantly reduced and does not increase every year. A good LED practice at the local level will create a higher income generation for the people and, in the long term, a better quality of life for the city.

In order to achieve a safer, greener, more comfortable and more sustainable city, to reach agreement and take decisions to make the economy grow and create income opportunities for more people, especially the poor. A comprehensive strategic plan should be put in place to answer the people's need ensuring that no one is left behind. A local economic development practice would only be good when the result reaches all the people without efforts and related stakeholders become key in developing local economy.

everyone must work hand in hand together exception. With that in mind, organizing the



SOCIAL + ECONOMIC + CULTURAL ASPECTS : SUSTAINABLE



Mr. Surachai Khanchaiyaphum, Chief Municipal Clerk of Phangkon Municipality, Thailand



Mr. Surachai Khanchaiyaphum, Chief Municipal Official of Phangkon Municipality, Thailand shared their lessons learned on their efforts in integrating LED in their solid waste management practices. Phangkon has been conducting the programs of waste segregation to reduce waste at source. The municipality also took into account cultural aspects in which hazardous waste would be sold for donation to Buddhist monks in the city. With the local cultural belief in the respecting religious leaders, the community would be more likely to do this action. At the same time, social and economic aspects were incorporated in the recycling waste cycle. In Phangkhon, the organic waste is recycled into compost and biogas to be used for personal and/or home-based industries. Moreover, the non-organic waste is delivered to market facilitated by the government. The income from the retail is turned into life insurance and bank savings for community.

To ensure well-implemented approach, Phangkhon municipal government worked closely with the community and local leaders. They also connected community with private sector towards sustainability of the proces in particular the economic activities. Mr. Khanchaiyaphum also added that the municipal government



allowed the surrounding municipalities to

and condition. According to him, neighboring

use their landfill with the specific terms

municipalities shall have their waste

segretated in order to be accepted in

Phangkhon final disposal site. For the

neighbors whom did not organize waste

segregation, Phangkhon would charge the

fee four times higher than the initial cost.

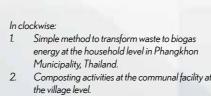
This approach would lengthen the land-

fill's lifespan as the result.









Biogas stove connecting with composting facilit at the every household.

Waste segregation at the waste bank.



2. Public market investment for wider prosperity



"As a mayor, nothing is impossible. When the policy is indeed for the benefit of people, despite it is unpopular, endorsement and support can be obtained afterwards"

Mayor Madelaine of Iriga City, the Philippines

The case of Phangkhon has shown a good leadership from the government to lead the process and engage all elements of stakeholders. Similarly, Iriga City of the Philippines has demonstrated fair direction to build LED. When it comes to LED, Iriga City had put a tremendous amount of work in rejuvenating their public market.

Mayor Madelaine has been serving as Mayor in Iriga for nine years. Under her leadership, the city has undergone major improvements, particularly their public market. The entire building of Iriga City public market only earned 80,000 up to 300,000 pesos when she stepped in. The city decided to revitalize the market by investing more on the physical infrastructure inside and outside of the area. It resulted to accelerate the economic activities bringing more productivity as well as market revenue. The public market currently produces 1.8 million pesos of revenue per month.

She highlighted on the collaboration among stakeholders as the essential element contributing to the successful programs. She started with mapping of all stakeholders to identify their roles and functions. Having categorized the stakeholders, she continued the process by organizing a weekly dialogue to introduce and

disseminate the plan. This intensive communication took several months before finally obtaining common endorsement for the project. "Listening to their requests to minimize possible conflict and resistance on the relocation is key," emphasized Mayor Madelaine. This action resulted in gaining the full support of all related parties inside and outside of the public market during the revitalization.

Although the endorsement was obtained, the project has still faced challenges during the preparation, relocation of the vendors, construction and actual implementation. These four (4) issues were addressed as the main hindering factors. The relocation for instance, most of the vendors refused to be transferred to other places due to their concern of customer and income lost. Instead of pushing the retailers, the government looked for innovation and agreed to come with win-win solution. They showed their commitment to incorporate all interest and work hand-in-hand with stakeholders. They thus blocked two main streets nearby the market to accommodate the vendors. The retailers appreciated this solution and became keen to maintain the streets as their temporary market. They were also receptive to moving to the new

Slum and informal stalls mostly defined in the previous condition of Iriga public market before the upgrading project

market once the construction has been finished.

Iriga City government applied a subsidiarity policy in the rental system. The big retailers originated from outside the city paid higher rental fee to subsidize the small sellers in public market. Furthermore, a regulation on the limitation of the wholesalers operation to protect the retailers was also created. This aimed to allow the retailers to be able to market their products with less competition since the wholesalers might offer cheaper price. With these policies, municipal government provided more enabling environment for smaller food chains to nurture their sales.

Not only at the policy level, Iriga government committed to develop conducive environment through innovation in design and physical building of public market as well. The revitalization has transformed the market through a more suitable and responsive design. Comprised of four buildings, the market has improved its accessibility towards better management of retailers and convenience of the costumers. It has incorporated gender sensitivity by constructing a park with playground in the middle of the buildings. The tangible result can be seen in the increase of customers and profits.

The revitalization has uplifted the economic and environmental value of the market. It brought more revenue to pay back the loan tapped by the government for the project. The amount of investment to transform the market was tremendously high for Iriga City hence they were supported by private bank. Nevertheless, the city managed to reap the benefits of the investment through having good leadership.

The Iriga public market has been generally improved supported by adequate facilities of park and playground.



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Iriga government

committed to de-

velop conducive

through innova-

tion in design and

public market.

physical building of

environment



3. Reshaping LED for City Branding and Promotion

Field visit at the tea plantation in Thai Nguyen City



Vietnam has been implementing LED practices through the project of Municipal Partnership for Economic Development (MPED). This work has been carried out by the Association of Cities in Vietnam (ACVN) and supported by Federation of Canadian Municipalities (FCM). **Dr. Nguyen Thi Kim Son,** Vice Secretary General of ACVN spoke about the practices on the LED strategic planning for three pilot cities in Vietnam. The strategic planning aimed not only to build LED in the municipalities but also to support the promotion of city branding.

It emphasized several aspects including partnership with different stakeholders. For instance in Thai Nguyen City, the city is well-known with its tea plantation product. The strategic planning was thus directed to promote the tea products by creating management system and product standardization, connecting to bigger market, and extending collaboration with Small Medium Enterprises (SMEs). As the result, the city managed to transform its image leading to new brand of Thai Nguyen City as a special tea region. The proportion number of tour-





From top to bottom

- Meeting on clean vegetable model under VietGAP standard in Soc Trang City.
- 2. Workshop on improvement of tea quality in Thai Nguyen City.
- 3. Field training for community in reaching accreditation of vegetables under the VietGAP framework.

ist and their duration of stay has increased bringing more revenue and economic opportunity through tourism.

Similarly, Soc Trang City also contributed to sustain its economic productivity in agricultural products. Clean and healthy vegetables is the promising commodity endorsed in the strategic plan. In improving the product, the city has followed the Vietnamese Good Agricultural Product (VietGAP) based on the decree of Ministry of Agriculture and Rural Development No. 379/QD-BNN-KHCN on 28 January 2008. The VietGAP has served as a certification for farming products such as vegetables, fruits, teas, coffee, pepper and rice. It was developed based on GlobalGAPs and it provided standards for: a) site assessment and selection, b) planting material, c) soil and substance management, d) fertilizers and soil additives, e) water and irrigation, f) crop protection and use of chemicals, g) harvesting and post-harvest handling, h) waste management and treatment, i) workers' health and welfare, and j) record keeping, traceability and recall. By applying the regulation, the quality of the vegetable will be accredited and ready for global market. The city thus aimed to uplift the local economy from the agriculture business and affirmed their branding with this prominent

From the pilot cities, LED is not only seen to increase local prosperity. Instead, it can bring advantage of creating differentiation from the unique localities. Putting investment to the LED will also contribute to positioning and marketing of the city branding.

"Putting investment to the LED will also contribute to positioning and marketing of the city branding. It emphasized several aspects including partnership with different stakeholders."

Dr. Nguyen Thi Kim Son, Vice Secretary General of ACVN, Vietnam



The strategic planning of the Vietnamese cities thus incorporated the elements of branding from LED activities. In facilitating the strategic planning formulation, ACVN run a series of capacity building activities. The trainings' topics included effective method of trade promotion and investment call, how to build a city brand for LED, how to build community development fund to support the poor and low-income residents, how to explore and enhance the role of women in LED as well as land management system by information technology.

With the approach, the MPED program managed to deliver concrete outcomes including tax collection improvement from the LED activities and enhanced municipal staffs' capacity. It has brought significant transformation of planning approach specifically on local economic development.





"Creative industry in Surakarta has especially become the key. Folk and arts, design, crafts, foods, and fashion are our focus. Most of the actors for this creative economy are from the low income community, like informal sectors and street vendors."

Mr. Ahyani Sodiq,

Head of City Development Planning Agency of Surakarta City, Indonesia

UCLG has been promoting culture as the fourth pillar of sustainable development. This standpoint is premised that culture is more than just the manifestations, for example, 'the arts,' and should be viewed instead as the 'whole social order.' Valuing this concept, Surakarta City embedded culture in street vendor relocation.

Mr. Ahyani Sodiq, Head of City Development Planning Agency of Surakarta City revealed their efforts from 10 years ago when a big program of street vendor relocation was conducted. He mentioned that from the perspective of a city with limited natural resources, tourism and street vendors play a vital role in the city economic development. The city government thus has supported them through several policies including relocating them in better places as well as providing them shelter, vendor carts, and tents. Few years back, the city managed to relocate 989 street vendors in Monjari street into Klithikan Market "NOTOHARJO" Semanggi. Cultural approach was used by organizing a Traditional Procession

(kirab) from Monjari to Semanggi. The relocation thus was not seen as a government pressure to the community and positive acceptance from the street vendors was received. Additionally, Surakarta city government provided free trade license & registration certificate permits, free temporary ID cards, management training for the vendors, assistance for promotion, and loan guarantee up to nine billion Indonesian Rupiah as well as soft loan. These policies are solely to facilitate the informal economy in delivering better products or services for local economic growth.

Informal economy in Surakarta has contributed to stimulate the creative industry focusing on cultural marketing. According to the statistic recorded, a correlation was found between the increasing number of industries and training in Surakarta and poverty reduction in the city. The government thus intended to facilitate the creative industry to deliver long-term benefit of community welfare as well as marketing the culture. "Creative industry in

Surakarta has especially become the key. Folk arts, design, crafts, foods, and fashion are our focus. Most of the actors for this creative economy are from the low income community, like informal sectors and street vendors," highlighted Mr. Sodiq.

In strengthening the informal economy, the government created a local regulation to manage the location and distance between modern and traditional markets. This regulation was established with the purpose to minimize potential risk and conflict. Moreover, more traditional markets and shelter's pockets were provided with a cashless service charge collection namely e-retribution to promote transparency and accountability.

Surakarta also organized cultural events and endorsed batik, a traditional fabric with Indonesian pattern, as the official attire of government officials. The government has set up cooperation with local batik craftsmen to supply the official uniform. This has benefited local producer of batik by sustaining market and at the same time

promoting local products.

Among the different practices of LED in the municipalities, local governments were the main stakeholders and positioned in the center of coordination. They were the one who were able to create conducive policies and connected the practice with other promising actors or sectors. Furthermore, LED is not limited to trading activities in the local market. Instead, it can be corresponded to culture, agriculture, as well as solid waste management. Any form of partnership leading to community welfare could be defined as LED. To manage the LED, a good communication platform and stakeholder mapping are needed to obtain appropriate stakeholders and their roles in the strategic planning process. Strategic policies of safeguard shall also be in place to protect the lower income society as well as the marginalized group to ensure the inclusiveness and democracy.



Traditional market improvement for primary goods.





Left: "New look" of public market in Surakarta City after market improvement.

Right: Handicraft stalls in public market has provided more convenient spaces for costumers after rehabilitation.



Mr. Pashim Tewari, Technical Director of AIILSG shared the success story of AMUL cooperative

It applies a three tier cooperative structure comprising of a dairy cooperative society at the village level affiliated to a milk union at the district level which in turn is unified into a milk federation at the state level.

Case Study: AMUL - a White Revolution Cooperative

India has been facing a serious problem of poverty. The government has aimed to reduce the poverty rate by implementing a Self Help Group (SHG) program. It is a holistic program of micro-enterprises involving women and covering all aspects of self-employment, organization of the rural poor into SHGs and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing. Launched in 1999, the program fostered local economic activities in rural areas by implementing the scheme of cooperatives as well as connecting local society with the potential funding access such as bank for financing opportunities.

Similarly, a cooperative structure could be found in the Amul Model or Anand, an Indian dairy cooperative based in Kaira District. Members comprise of more than a hundred farmers from across the villages producing milk buffaloes and other dairy products. The cooperative aimed to create a 'fair-trade' to improve milk farmers' wealth. It applies a three-tier cooperative structure comprising of a dairy cooperative society at the village level affiliated to a milk union at the district level which in turn is federated into a milk federation at the state level. In each level, the cooperatives have their own functions creating a system benefiting their members. Milk collection for instance is done at the village dairy



VILLAGE LEVEL

- # 200 members
- # 8-9 members of the Committe

DISTRICT LEVEL

- # 12 members of the Board Director
- # 900 members (approx)

STATE FEDERATION

- # Members are chairpersons of District leve
- Co-operative & Ex-official me
- # Representative from NDDB
- # Registrar of Co-Operative of the state concerned

"The model was then replicated throughout the country and currently, Amul members supply more than 9.2 million liters of milk per day."

Mr. Pashim Tewari, Technical Director of AllLSG, India

society while the milk procurement and processing is organized at the District Milk Union and milk products marketing is at the state milk federation.

The story of Amul has shown the importance of people empowerment and partnership to enhance local economy. The local milk farmers were initially marginalized and treated unfair in the distribution and marketing of their agriculture products. The milk marketing system was controlled by contractors and middlemen. As milk is perishable, farmers were compelled to sell their milk for whatever they were offered. Moreover, they also had to compete with the Polson Limited, a company which was contracted to supply milk to the government of Bombay. This Bombay milk scheme has resulted to endless poverty for local society since their income from milk buffaloes was undependable.

To end the inequity, a movement namely 'milk strike' hit the country where farmers refused to sell the milk to the middlemen and urged the government to buy directly from them. They also set up a cooperative to assist in managing as well as promoting the product. The government finally terminated the contract with the company and started to procure the milk from the cooperative. The first cooperative was established in 1946 consisting two

societies that collected for 250 liters of milk. The model was then replicated throughout the country and currently, Amul members supply more than 9.2 million liters of milk per day.

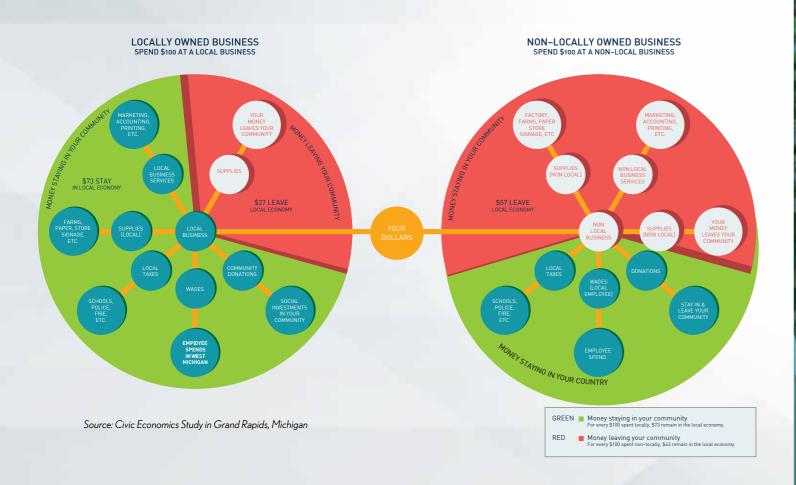
To deliver bigger outcome, the cooperative has continued to develop innovation by pioneering the production of milk powder and baby food from buffalo milk in 1960. They built local farmers' capacity by providing technical assistance in animal husbandry such as veterinary services, artificial insemination and feeding. As the result, Amul has noted for remarkable selling for 3690 tones of cattle feed every year.

Government has placed their biggest support for Amul by forming the National Dairy Development Board (NDDB) in 1965. The board came out with the dairy development programme for India namely "Operation Food" or "White Revolution" in 1969. The Operation Food programme has stand to be the largest dairy development programme and Amul was seen as model of "Anand Pattern" triggered the White Revolution. The continuous support from the government has resulted to uplift "Anand Pattern" business becoming the largest food brand in the country and promoted India as the largest milk producing nation in the world.

Year of Establishment	1973
Members	17 District Cooperative Milk Producers' Union (15 Members & 2 Nominal Members)
No. of Producer Members	3.03 Million
No. of Village Societies	15,712
Total Milk handling capacity per day	13.67 Million litres per day
Milk Collection (Total – 2010–11)	3.45 Billion litres
Milk Collection (Daily Average 2010–11)9	.2 Million litres (peak 12 Million)
Milk Drying Capacity	647 Mts. per day
Cattlefeed manufacturing Capacity	3690 Mts. per day
Sales Turnover – (2010–11)	Rs. 9774 Crores (US\$2.2 Billion)

The experience of AMUL demonstrated the influence of LED to shape the municipal economic characteristic and country even more. It was started with small business activities and resulted to a big corporation industry in India. It has brought enormous benefit to local community by keeping the profits at the local level. It thus could improve livelihood leading to prosperous municipality. On the contrary, grooming non-locally owned business will only provide benefit to certain actors.

The story of Amul has shown the importance of people empowerment and partnership to enhance local economy. The continuous support from the government has resulted to uplift "Anand Pattern" business becoming the largest food brand in the country and promoted India as the largest milk producing nation in the world.





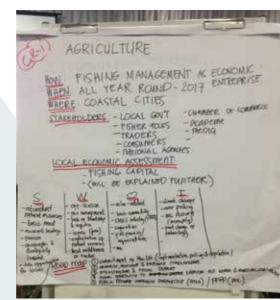
Understanding LED Assessment



Local economic assessment is compulsory to determine the current modality prior to preparing a strategic plan. It will help local governments to obtain baseline data for better understanding their local potency. Several tool of assessments are available depending on the types of appraisal needed. During the LED training, participants were introduced with the SWOT analysis.

The SWOT analysis is a useful technique to mapping the Strengths and Weaknesses (internal aspects of the municipality), and to identifying both the Opportunities and the Threats might occur (external situational factors). In terms of LED, it will investigate a multiple array of socio-economic classification of data. Strengths and opportunities are the groundwork for building a municipality's competitive advantage while weaknesses and threats are perceived as hindering factor. Identifying these SWOT can result to better explanation of responsive strategies to leverage strengths, improve weaknesses, capitalize on opportunities and deter potential threats.

Bringing the value of SWOT, group exercises were done to drill the individual skill of assessment. Each of the groups is invited to apply anonymous case studies on the Strength, Weakness, Opportunities and Threat (SWOT) of the LED. They were also challenged to develop innovative ideas as strategy to response to the uncertainty toward a sustainable approach in promoting economic growth.



LED assessment and SWOT analysis from the group discussion.

"The main challenge of this issue is that fishing or any other related issue is not directly mandated by the local government but by other parties."

Mr. Gazi Naimul Hossain, Councilor of Barisal City Corporation, Bangladesh

Case study 1: Coastal Cities - Fishing Management



The strength of the fishing capital would be the availability of the abundant natural resources and the fact that food is a basic need for community.

With seven members in the group, the discussion was focused on fishing management as an economic enterprise. It selected coastal cities as the pilot with the timeline of implementation for all year round in 2017. In preparing the strategies of pilot cities, the group has mapped out several stakeholders contributing to pilot including local government, fishermen, traders, consumers, national agencies, chamber of commerce, academia, and the media. They also outlined and overlaid roles and functions from each stakeholder in determining the coordination line among them. This has resulted to a closed-cycle of coordination in relevant stakeholders.



Mayor of Iriga and Mayor of Catbalogan from the Philippines and Seberang Perai Officals discussed on the collaboration strategies amongst stakeholders in fishing management.

From the discussion, the group applied specific context of Barisal City, in Bangladesh, or the pilot. The similar geography of coastal area was the main reason to nominate the case to be discussed within the group. Furthermore, fishery is the economic foundation in Barisal City. This has resulted to the need to improve its economy, primarily by applying the LED framework.

The city has faced overfishing problem and inclined to overcome the challenges in sustaining the fishery products. The fishing village concept was chosen by the group in response to the current challenges. To elaborate the concept, SWOT analysis has been done to map out the strength,

weakness, opportunities, and threat as well as to identify the strategies. The group pointed out that the strength of the fishing capital would be the availability on the abundant natural resources and the fact that food is a basic need for community. With this geographical condition, it has become an economic opportunities for the locals, a spot for good tourism activity, and a strategic location for development. Nevertheless, the weakness of the fishery management would be the off-season, mismanagement, the lack of knowledge and expertise by the related stakeholders, the exploitation of natural resources and the practices of local middlemen or traders Moreover, the group also noted down the various opportunities that might rise from the fishing village concept. It can be a value added on the existing situation, a basic commodity creation, growing micro-finance business (small and medium enterprises industry), as well as a fish farming/aquaculture. Despite the promising opportunities ahead, threats that need to be taken into account are climate change, overfishing practices, a monopoly by big players, and the rapid change of technology.

Case study 2: ASEAN Countries General LED Analysis



The second group comprised of various members with different backgrounds. Given this heterogeneity, the group agreed to discuss several approaches in different countries on the best ways to work on LED instead of focusing on a specific case study. Challenges in every country on LED were identified and assessed to produce doable strategies. For instance, the challenges of how local governments in Cambodia aims to create a commune support office at the district level. The office is planned to engage local community in providing data and information on the current and emerging challenges in the neighborhood. They will assist Ministry of Planning as a facilitator at the grass-root level, to identify problems, find solutions and priorities, as well as to mobilize people to participate in the government programs. The assessment on LED and further analysis

on the strength, weakness, opportunities, as well as threat can also be facilitated by this office. To ensure all community voice reflected, "champions" in the neighborhood will be the member of the office. This will allow an equal composition towards balance of power and better partnership with the government.

Similar to Cambodia, Philippines is planning to create an investment promotion and business assistance center. This center will apply bottom up approach as required in the Executive and Legislative Agenda in the country. The country has been fostering community participation in several sectors hence the business office can play as a catalyst specifically in the economic development. It will embrace community and focus to trigger individual innovation towards livelihood improvement. This

program on the establishment of business center is thus in line with the framework of LED by putting some efforts to generate local initiatives for business activities.

Adding to the case of other countries, the group member from Seberang Perai city government saw a task force is more efficient than a government office. According to them, task force consists of several agencies to work on the issue of LED. It will be more cost efficient since it does not need a dedicated administrative arrangement. Furthermore, establishment of the task force can be promptly done by endorsing them in a Mayor's regulation. Meanwhile, creating a single entity of government agency will take longer process since it needs to follow bureaucratic procedures. Given these circumstances, Seberang Perai city government proposed

to have a task force as part of their innovation for LED mainstreaming.

The task force in Seberang Perai will carry out four phases of LED assessment including primary data collection through field survey, focus group discussion with community and relevant stakeholders, prioritization of LED, and implementation of strategies. They will engage all stakeholders in the process particularly local community, NGOs, media, and private sectors.

Having discussed the challenges of LED in each country, the group mapped out the strength, weakness, opportunities, and threat. SWOT analysis was done by using a simple tool and looking to characteristics of the countries. It will compare LED with other conventional economic methods to identify what will be the most suitable approach in the municipalities. This appraisal can be used as the justification for LED project.

Within the discussion, the group pointed out the strength on the possible LED program is a strong project ownership, strong engagement with key stakeholders, strong support from local leaders, as well as the aim to meet the needs of the people. The weakness of the possible LED program is that it could be a time consuming program with a limited budget and the lack of skills of the human resources. In the meantime, opportunities might arise in the form of partner support and the creation of good policies and regulations. The group also took into account the threat of climate change as well as the policy change at the national level.

In summary, LED will bring more benefit to community as well as municipality. It can respond to the major needs of community, strengthen stakeholders' partnership, and raise local awareness as well as ownership to the practices. Nevertheless, adequate funding shall be prepared in advance to avoid future challenges in the process. Synchronization with regulation and policy are essential to sustain the LED programs/projects.



Seberang Perai proposed to have a task force to bolster LED project.



Discussion on SWOT analysis was organized without anonymous case study to embrace all countries.

SWOT Analysis on LED

- Ownership of the project
- Strong engagement
- Strong support
- Needs of the people
- OPPORTUNITIES STRENGTH
- Partner suppot
- Law and policies regulatio

- Time consuming
- Limited budget/ fund
- Lack of skills

THREAT WEAKNESS

- Disaster and climate change
- Policies change from national government

Within the discussion, the strength on the possible LED program is a strong project ownership, strong engagement with key stakeholders, strong support from local leaders, as well as the aim to meet the needs of the people.

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Case study 3: Seberang Perai - Industrial Economic Assessment

With Seberang Perai as the host city of the training, one of the groups agreed to apply the city as the case study on the LED exercise. The group aimed to explore the possibility of having LED project in the municipality. With sixty percent (60%) of revenue in Seberang Perai coming from industrial activities, the group discussed how local authorities in Seberang Perai could work on food and raw material businesses for LED. The project timeline is planned to start soon in the year of 2017 and the proposed location is in the center of Seberang Perai. According to the group, the center is the biggest area in the municipality which has seven industrial complexes including Mak Mandin, Seberang Jaya, Perai, Bukit Tengah, Juru, Bukit Mnyak and Permatang Tinggi.

To better plan the project, the group has conducted a simple LED assessment. The assessment has identified economic characteristic in the industrial areas and its correlation with local community. It included the types of industries as well as raw material needed for their production. According to the group, field visit and ground work of data collection will be the main tools for LED assessment. Furthermore, the interconnection with community was assessed to provide greater benefit for them as prerequisite by LED. Being determined as industrial project, local people are given opportunity to involve as raw material supplier. For instance, in the food industry, they can contribute to supply the agricultural product or other unprocessed goods. It thus can provide mutual partnership between the indigenous farmers and business actors bringing not only positive profit to community but also the manufacturers. Finally, it can contribute to sustain primary sector of economy in addition to the secondary.

A SWOT analysis was also conducted to define the strategies in leveraging the strength and opportunities as well as overcoming the weakness and threats. The group pointed out that the strength of the Seberang Perai would be the large industrial area in the city. Industrial activities have been the major economic pillar which can be seen from the tremendous manufacturing complexes available in the city. Having this asset, Seberang Perai strives to be in the front line of processed business in the country. The LED proposal is thus in line with the vision of the municipality.



The working group is mapping the SWOT to provide strategies on leveraging strengths and opportunities, as well as overcoming weakness and threats.



Mr. Mohd Ridzal Abdul from Seberang Perai showed concentration of industry particularly in the center of the municipality.

SWOT Analysis on LED for Seberang Perai

- Large industrial areasAvailability of manufacturing raw
- Leader sunnor

Given this harmony, the support from the

Mayor has been prioritizing this economic

sector through several programs and policy

proposal can be an exceptional strategy. It

posal. Moreover, the municipality also has

the raw materials of the industries. These

resources are in the form of agriculture

this availability means that the source

materials are close and accessible

process.

or other types of supporting items. Having

ensuring continuous stocks for manufacturing

Nonetheless, the quality of raw materials

has remained an issue for the industrial

development. According to the group, it

has become the main weakness in Seberang

Perai which can hinder the implementation

of the LED proposal. Mostly, the business

spectrum has a certain standard including for the raw product to maintain their quality outputs. Often, the community is unaware of this degree of quality, thus failing to

Mayor will be inevitability obtained. The

therefore putting the focus in the LED

leading to faster completion of the pro-

abundant natural resources which are

can create a political commitment

- OPPORTUNITIES STRENGTH
- -Job creation for local
- Low price since it is locally made
- Low price since it is locally if - Asset for tourism

- Low quality of raw materials
- Discontinuity of supply and demandLack of facilities for the businesses
- THREAT WEAKNESS
- Natural disaster
- Policies change from national government
- Global economic crisis

The strength of the Seberang Perai would be the large industrial area in the city, the availability of natural resources, and the official support from the mayor.

meet the levels for standardization has been a common occurrence. As the result, companies prefer to look for materials outside the municipality. Local government can assist to improve the agriculture or other raw products by providing capacity building to the community as the proposed strategy from the discussion.

Some other weaknesses noted by the group are the continuity of supply and demand as well as facilities for the business. The group has identified some doable strategies to manage this limitation including providing more infrastructure in the manufacturing complexes as well as enabling environment for them to run their activities.

With the analysis at hand, the group shared the various arising opportunities from this case study. First, the industrial activities can create more job opportunities for community. It would also serve as an asset for tourism particularly for agribusiness which has become one of the promising manufacturing sectors. The linkage of formal industries with community can lead to the increased home-based industries which will boost higher local economic growth. Lastly, since the used materials will come from local, the price of the processed manufactured product can have lower price compared to the usage of imported materials. In the meantime, the group also indicated some possible risks or threat to the implementation of LED. One of them is natural disaster which often happens to the country. Disaster prevention element is thereby essential to be integrated in the case study. Another threat is policy changes, and the inflation and/or deflation of global currency or global crisis which will impact the LED promotion at the local level. Despite these challenges, the group has suggested for LED to be an alternative option for economic development in Seberang Perai.

Case study 4: Asia Pacific Municipalities - Innovation of LED Catalytic Project



Mr. Raulito Reyes from Catbalogan presented tools for mainstreaming LED within the catalytic project.



Participants discussed in the Group on identification inward and outward economic strategies in their municipalities.

Cities and local governments are craving for innovation to uplift the community prosperity. They have been looking for inward and outward economic strategies leading to a real outcome for municipal stakeholders. An inclusive LED can be a promising resolution to implement yet an internalizing effort is needed to comprehensively adopting the framework.

Concerning this occurrence, the last group introduced an innovation of catalytic project. The project is generally planned to fit with the local economic development without limiting to specific case study. By looking on the common pictures in several municipalities, the group members proposed to focus on building strategic tool to mainstream LED as the objective of the project. The tool is foreseen to be guiding steps to be replicated by other local governments. Hence, universal language will be used to ensure acceptable substance for all perspectives.

The project highlighted the important to obtain buy-in from local leaders, head of departments as well as the lawmakers. According to the group, these stakeholders are in the position to create a policy and in the top management level thereby their support were essential to mainstream LED at the local unit as well as to sustain the project. In short, it became the first 'things to do' prior to working on the technical features.

Upon receiving a green light, mapping for stakeholders can be done to identify the key actors. In doing the stakeholder analysis, it should start with listing all parties including government, business, associations, civil society organisations, and others. Further assessment on their power and influence can follow to rank their degree of correlation to the project. At this stage, the group emphasized on embracing all the stakeholders from the most relevant to the lowest one. Nevertheless, prioritizing is needed particularly for the critical actors who have more influence and higher contribution to the project. The following stage is local economic assessment. The assessment aims to provide an economic snapshot in the municipalities. It will be used as a baseline data for developing roadmap and other plans. This first layer of appraisal will be done in rapid method such as questionnaire to produce firsthand information of economic overview. There are a wide-range tools available and every local government can decide which tool is applicable for their case study.

Subsequent assessment on the specific issues or also called as "situation assessment" by the group shall be done right after the economic appraisal. This specific analysis will look deeper on the pointed result of the previous LED review. It will explore grass-root data covering multiple dimensions including physical, social, institutional, policy and bureaucracy, and others.

Additionally, SWOT analysis shall be done at this phase as well. The methodology of SWOT can apply to the common framework by pinpointing the internal strength and weakness as well as external opportunities and threat or challenges. The government could lead a thematic approach in carrying out this assessment. Nevertheless, as highlighted by the group, participatory approach at this stage is mandatory to obtain a well-structured information and to ensure the work in objective manner.

Having completed the analysis, strategic planning is prepared using the groundwork as the basis of the plan. According to the group, the strategic plan shall comprise key features of catalytic project which are transformative, cross-cutting and inclusive. Transformative underlines on revolution to improve the community well-being whilst cross-cutting focuses on interconnection with other elements and other sectors such as disaster, transportation and etc. Although LED stands at the economic

outlook, it shall be linked to other sectors including social and environment. For instance, municipality located in disaster and climate change prone area has to prepare resilient LED strategy. It will look on alternative solutions to minimize economic loss for those who are directly and indirectly impacted by the disaster. LED therefore should not be limited to certain elements yet it need to go beyond all components.

Lastly, inclusive means involving all stakeholders in the process as well as benefit them at the end output. The group reflected on the characteristic of partnership in LED, thereby they addressed to encompass the whole actors including minority which is usually ignored. Moreover, they also proposed to embrace all level governments in the plan both the executive and legislative in order to create strategic and long term solution. A proper regulatory framework is essential to ensure the sustainability of a program.



Mr. Sumastro and Mr. Suparlan from Indonesia, the membe of the catalytic group supported the notion of transformative, cross-cutting, and inclusive project.

Roadmap Created by the Group on LED Assessment

Introduce the tool for LED to local government leaders, head of deparment and any lawmakers to secure their buy-in.

Identify the stakeholders; to map out the power of influence (i.e., NGOs, private organisations, Business groups and private sectors

Rapid economic assessment

Identify the catalytic project; a transformative, cross-cutting and inclusive project

It was concluded in the forum that local governments could use a wide-range of tools available to conduct LED assessment and SWOT analysis on their respective municipalities.

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Building Blocks of Local Economy Roadmap

To construct a solid concept of LED, a group exercise on strategic planning of LED was organized to produce a draft roadmap in each municipality. The roadmap elaborated the comprehensive strategies of mainstreaming LED in the local government units. It also looked at the correlation between the degree of decentralization in each country and its influence with the development of LED.

Participants were divided into several groups having similar characteristics of government structures. Each of them was given specific questions to frame and guide the discussions. Group presentations were conducted at the end of the session inviting other delegates to comment and provide feedback.

Group 1: Malaysian Association of Local Authorities

The group of Malaysian Association of Local Governments (MALA) comprised of several Municipalities including Majlis Perbandaran Kulim, Majlis Bandaraya Alor Setar, Majlis Bandaraya Pulau Pinang, and Majlis Perbandaran Temerloh. MALA aims to foster greater cooperation among member local authorities and the current chairwoman is the President of Seberang Perai Municipal Council. Statistic noted that there are 149 local authorities in the country consisting of 12 city halls/councils, 39 municipal councils, 98 district councils and five special and modified local authorities

Malaysia is a parliamentary democracy and constitutional monarchy. The country has three tiers of government – federal, state and local – with regular elections held at the central and state levels.

Meanwhile, the Mayors/Presidents of local governments are appointed in the country. Referring the Law, there are three types of local authority in Malaysia: city councils, municipal councils and district councils

and each of them has a range of responsibilities reflecting their size and capacity. Nonetheless, all of them are responsible to provide basic infrastructure and public utilities. In particular for municipalities and cities, they shall also be in charge for urban planning, public health and waste management. Lastly, the city councils is in the position to provide revenue collection activity and law enforcement.

In Malaysia, local governments are endowed with the power given by the Local Government Act 1976 to provide goods and services to local people. Local governments serve both obligatory and discretionary functions to local people, where the latter function is more towards local development issues. Obligatory functions can be categorised into five main sections: public amenities, enforcement and license grant, public health and hygiene (cleaning and waste management), social service and development, and environmental issues.

Questions for the discussions:

- How is the government structure in your country?
- Please identify three (3) key local economic activities in your city or municipalities which you want to take up as LED pilot projects?
- How do you mainstream LED in your city or municipality?
- Please identify strategies on what can be done to include or mainstream LED in the following sectors:
- a. LED in city development plan or master plan or town plan
- master plan or town plan
 b. Street designs, parking and transportation plan
- c. Engineering and infrastructure
- works d. Markets, parks and gardens
- e. Business licensing
- f. Municipal Corporate Division or others

Type of local government in Malaysia

CITY
City Council (Majilis Bandaraya)
or City Hall (Denon Bundaraya)
Kuala Lumpur, Kota Kinabalu,
Kuching North, (City Hall), Alor
Setar, Ipoh, Shah Alam, Petaling
Jaya, Miri, Historical Malacca,
Johor Bahru, Kuching South, Kua
Terengganu (City Council)

RURAL
District Council
(Maiilis Daerah):89

SPECIAL AND MODIFIED LOCAL AUTHORITY
Corporation
Development Authority: 5
Labuan Corporation, Putraiava

Development Authority: 5 Labaua Corporation, Putrajaya Corporation [Federal Territory]: SouthEast Johor Municipal Authority [Johor]: Kulim Local Authority [Kedah]: Tiomar Development Authority [Palang]

MUNICIPALITY Municipality Council (Majilis Perbandaran)

Langkawi, Sungai Petani (Kedal Penang); Manjung, Kuala Kang (Penang); Manjung, Kuala Kang sar, Taiping, Teluk Intan (Perak); Ampang Jaya, Kajang, Klang, Sepang, Selayang, Subang Jaya (Selangor); Seremban, Port Dickson, Nilai (Negeri Sembilal Hang Tuah Jaya, Alor Gajah, Jasin (Malacca); Johor Bahru Tengah, Batu Pahat, Kluang, Kulai, Muar, Pasir Gudang (Johor); Kuantan, Temerloh, Ber tong (Pahang); Kemaman, Dung (Terengganu); Islamic City of Ke Bahru (Kelantan); Kudat, Sanda kan, Tawau (Sabah); Padawan, Sibu, Birahdi.

Source: Ministry of Housing and Local Government of Malaysia, 2014

Criteria to determine the size and boundary of local authorities

"How as a local government can we work together to answer the need of people and sit back together with partners to give back to the community."

Mr. Ma'rufsuria Erwin Bin Mohamed Adros", Urban and rural planning officer, Majlis Bandaraya Pulau Pinang

City Council / City Hall

Local authority which has been upgraded from municipal counci status after having successfully achieved certain criteria which include the total population exceeding 500,000 people and an annual revenue exceeding RM100mil

Municipal Council

Local authority in urban or town centres which have a total populatio exceeding 150,000 people and an annual revenue exceeding RM20mil

District Council

Local authority in rural areas.
The criteria stipulated for a District
Council statues in having a total
population not exceeding 150,000
people and an annual revenue less
than RM20mil

Source: Ministry of Housing and Local Government of Malaysia, 2014

Having the heterogonous members, the group has prepared a general roadmap. It has incorporated several strengths of Malaysian municipalities as well as the country itself. Malaysia has been considered as one of promising countries referring to its rapid economic growth. It has shown continuous increase in some sectors including agriculture, manufacturing as well as services. The country is self-sufficient in important natural resources, including gas and oil, and has a good environment and climate for the production of various crops. Its location, on a crossroads of major sea routes that connect the Far East to South Asia, the Middle East and Europe, provides some additional advantages for the development of its international trade.

Looking to its strategic location, Malaysia aims to enhance its services sector in economic structure. Such tourism, business, trading and other services activities are being prioritized which can be seen in their contribution to the nation's Gross Domestic Production (GDP). From the statistic in 2014, the services has contributed more than 50% in the GDP and considered as the highest and promising sector. The country thus puts greater emphasis on these activities which have served as the basis of the group of MALA to focus on tourism and agricultural industry.



Source: The Office of Chief Statistician, Department of Statistics, Malaysia, 2015

By proposing two major economic sectors in the country, the group defined its roadmap into four (4) phases. First, it will be started with developing a system using the ICT technology. The technology will assist the process to be more efficient by creating a specific application for these sectors. Each stakeholder will have ability to run the application according to their different functions. Second, stakeholders mapping and engagement will be done. The group members highlighted the need to set up collaboration both with community and private actors. Specifically Small Medium Enterprises (SMEs) are the targeted actors, considering their valuable assistance in boosting national economy growth.









Top: MALA group presented their concept and roadmap during the second day of LED training. Bottom: Participants discussed the results of the group's discussion.

According to the statistic, SMEs has contributed for 35% of the total GDP in Malaysia in 2014. It has been considered as the influential sector in particular for agriculture which has shared the highest portion among others. Linking to the group plan, such SMEs can contribute to support the tourism development in providing local accommodations as well as services of travel agents. Similarly, in agricultural industry, SMEs will assist on locally processing the agricultural products.

The third phase is developing infrastructure to open more access both for tourism and agricultural industry. Business actor can assist in this phase yet government will be the main actor who handle this infrastructure development. Lastly, promotion will be carried out using several modes of communication tools. This publicity aims to increase the marketing activities leading to uplift the profits.

Group 2: Seberang Perai Municipal Council



"Seberang Perai has a total of 34 SMEs location. There are 12 in the north, 11 in the central, and 11 in the south. Applying LED will help to build a better enabling environment for them".

Mr. Mohd Ridzal Abdul, Head of Tourism Unit, Seberang Perai, Malaysia

Seberang Perai, formerly known as Province Wellesley was a British colony in 1800. It was initially a swampy jungle land covering an area of 489.3 km². The area has been progressively developed into agriculture land which currently remains as one of the major economic activities of the municipality. Population has rapidly increased leading to more urbanized municipalities. Statistic noted that the total population in the municipality has reached 993,000 in 2015. The number is predicted to keep increasing as the result of the continuous development practices.

Chaired by Mayor Dato' Maimunah Mohd. Sharif, the Seberang Perai Municipal Council or Majlis Perbandaran Seberang Perai (MPSP) has a vision to develop a cleaner, beautiful and convenient municipality where community can work and live as well as business actor to invest. MPSP aimed to provide a safer, cleaner, greener and

healthier communities in a decent place. This vision has been defined in several measurable elements such as organizational or management services, leadership and governance, spatial or environment, participation and customer satisfaction, and investment.

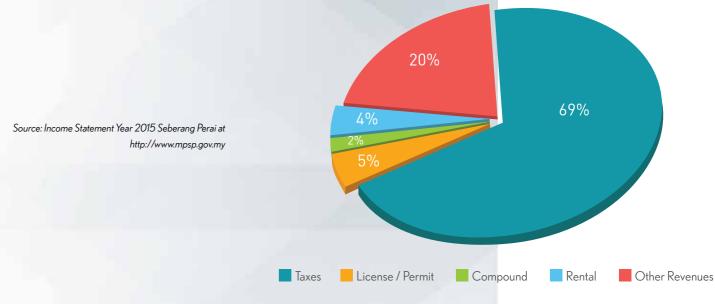
Comprised of three (3) districts including North (SPU), Central (SPT), and South (SPS), Seberang Perai is strategically located and positioned close to neighbouring industrial estates such as the Bayan Lepas Free Industrial Zone and Kulim High-Tech Park. The municipality has aimed to develop industry as well to support the Penang's vision to be a prominent industrial hub in the Northern Region. Most areas of the land in Seberang Perai thus have been earmarked for industrial activities. Such industrial parks, light industries, housing, local enterprises and foreign multi-nationals could be found in Juru, Bukit Tengah, Bukit

Minyak, Perai and Mak Mandin. A critical infrastructure of port in the North Butterworth is available to spur the industrial activities.

In addition to the agriculture and industries, services and tourism also shaped the economic dynamism of Seberang Perai. It has been considered as the new locus of development and promising sector in the municipality. The hospitality business has recorded a significant growth targeting to domestic and international tourist. It has created opportunity for local community to involve and to bring more employment prospect. Lastly, informal economies also contributed to the urban activities in the municipality. They attached to local community and became an affordable source of food or items for urban populace.



Source of Revenue of Seberang Perai Municipality in 2015







Left and right: Discussions on an One Stop Market concept proposed by the group applies combination of various street hawkers with food trucks.

Given its diverse economic activities, the municipality has received more than 50% of its revenue from taxes. Furthermore, the municipality also collected profits from renting out its assets. Their unused property such as land has been rented out and transformed into registered businesses by local investors. The government has encouraged business spectrum to grow by providing various opportunities for them to be involved.

Looking to the economic profile of the municipality, two (2) groups from Seberang Perai have proposed to develop informal sectors in their LED roadmap. Both of them have valued the quintessential characteristic of street vendors in forming the urban economy and local society. According to them, night markets are considered as a culture attached to the local people. They then planned to organize them in more decent place by giving certain policy. Nonetheless, they have applied different approaches in upgrading the informal sectors. Another group proposed an One Stop Market.

1. One Stop Market Group

The notion of One Stop Market (OSM) was introduced by group 3 in building informal economy. It is a full day market starting from morning until evening and applies combination of permanent and movable stalls. The movable stalls stand for the hawkers' trucks

and it will be placed in front of the permanent market. Government will provide a parking lot to accommodate the trucks and some other supporting facilities. On the other hand, a decent booth in the permanent section is prepared to improve the market ambience. The OSM will offer wide-ranging products such groceries in the morning, food during the afternoon, and multiple dry items in the evening. Hence, it can be a preferable place for shopping allowing community to have more options in one place.

In implementing the concept, small mapping of stakeholders was done in the group exercise. The OSM will engage informal economy actors, thus full support from municipal government, Non-Governmental Organizations (NGOs) and politician are essential. They will contribute in different corresponding functions leading to a collaborative effort from all stakeholders.

Six (6) Pathway Strategies:

Phase 1: Data collection and assessment. Licensing department will organize the assessment to identify hawkers and potential location of night market (assessment tools: SWOT, economic mapping, stakeholder mapping, etc).

Phase 2: Public engagement. Raising awareness will be conducted to obtain local community and other relevant stakeholders support.

Phase 3: Policy formulation. In supporting the plan, policy shall be created to ensure the regulation and administrative protocol are in place.

Phase 4: Establishing task force and prioritization of LED project. Task force will consist of several departments or units in MPSP to form a system and prioritization of LED in the internal bureaucracy procedure.

Phase 5: Implementation of the plan. The implementation will engage all stakeholders including relevant units and local community.

Phase 6: Monitoring and evaluation. To ensure the work is done properly, the municipal council will regularly monitor the process and deliverables.



The LED plan was prepared by looking to the governance tiers in the country



"LED is a platform where whatever we do, we must always think of the economic factor regardless you may think it is small. At the same time, the factor of sustainability has to come to our planning."

Ms. Rosnani Mahmud,

Director of Engineering Department of Seberang Perai Municipality, Malaysia Regulation and policy stand as the foothold of OSM implementation. It will include the time-sifting of hawkers, type of products, and mode of retailing activities. All hawkers will be registered in order to have a proper database and management. Given this necessity, a dedicated staff particularly in the licensing department is needed in setting up the protocol and accelerating the licensing process as suggested by the Mayor of Iriga City. According to her, she has managed to cut the bureaucracy from 1 month into 2 weeks only by assigning a person to deal with the administrative works.

Another reference from India has shown a typical market with numerous products. Unlike the prototype of OSM, the market in India does not organize all products in same day. Instead, they put different products per day thus community can choose which day they need to visit the market. This has created an exclusivity of the market's calendar which has become a success in the country.





2. Night Market Group

Linking to the culture of Seberang Perai's residents, group 5 created similar proposal of developing a night market for LED project. The night market has served particular opportunities for local people, informal sectors, and business society. It then has been considered as a most convenient and popular place to visit in weekly basis. Nonetheless, the challenges will lay on the management of hawkers and street vendors in building the night market.

The improvement of night market will concentrate on the revitalization of the current markets. Instead of developing an additional one, the project aims to strengthen the available facilities. The current markets are defined adequate to fulfil the community needs therefore it is not considered as priority to create more. Such assessment will be done to identify the poor market as well as the upgrading plan.

Unlike the previous OSM group, the group 5 has mapped stakeholders by clustering them in the three (3) basic functions which are seller, buyer and facilitator. The seller includes hawkers and street vendors who will be based in the market whilst the buyer are the community, tourist, SMEs and other industrial businesses. Lastly, the facilitator is the intermediate actor who will connect and assist the process such as municipal government, NGOs, cooperative and private sectors. Cooperative is the new proposed player contributing to capacitate the street vendors as well as to improve the market management. This unit has been established in several markets and proven to be effective in the municipality.

The group also recommended to form a task force comprising relevant government units in the municipality. The licensing department is envisioned to be the leading unit in the task force. It is designated to expedite the process of implementation of the LED pilot project. It can also function to channel the coordination with key stakeholders as well as in the strategic position to foster policy recommendation. Hence, it has been incorporated in the strategies and highlighted in the roadmap of this group.



In clockwis

- Group discussion to create a roadmap of LED in the Seberang Perai.
- Group proposed the concept of night market and presented the plan for feedback.
- There were six (6) phases of roadmap suggested by the night market group.

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Group 3: The Greater Mekong Subregion

The Mekong River is one of the world's great rivers and the most significant biodiversity hotspot. It has brought together some states in North East and South East Asia subregion including China, Cambodia, Lao PDR, Myanmar, Thailand, and Vietnam. The upper stream is located in Lancang Jiang, China and contributes to 16% of the waters to the Mekong from the melting snow of the Tibetan Plateau. This base flow is critical to the low-flow hydrology of the lower mainstream. The lower streams start from Chiang Saen, China to other

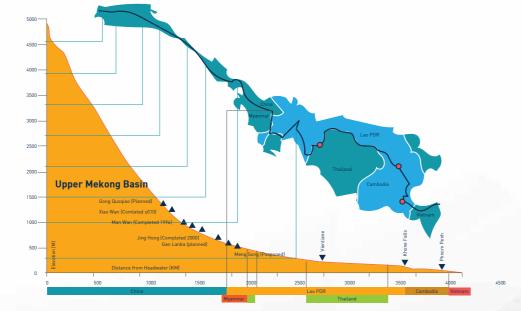
countries such as Myanmar, Lao, Thailand, Cambodia, and Vietnam. Being a great river, the basin has created a natural economic area covering 2.6 million square kilometers which is home to more than 300 million inhabitans. It holds irreplaceable natural and cultural riches serving for food provider and the site of many large-scale construction projects with social and economic implications.

> Secretary General of UCLG ASPAC provided her inputs on transboundary collaboration of territorial governance.



"LED in Greater Mekong is different since it can improve the very lives of communities along the river."

Dr. Nguyen Thi Kim Son, Vice Secretary General of ACVN, Vietnam



Mekong River profile from headwaters to mouth

Source: Mekong river in economy, WWF, 2016

The Mekong countries are gradually shifting from subsistence farming to more diversified economies, and to more open, market-based systems. In parallel, commercial relations are the growing among the six Mekong countries, notably in terms of cross-border trade, investment, and labor mobility. Moreover, natural resources, particularly hydropower, are beginning to be developed and utilized on a subregional basis. Having this transition, the economic

sectors in Mekong basin countries can be divided into two major groups. First, the key water-related economic sectors that are driving growth in the region is fundamentally linked to a healthy and thriving system. It comprises of ten sectors which are drawn as the ten outside circles in figure below. Second, the functioning sectors or also called as four meta-drivers are much dependent upon a functioning basin to provide water, energy, food and ecosystem

Ms. Vilayvone Chanthalaty from Lao PDR highlighted

the importance of harmonization in organizing economic activites along the Greater Mekong river

goods and services (nature) as indicated by the figure. All of these sectors are interrelated to each other creating a complex system in a broad economic region.



Key economic drivers of charge in the Mekong River Basi

Source: Mekong river in economy, WWF, 2016

Looking to the noteworthy influence of the Mekong basin, the group aimed to harmonize the water-related economic system by building sustainable agriculture as their LED. Agriculture is one of primary sectors in Cambodia in particular the Koh Thom District, Kandal Province. The Province is located at the South of Phnom Penh or 45km from the Capital bordering to Vietnam. With the area of 488km2, the population of the District is 1,155 inhabitants and most of them are farmers. To boost the local livelihood, the government of Koh Thom District has been working with the National League of Commune/Sangkats (NLC/S) in the LED project supported by the Federation of Canadian Municipalities (FCM). The project focused on developing modest agriculture products by building the capacity of farmers as well as improving the agriculture infrastructure.

Having implemented the project, the Councilor Kong Vann deems to enhance LED beyond agricultural activities. In the group discussion, he planned to mainstream the approach in all government units to leverage the policy at all elements in the development sectors. Thus, the strategic plan was prepared by considering the government structure of the country. In Cambodia, Councilor

is elected people who is the leader of District. Under the Councilor, there are several committees, officers and departments which are responsible to deliver services to local community. These units comprised of technical, education, agriculture, women and children, planning and supporting office, procurement, finance and

The strategic plan involves several stages

Phase 1: Engage with Local Governments Association to advocate the role of local governments in LED

Phase 2: Stakeholders mapping to identify key champion in LED

Phase 3: Awareness raising on LED approach to business actors and society Phase 4: Preparing a comprehensive plan of LED

Phase 4.1: Data collection

Phase 4.2: Consultation with community to define the needs and priority

Phase 4.3: Establish a task force by assigning the relevant unit to support the LED as well as to work with community Phase 5: Upscaling LED by forming policy to create sustainability

Similar with Cambodia, Thailand, Vietnam and Lao PDR who were the members of



the group also aimed to mainstream the LED in their respective municipalities. Nevertheless, the entry point of LED in each country can be varied depending on their local strength. In Thailand for instance, the proposal was to improve economic benefit of solid waste management. This LED in solid waste not only can bring benefit in reducing carbon emissions, but also improve social welfare of community through recycling activities.

Another perspective in LED came from Vietnam. They have seen LED as an approach to develop a branding of the city. According to them, LED can contribute to a greater outcome to the municipality. By upgrading local products, it can generate exclusivity thus leading to an image for the city. Lastly, the delegate from Vientiane, Lao PDR proposed to embed LED in their city plan. It has been considered as a new outlook which needed to be injected in the development plan. They thus aimed to prepare a comprehensive document towards integrated scheme as well as inclusive stakeholders.

The Mekong group comprised of different countries therefore the strategic plan of the group are guite varied. Despite these diverse context, the main line is the importance of mainstreaming LED in the local unit.

Group 4: Disaster Prone Region

The last group comprised of two (2) countries which are Indonesia and The Philippines. Both of them are prone to disasters including the man-made and natural disasters. Volcanic eruptions, earthquakes, tsunamis and typhoons are typical natural disasters hitting the countries. Statistic in 2014 even noted that both states were in the top ten most vulnerable countries.

tracking westward while Indonesia sits active areas, the Circum-Pacific Belt or also called "Ring of Fire" and the Alpide Belt. These countries have experienced most devastating volcanic eruptions,

Their location was determined as the main cause of this high exposure to disasters.

Philippines lies in the path of typhoons between the world's two most seismically earthquakes, tsunamis and typhoons as a result.

INTE DE cluding LED in the city

Top Countries by numbers of reported disasters in 2014



		Nepal	Thailand	Mexico	France	Indonesia	Philippines	Japan	India	United States	China, P. Rep.
	Climatological		1							2	2
	Geophysical		12			2	12			1	8
	Hydrological	6	4		3	8	3	13	8		15
	Meteorological	1	2	6	5		9	10	7	14	15

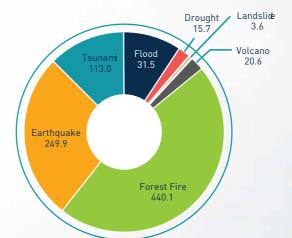
Source: Annual Disaster Statistical Review, 2014, Center for Research on the Epidemiology of Disasters (CRED)



"Innovation is not from nothing to something, but from something to something better."

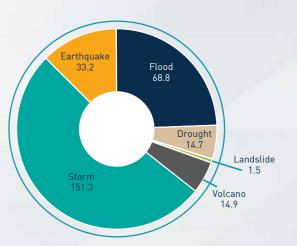
Mr. Raulito Reves, Catbalogan City Investments Promotion Officer, The Philippines

Mr. Peter B. Lagyap from Iriga City addressed the importance of risk assessment in LED project





Loss data not sufficient for other disaster



Average annual economic loss (\$ million) of Philippinse

Loss data not sufficient for other disaster

Source: Annual Disaster Statistical Review, 2014, Center for Research on the Epidemiology of Disasters (CRED)

The frequent disasters in both countries have caused significant economic loss reaching to the amount of USD 440.1 million in Indonesia. The forest fire disaster is indicated the most destructive disaster since it caused deforestation leading to both ecological and people loss. Similarly, The Philippines' national disaster agency has recorded typhoons as the most harmful disaster in the country. It has amounted to loss of USD151,3 million, occurred to 111.93 million population and caused 31,373 deaths. This enormous impact of disasters has served as the reasoning of the group members to open more investment in LED which incorporated disaster in one

Located in disaster prone area, the City of Catbalogan was chosen by the group as their pilot to showcase the strategic planning process. The city has a plan to create a township at the uphill area to generate a new economic cycle. Called as "Sky City Mega Project", this big masterplan has embraced private sectors during process to invite more investment and to ensure its sustainability. The concept was designed to facilitate four aspects of learning, working, playing and resting. Combination of all aspect will reduce the risk from the disaster which often happens in the Catbalogan.

Emphasizing on climate proof city, the project is envisioned to be the model of sustainable city. It will use a modest technology in its facilities and a balance of spatial pattern between built up and non-built up areas. This will imply on more public spaces in the sky city to encourage community for walking and biking and to reduce carbon emission from transportation. Furthermore, the power will be generated from renewable energy sources such as wind and solar. Having this advanced facility, the project is planned to bring more opportunities for community on economic activities by collaborating with business actors.

The roadmap of the project will follow on the Catbalogan plan including raising awareness on the vision, engaging stakeholders particularly local people and investors, and project execution. Comprehensive data collection and assessment has been done prior to masterplan development. The local partnership scheme has been addressed in the project which is in line with the principle



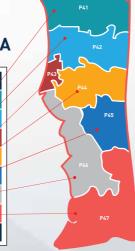
In bringing the strategic plan to realization, an action plan was prepared in the 3rd day of the workshop. The action plan incorporated detailed steps describing how and when the roadmap shall be taken. It covers comprehensive phases, clear roles/functions, and most recent work leading to the main objective set in the strategic plan. This characteristic of action plan followed six (6) main elements of action plan which are what, who, when, what resources and mode of communication.

Pilot Project: Night market improvement

Night market or locally called as "Pasar Malam" has evolved from its genuine concept. It was initially aimed to provide snacks for local community and currently it becomes a tourism spot of attraction offering a unique cultural experience. The tourism department in Malaysia has emphasized the important aspect of night market in Malaysian life which should be introduced to overseas tourist.

NIGHT MARKET BY PARLIAMENTARY AREA

_				
		AREA	NUMBER OF NIG	HT MARKET
	P41	KEPALA BATAS	12	
l	P42	TASEK GELUGOR	10	
	P43	BAGAN	4	
	P44	PERMATANG PAUH	16	
l	P45	BUKIT MERTAJAM	13	
l	P46	BATU KAWAN	13	
	P47	NIBONG TEBAL	20	
		TOTAL	88	



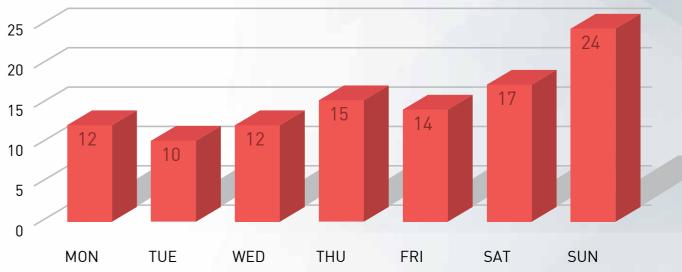
Each action to be sought should include the following information:

- What actions or plans will occur
- Who will carry out these plans
- **By when** they will take place and for how long
- What resources (i.e., money, staff) are needed to carry out these plans
- Communication (who should know what?)

In Seberang Perai, night markets are rampantly growing in many areas of the municipality. They are part of the local lifestyle and are frequently visited by the people for their grocery shopping of food and other household items. The markets are mostly available during Sunday or weekends to accommodate visitors. Nonetheless, some of them are open on weekdays.

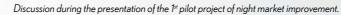


Daily number of markets in Seberang Perai



Source: Statistic Seberang Perai Municipal Council, 2016





Offering this local uniqueness, night market

improve their night market not only to

boost local economy but also to overcome

the current challenges of the markets. The

plan was focused on rebranding the current

market by re-organizing the management

as well as providing more facilities that can

address several issues. Problems such as

traffic congestion, lack of parking spaces, un-registered hawkers, cleanliness and

hygiene, public crime from pickpockets

action plan thus addressed these chal-

lenges by putting some strategies.

were commonly found in the markets. The



Secretary General of UCLG ASPAC emphasized the need to mainstream LED in the policy unit therefore such strategies shall be reflected in the action plan.

has been selected as the pilot project of LED in Seberang Perai. Two (2) groups from the municipality have proposed to The 1st pilot has targeted pasar malam at Bandar Perda as the project location due to its strategic position in the uptown area. It was a parking lot for business activities during

The 1st pilot has targeted pasar malam at Bandar Perda as the project location due to its strategic position in the uptown area. It was a parking lot for business activities during the day while in the evening, it was empty space to be used for street vendors. The market has long-standing history with the municipality. It was informally operated in 2000 starting with only couple of street vendors. The number of hawkers increased over the years and finally obtained a license in 2010. According to the Municipal Council of Seberang Perai, the traders in Bandar Perda's night market has reached 75 in daily basis and rapidly increased to more than 200 during fasting month. The traded commodity is varied from food and beverages, fashions, toys, accessories, and others.

Pilot Project 1. Night Market at Uptown, Bandar Perda, Seberang Perai

To accommodate the increased number of hawkers, the group has prepared two (2) scenarios. First, the market will be limited to the current available spaces which are nearby the main road and MPSP office. Second, during the fasting month, the night market location will be expanded to the area of high density residential areas. This will allow more hawkers to be accommodated as well as to better organize them in populated areas where they can attract more business.

Area of Night Market at Uptown, Bandar Perda, Seberang Perai





SCENARIO 1 SCENARIO 2

In implementing the plan, the actions are divided into two (2) phases which are planning and approval process as well as implementation process. The first phase will comprise most of the preparation activities including data collection, task force unit establishment, stakeholders engagement and obtaining approval. It may take nine (9) months of operationalization. Furthermore, the second phase will need longer time of realization due to engineering activities. The overall phase of the 1st pilot is envisioned to be finished in the end of 2018.

The plan has incorporated elements of LED such as collaboration and local commodities. Nevertheless, the action shall be furnished with budgeting plan and risk assessment. The risk assessment is needed to minimize the negative impact concerning the frequent exposure of disaster occurring in Asia Pacific. It shall be applied in any cases of government policy. Moreover, to ensure its smooth organization, internal cooperation with other department units in the Seberang Perai needs to be prioritized. This will contribute to mainstream LED in the in-house departments by involving them in the process. Lastly, to upscale the outcome, the night market improvement can be connected to the tourism agency as an additional spot to generate more visitors as well as to promote the cultural value of pasar malam.



Mayor Maimunah approved the pilot project to be further examined for implementation in the Seberang Perai.



Mr. Sumastro from Singkawang City provided significant inputs to link the pilot project with tourism department to

Proposed Planning and Implementation of

Night Market at Bandar Perda

PLANNING & APPROVAL PROCESS



Action by Department: All task force members & organize FEB - MARCH 2017





MΔY - IUI Y 2017





IMPLEMENTATION PROCESS







Pilot Project 2. One Stop Market (OSM) in Seberang Perai

The second group proposed to improve the informal economy through different perspective of market. Instead of facilitating permanent stalls inside the market, the group aimed to organize and promote food trucks or mobile hawkers in an One Stop Market (OSM). The market will pool and govern them into a designated place to reduce possible challenges such as traffic congestion, parking, solid waste as well as safety and crime.

The mobile hawkers has become a trending phenomenon in the urban lifestyle particularly young people. The number of the mobile street-vendors also increased which could be found almost in every strategic places such as business district and hangout spots in Seberang Perai. To boost the outcome of this "portable hawkers," the OSM is planned as a pilot not only to enhance the local economy but also to reduce the current obstacles generated by the hawkers.



Why food trucks or movable hawkers in OSM?

- New concept of market in Seberang Perai
- Free maintenance
- Simple organisation by applying operational hours of policy (morning, afternoon, evening)
- Trending hawkers in Seberang Perai
- · Association of food trucks is available in the municipality comprising of 50-60 members leading to easier coordination
- Less cost of market development since it does not need some facility/utility
- · Can be immediately run at least 6 months for preparation and policy development

The market will apply classification of street vendors based on different kind of retailed goods. It will be organized by division of operational hours starting from morning to evening. The morning market is intended for wet items such as groceries, meats, and vegetables while snacks and foods are items sold during the afternoon. Lastly, the market will have mixed types goods in the evening including clothes, foods, and other kind of household needs.

The pilot is planned to be implemented soon requiring at least 6 months for preparation and registration of hawkers. It is envisioned that within 1 year of timeline, the OSM can be fully operationalized in Seberang Perai. In the future, the group is also envisaged to have a permanent space for vendors in addition to the movable hawkers. Nevertheless, the plan shall be executed after obtaining a proper location. Identifying the best space for OSM remained a homework for the second group due to the unavailability of spatial data to be further elaborated in a specific study.

A proposal to engage the local university students as performers in the market was added to the plan. Performances such as singing, dancing, wayang kulit (puppet show) or other art presentations is deemed to add value to the OSM. It can serve more than a common market by being a tourism spot in Seberang Perai as well.

According to the experience of Surakarta City in Indonesia, the OSM shall be seen as a temporary plan. To have the market running from morning to evening with multi-function of retailing activities, the municipal government needs to assign a particular spot. This location also demands a proper facility and utility to manage the solid waste and other consequences arising from the market activities. Therefore, an inclusive assessment shall be

conducted to define the cost and benefit including limitation of the market. This will include a traffic and risk analysis. Additionally, further consolidation with the action plan from another group is also needed to harmonize the LED proposal in the municipality.

Each of the action plan shall be mainstreamed in every policy unit of the municipality to ensure well implemented plan. This will allow the notion of LED comprehensively captured leading to harmonize strategies as well as more supportive enabling environment. A task force and guide book for LED thus can be easily created. In bringing more awareness on LED, specific strategies to mainstream LED in the action plan are essential to be highlighted.

"On one side, government always thinks big about the investors. On the other side, if we talk about the local activities, we always face the problem on how to change the mindset of the people including within the street vendor management."

Mr. Sumastro.

Head of Information and Communications Department of Singkawang City, Indonesia



Ropewalk Flea Market

To witness the good policy of LED, Seberang Perai Municipal Council brought participants to the Public Market Ropewalk Bagan on the last day of the training, after the sessions closed. Ropewalk or also called as "Pasar Karat" by the local is managed by a cooperative, namely, Koperasi Pasar Aneka Taman Selat Butterworth under the city government. The objective of the cooperative is to bring all small flea business owners together and to provide them with appropriate place along with marketing and training programs for all its members.

Located in Pasar Aneka Taman Selat, the market provides a variety of traded items such as ragbag, old records, gramophone, brass iron, smoking pipe and antiques, groceries and other specialties. The items are unique and not available in other

places in Seberang Perai, leading to an exclusive branding of the market especially for vintages hunting.

Historically, Ropewalk started to operate on 2nd August 1999 with only 45 stalls without rooftop and the vendors were not charged any fee. The market was set up at Jalan Pintal Tali or Lorong Kulit and only in small scale of business. It was initially developed with a flea market concept hence most items available in the market were secondhand, vintages, traditional food, as well as leather items. Nevertheless, the market has been expanding beyond its outset providing a mix of retailing activities. At the moment, Rope Walk which opens at 9 am has 230 stalls and a rooftop. The vendors are more organized and grouped based on their traded wares, resulting to more convenient ambience.

The cooperative has done significant contributions to improve the market. Not only managing the stalls, the cooperative also aimed to provide credit for its members as well as building their capacities on marketing the products. Almost all vendors in Ropewalk has a Facebook account in order to reach bigger consumers by tapping to the potential of e-commerce platform. This has resulted to noteworthy earnings for each seller. The cooperative has facilitated this initiative though the e-commerce activities were mostly managed by each vendor. Such training were provided in a planned timeframe. Additionally, the cooperative also supported the improvement of the market's physical environment, such as the waste management.

Having a comprehensive approach, Ropewalk has been upgraded both in physical and operational aspects. The government has

facilitated the revitalization process of the market thus it did not burden the cooperative members. The rental for each stall is inexpensive, only at RM 3 (approx. USD 0.7) per day. The market has triggered more vibrant local economic activities and an example where community-led economic process supported by the city government can boost significant economic growth and produce a strong sense of ownership by the people. Being showcased, Ropewalk is included in the action plan of LED in Seberang Perai Municipality highlighting urban regeneration efforts in a postindustrial environment. The city aimed to promote Ropewalk as a tourist hotspot and local attraction in Butterworth.

Address: No 17, Pasar Aneka Taman Selat, 13500 Butterworth, Penang Tel: 04-323 3788

"We are just adding what we have and put the added value. In LED, we have to think locally to be marketed globally."

Ms. Om Chhorvanchanny, PMI-LED National Programme Coordinator, Cambodia









In clockwise:

- The cooperative members welcome the international delegates.
- Ropewalk flea market is well-known as the antique market as shown by numerous stalls of handicrafts, souvenirs and old
- Local food in the market has pampered the delegates with unique taste of Seberang Perai.
- Vibrant discussion during the visit has shown huge interests from

Discussion during the field visit facilitated by the Koperasi Pasar Aneka Taman Selat (Taman Selat

Market Cooperative).



Learning assessment was done to measure the knowledge obtained by the participants.

Learning Outcome and Evaluation

In order to map out the learning experiences, the participants were requested to fill out a pre-test and post-test in the training. From the assessment, in general there has been an increase of knowledge and understanding in most of the subjects provided.

The participants have learned the definition of LED as a strategic process to build up the economic capacity of a local area and to improve the overall quality of life. They have also had better understanding on the characteristic of cities in developing countries and the fact that production is not a capital intensive. In addition to that, the group also learned a various aspects such as a temperate climate is not a pre-requisite for LED and that dual economies are countries with foreign-owned and domestically-owned capital.





Secretary General UCLG ASPAC and Mayor Maimunah handed over the certificate to participants upon completing the learning program

The training also provided an increased understanding amongst the participant on a variety of efforts to address gender equality issues in LED, such as improving the position of working women, increasing the number, viability and size of womenrun business and women's participation in economic decision-making.

The group has also had an increased knowledge in stages of LED implementation plans such as establishing budget, human resource, institutional and procedural implications and requirements of the LED strategy, creation of an action plan for accelerated implementation, and the creation of the city land-use plan.

With some of the increased knowledge gained by the participants, there were also some subjects that would need deeper exploration and further explanation. Subjects like the details of guiding principles in LED, the types of typical stakeholders for LED, the benefits of conducting LED assessment, definition of sustainable development, and gender equality issues

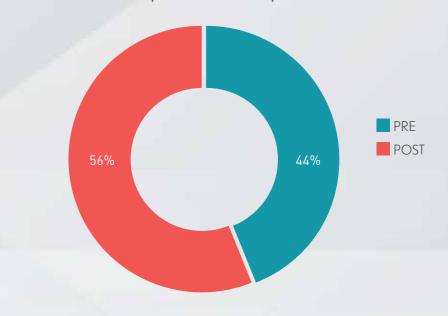
It is recommended for UCLG ASPAC and DELGOSEA Network to produce a handbook on the subjects above to better guide cities and local governments particularly to implement LED practices in their respective territories.

"Local economic development offers government and no government work together for improvement the local economic".

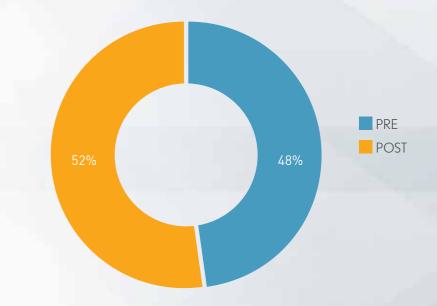
Ms. Rosnani Mahmud,

Director of Engineering Department of Seberang Perai Municipality, Malaysia

Question to participants: Pre and post training on current and plan LED's implementation.



Question to participants: Pre and post training on LED characteristic which are most likely to be found in most cities in developing countries



At the end of the training, participants shared their views of the event. They were most pleased with the capacity of the speakers and the facilitators as well as the quality of the presentation. The participants attested that the workshop met their expectation and that good facilities were provided during the workshop. Participants were satisfied as well with the time allocation, the way discussions were conducted and the relevance of the workshop for participants' scope of work. Overall, the workshop implementation was well conducted and was appropriate with the participant's background.

Poor Sufficient Good Very well Perfect



Conclusion: Moving LED Forward



LED is a promising tool to achieve an equal prosperity. It embraces people in the process and puts local government in front of the coordination line. Other relevant actors in particular business society are also engaged to ensure a balance of stakeholder representation. This heterogeneity composition of groups shows the inclusiveness value discerning LED from the other conventional economic practices.

Although it encompasses different stakeholders, LED is collaborative efforts. It works with partnership scheme connecting the available resources with the applicable tools and strategies. It combines inward and outward standpoints to produce a catalytic project towards a mutual objective of community welfare. Leadership of local government thus becomes a key driver to ensure the "teamwork" and the action plan run.

Having its strategic function, an enhanced understanding of LED at the local level becomes a huge demand. In collaboration with Seberang Perai Municipalities and Malaysian Association of Local Authorities (MALA), the LED training in Seberang Perai was organized to respond to the emerging needs of knowledge deepening in LED. It was successfully conducted and managed to produce promising promoters to further disseminate and practice LED at their respective municipalities. The event was a starting step to bolster economic localities through local government capacity building.

The roadmap and action plan produced from the training will be executed and associated with relevant policy units in every municipality. It was also assented in the workshop that all alumni of "LED promoter" will be connected through the network created by UCLG ASPAC to sustain the knowledge as well as to bring greater outcomes of learning. Lastly, UCLG ASPAC will continue to advocate and strengthen local governments' roles and functions towards the prosperous Asia Pacific.

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