

# IMPROVING THE SOCIAL AND ECONOMIC IMPACT OF LOCAL ECONOMIC DEVELOPMENT AGENCIES

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During 2012 the international impact of the 60 Local Economic Development Agencies operating in different countries of Latin America, Southern-Eastern Europe, Africa and Asia, has been improving, upgrading economic development of the territories.

Since 1991 the ILS LEDA program (International Links and Services for Local Economic Development Agencies) has been supporting local actors of different areas of the world in establishing Local Economic Development Agencies (LEDAs) as a sustainable tool for poverty reduction through increasing jobs, supporting Small/Medium/Micro Enterprises (SMMEs), farmers and cooperatives, while empowering local communities and improving social equity and environmental protection. This support has been mainly provided through various United Nations programs.

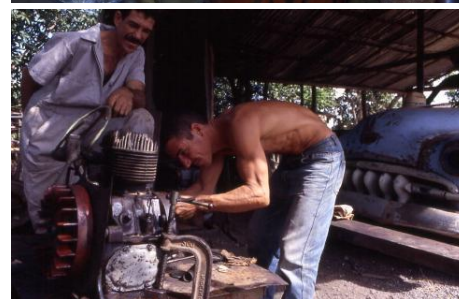
LEDAs constitute public-private no profit associations, and provide comprehensive financial and non-financial services to the disadvantaged people of the territories where they operate, generally in rural areas at over-municipal level.

One of the main capacities of LEDAs is gathering together multiple local actors and stakeholders, which were previously acting without any articulation and coordination and with a scarce territorial impact. LEDAs include into their membership local administrations, NGO, association of producers and civil society, university, financial institutions, and they are therefore able to provide comprehensive services.

This social capital embraces around 1400 institutions, involved in the LEDAs' system, which represent the Agencies' members (municipal and regional administrations, associations of small business and farmers, cooperatives, associations of women, social and environmental local networks, universities, financial institutions), with an overall 54 million inhabitants served by them.

In every region, the LEDA has been established as public-private no profit association aimed at reducing poverty by inserting poor and disadvantaged people into the mainstream local economy, mainly through multi-level actions (education, capacity building, technical assistance to self-employment and businesses, credit, commercialization and networking).

The actions have generated on average 300-400 new jobs per year for each LEDA, mainly through the promotion of tailored initiatives and investments for the valorisation of local economic endogenous potential and resources. Nevertheless, the impact of a LEDA is also on social equity, gender equity and preservation of the cultural heritage, channelling national and international funds to the territory and facilitating the elaboration and the implementation of local and national participatory strategic plans.



LEDAs therefore constitute a very strong instrument for multi-dimensional poverty reduction, within a vision of social and gender equity, collective empowerment and environmental protection. This goal is achieved through providing to their members, to local firms and institutions and to the overall territorial population tailored services such as: support to participatory planning, economic animation and stimulation, entrepreneurial and managerial training, skills upgrading, support to business start-up, technical assistance, support to access to finance, commercial facilities, territorial marketing, strengthening of stakeholders' participation and local democratic governance.



Generally, they represent light and flexible – rather than bureaucratic – structures, with a high level of effectiveness/efficiency, being central within a local network of stakeholders with high commitment for appropriate local development initiatives. Their sustainability is based on multiple income-generation activities, avoiding public subsidies.



Nevertheless, the LEDAs' know-how on fighting against multidimensional poverty represents a relevant capital and valorising it at international level is a very strategic and added-value issue.

The regions where the LEDAs operate are mainly represented by rural areas with high levels of poverty and/or marginality. Their economy is mainly driven by the agricultural sector, and often by touristic activities. They have a total population of 54,000,000 inhabitants, with high rate of unemployment, informal economy activities (especially for women), and few opportunities for economic inclusion, mainly due to the absence of public local policies, strategies and plans, including tailored instruments for supporting marginalized people.



In several countries (Colombia, El Salvador, Guatemala, Dominican Republic, Mozambique, Ecuador) national network of LEDAs have been established: they dialogue with national government, address and channel public policies at local level, and often help creating new LEDAs in the country. In some cases, such as the El Salvador LEDA of Morazan Department, it established a branch in a foreign country (United States) for serving emigrants and establishing with them commercial and financial relationships.



ILSLEDA have been recently recognized by OECD (2010) as “one of the most successful international organization promoting development agencies”, as well as by UNDP, ILO, UN-Women. Lately by various national governments recognized the LEDAS as instrument to implement economic programs (e.g. in El Salvador, Mozambique, Colombia, Ecuador, Albania, Dominican Republic).

Thanks to the presence of the LEDAs, managed by the local actors, important results in terms of structurally reducing poverty have been achieved in these regions, although their action is still not at the height of the enormous challenge of abating poverty, and a permanent campaign for bringing about more and more international cooperation actors towards these efforts is going on.

#### To know more

[www.ilsleda.org](http://www.ilsleda.org)