

English edition

PACA[®] NEWS

Participatory
Appraisal of
Competitive
Advantage

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LEDcast update

In the March edition of the PACA news we announced the LEDcast, produced by Jörg Meyer-Stamer and Shawn Cunningham. The LEDcast is becoming very popular, and some of the shows have already been downloaded more than 500 times!

The LEDcast is an audio programme that is available for free from the web at

<http://www.LEDcast.net>

During each episode we discuss topics relating to LED. The programme aims at sharing knowledge and stimulating discussion among LED practitioners. To date, we have published 18 episodes. The duration of each show is between 20 and 30 minutes. It is possible to subscribe to the shows using software like iTunes or other podcasting software, as well as RSS. The shows can be played on computers with audio facilities, MP3 players, or burnt to CD and played in normal CD players.

The episodes are published in different series, with each series concentrating on a specific dimension of LED:

First Series

This is the series that we published between March and July 2007. It covers a wide range of important topics in LED.

#1: What is LED?

#2: LED and Strategy?

#3: LED in four types of regions

#4: LED in industrialised and developing countries

#5: Involving the private sector in LED

#6: LED in South Africa

#7: Tourism and LED in Da Nang, Vietnam

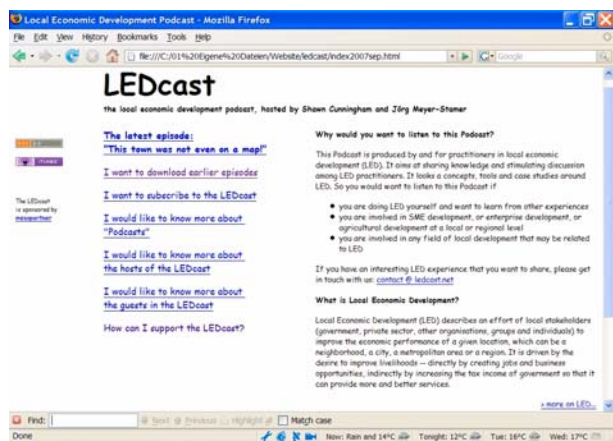
#8: Pro-poor Tourism and Local Economic Development

#9: LED as a process

#10: The three meanings of facilitation in LED

#11: LED at the International Labour Organisation (ILO)

#12: Reflecting on first dozen episodes of the LEDcast



In August, we launched concurrent series on different types of issues.

The LED Concepts Series

In this series we look at some of the conceptual issues in LED. This series is a bit more theoretical than the first series, but we try our best not to be too academic. The topics covered so far:

- Business Retention and Expansion
- Local Enabling Environment
- What is a cluster?

The LED Case Study series

- LED in a poor rural location in South Africa

The Tool series

In this series we look at some of the practical tools that can be used in LED.

- Designing an LED workshop
- Organising an LED workshop - whom and how to invite

If you are interested in discussing a possible case study with us, then please get in touch via contact@ledcast.net

– there is a great demand for more case studies! Also, we are highly interested in feedback: How useful do you find the format? How can we make the LEDcast more useful for you? What are the kinds of subjects that we should address? Any suggestions are most welcome.

*Shawn Cunningham (sc@mesopartner.com)
Jörg Meyer-Stamer (jms@mesopartner.com)*

Six months after PACA: Experiences of LED initiatives in Kalisizo/Uganda

Family Development Support Initiatives (FADSI) operating in the Rakai District in Uganda hosted a PACA exercise in February – March 2007. In the April newsletter, I highlighted the zeal for hosting PACA, quick realisations and challenges. This article focuses on the attainments after six months.

Undoubtedly, the last six months have surpassed expectations.

The motive for using PACA experiences in the development of a national LED Strategy was made clear during the PACA exercise hosted by FADSI, and lessons and experiences have been documented as a case study for the ongoing development of a National LED Implementation Strategy in Uganda. Despite the existence of many LED-related initiatives across the country, PACA is the only tool that is clearly documented and has been used in Uganda with quick results.



Patrick and Emmanuel of Mentor Consult

There are concerted local efforts to implement the PACA Proposals and Investment Opportunities with emerging concrete results. Information about buyers, sellers, quantities and prices are displayed on notice boards. The Local PACA team members provided a basic entrepreneurship training to enterprises. The investment opportunity groups are organising on farm exposure and exchange visits as well as training activities. FADSI organised an enterprise contest that was perceived as successful by the members. This led the Annual General Meeting to recommend that the enterprise contest should be mandatory for all members as an incentive for them to improve their enterprises; the next contest will be organised in May 2008 to provide ample time for members to prepare and compete favourably.

The contest should also provide information about the development and implementation of an incentive-based LED promotion system (this is being designed).

The PACA appraisal pointed out some business and investment opportunities to the business sector. Entrepreneurs in similar enterprises have started to cooperate on different aspects of improving their production, productivity and incomes. The banana growers are organising on farm agriculture training sessions with a view to adopting better farming practices. The pineapple growers have developed a pineapple growing guide and are organising for joint procurement of suckers for planting this season. Those in the piggery sector have started local production of feeds. The bark cloth makers have improved the quality of their production through standard setting by their association and have jointly received an order to supply bark cloth during the Commonwealth Head of Government Meeting (CHOGM) to be held in Kampala in November 2007. The bark cloth makers have been selected to participate in the Buganda Kingdom tradition exhibition to be held in September 2007. FADSI plans throughout October to take stock of the situation of each individual member and enterprise, to act as a baseline, and aims to be able to announce the concrete improvements made by May 2008 during the contests.



There is continued and growing local ownership and commitment, with FADSI management and coordination structures now established and functional. One hundred and forty seven people had fully paid up as members by July 2007 and many more are applying. Payment for member-

ship is intended to empower the local people to question and be active participants in determining their destiny. The fact that members are key decision makers was manifested in the Annual General Meeting in July 2007. The local LED Management Committee is up and running. The Local PACA team members are still active building a local knowledge base for LED promotion. The challenge is to help them meet operation costs like transport which they incur during the development activities. These local management structures will continue to be used and are pivotal for planning, implementation, management and critical review of all activities for ensured sustainability of both the LED promotion processes and outputs.



Due to ever continuing demands from community enterprises to participate in the activities, FADSI has embarked on further dissemination of the PACA process and results with a view to eliciting participation of enterprises in the location and to attracting more investors to tap into the investment opportunities identified through PACA exercise.

*Emmanuel Ssewankambo
(Mentor Consult, Uganda, Kampala)*

Social Entrepreneurship as a possible key driving force in LED: an example from a Ugandan change agent

Often the success of LED initiatives requires the involvement of drivers who want to foster change and ownership. In LED initiatives we

look out for social entrepreneurs in businesses and host institutions to act as such important drivers. Their asset is the ability to create best synergies out of business principles, business and institutional experiences, and social ventures. But what does a social entrepreneur look like in practice? Let us present Emmanuel Ssewankambo, who is a good example.

“We need to train ourselves and be able to spread state of the art methods”, says Emmanuel Ssewankambo, boss of Mentor Consult Ltd, a Ugandan consultancy firm in Kampala. In conversation, he points to clear and fair self-interest as a reason why he contracted mesopartner in March 2007 for a PACA training and exercise. Emmanuel and his partner Patrick Okuma paid half of the contract costs out of their own pocket. Why? They had a clear strategy and reason why they wanted to promote PACA in the country. Although in recent years Mentor has earned its money mainly through social development and decentralisation consultancy, the Ugandan government have now shifted their local development strategy towards LED. “We wanted to create a first model ourselves, learn the methods while practicing them, adjusting them to local reality, and promote them on a country-wide scale” says the consultant and private hotel owner.



Apart from the interest in positioning Mentor Consult Ltd well in the Ugandan consultancy market, Emmanuel sets standards and a realistic regional vision: “What we need in Uganda are business-oriented and market-oriented approaches to LED that, unlike my experience with social approaches, encourage the change of

mindsets, self responsibility and market awareness of local businesses and politicians”.

Emmanuel emphasized his social interest when he decided to do the first pilot PACA project in his home town, Kalisizo. Well-known and respected as a successful businessman in the town, he expressed a willingness to host the PACA initiative, in conjunction with the local NGO FADSI. Together they took on a strong role in managing expectations, getting key persons involved, searching for business opportunities for themselves as local inhabitants and for others.

The PACA exercise and outcomes profited very much from these social entrepreneurship characteristics. Mentor and Emmanuel are change agents. What they brought in was a clear business self interest, willingness to learn, high demands on quality and business orientation, a regional realistic vision and minimum practice standards, leadership qualities in the locality (like impressive capacities in social networking and persuasiveness).

In PACA News No. 13 (April 2007) Emmanuel wrote about the challenges he has faced during the last few months (e.g. “depersonalizing the process, shedding off some responsibilities). It is necessary to consider these challenges. Nonetheless, it is important to look out for such social entrepreneurs in every LED process. They cannot lead LED initiatives on their own, but they can consult and guide other stakeholders in changing their perspectives on LED and in making a difference.

*Frank Wältring
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First LED Follow-up Workshop and Experts' Meeting of South East Europe in Ohrid, Macedonia

Between the 16th and the 20th of April 2007 InWent, with the support of ZELS (the municipal association of Macedonia) and mesopartner, invited us as municipal experts from South East Europe to an LED follow-up workshop in Ohrid. Participants came mainly from Bosnia and Her-

zegovina, Serbia, Macedonia, Albania and Romania and had participated already in LED Study Tours and PACA trainings organized by InWEnt in Germany between 2004 and 2006. InWEnt offers capacity building courses for international experts on different topics. The whole group of participants had the opportunity to revisit the PACA methodology but especially to go beyond it and to learn further process-oriented approaches to LED that build on the PACA philosophy.

The first expectation we had as participants in Ohrid was the exchange of experience in local economic development, but the workshop proved to be much more than that, thanks to the emphasis on practicing highly dynamic tools that involved all participants very actively, the wonderful support of moderation and training by mesopartner, and the excellent Macedonian organization. During the workshop all the participants had the opportunity to present economic development in their countries along with current problems. Mesocard exercises, which participants knew from their participation in the PACA training in Germany, were very useful because they successfully motivated the whole group.

The most important and useful part was the presentation of new LED tools and instruments that we can use for the improvement and reformation of existing approaches in our Region and for establishing priorities in LED. On the first day, participants had the chance to practice “The LED Café”, a tool based on the “World Café” and especially developed to successfully bring together large numbers of people. It is very useful for creating a hospitable atmosphere for public and private actors (e.g. business chambers,

political and civic leaders, NGOs). By answering the questions about the main uncertain and main important factors that would drive economic development in their Region, participants were able to create new “future scenarios” for economic development and take into account the economic and human resources in their regions as well as the political situation in their countries.

Future scenarios, value chains, the HEXAGON framework and the Compass of Local Competitiveness are approaches that are not yet considered in LED strategic planning processes in South East Europe. They can be used in every local economy, but it can also be helpful to apply them in organizations, institutions or municipalities, to involve public and business actors in LED activities.

Due to the support of the Ohrid municipality and ZELS, the participants had the chance to make a variety of interesting excursions during the workshop. We visited the planning department of Ohrid City, who prepared an excellent presentation of the Strategic Plan of Ohrid. The conclusion of the whole group was that without vision and engagement on the part of stakeholders no progress could be made. In further excursions we visited a privately owned business incubator in Ohrid and went on a sightseeing-tour and boat trip to the beautiful cultural heritage sites of the Region. In addition to the beautiful and unique character of Ohrid and its historical monuments, we were especially delighted by the active engagement of the local authorities in the city.

For us as Serbian participants, a valuable experience was the presentation of LED approaches and experiences from developed economies. Getting to know these approaches and experi-



ences is very useful for the countries from South East Europe to manage their process of transition. The mesopartner methodologies with systematic self analysis of resources and potentials, articulation of different segments of local stakeholders in creating new LED initiatives, LED project and process management, and procedures to monitor LED was for us a very important part of the workshop in Ohrid.



As a result of this valuable experience, we have been encouraged to implement the methodologies in our countries and local communities. The participants from the workshop are able to use their knowledge and apply the concrete techniques. Within the slow progress of decentralization, the tools and methodologies learned will help us to create an awareness about the importance and capability of local LED initiatives and the use of the creative potential of citizens when they are actively and professionally involved in LED.

As well as new knowledge, skills and contacts, we brought home with us many beautiful photos of workshop sessions, group energizers and the excursions. Thanks to InWEnt, mesopartner, ZELS and the wonderful Ohrid and Macedonian group for their support and hospitality.

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The Art of Learning

Teaching has long been considered an art. The art of transferring knowledge to a person who sometimes has never heard about the subject being taught. A good teacher is expected to be capable of capturing the attention of the audience, explaining in a simple manner things that may sound extremely complicated at first hearing. Nevertheless, learning should also be considered an art. The art of opening your mind to new perspectives and theories, the art of discovering new possibilities, the art of learning new ways of exchanging information and knowledge.

Some teaching methodologies are based solely on the traditional relationship between students and lecturer, where the latter speaks and writes a few sentences on a blackboard and the former listen and make their personal notes. Interaction may be reduced to a few questions, which are not always satisfactory answered. But some approaches try to change this relationship by integrating students and teachers in a pro-active process of mutual teaching and learning.

Last spring I had the opportunity to attend a course given by one of the mesopartners, on the subject of Regional Economic Development Planning, as part of my training on a Masters Program. The objective of the course was to explain to a varied and multicultural group of students, of thirteen different nationalities, ranging from architects to sociologists, and including economists and agricultural developers, the basics of regional and local development, using



Gabriela and fellow students

methods like PACA and other LED methodologies. Until that course, all the other lectures on the subject had been given according to the most traditional teaching methods. Suddenly, there was a new lecturer, asking the students to get together into entrepreneur groups, for a relaxed and participative LED-Cafe. There were three questions to be answered and later discussed, this was the first exercise.

The methodology applied from that moment on was the same one used by mesopartner members when training communities and groups of entrepreneurs to develop their potentialities in order to increase economic development in their regions. Each member needs to participate actively, giving his or her opinion and contribution, learning how to explore what is already there but has never been used or perceived. And that is the most interesting aspect of this methodology. Many people search for answers to their problems, whether they are personal, professional, social or economic, by using complicated theories and approaches, looking for solutions based on examples frequently formulated to address realities that are completely different from those people experience in their daily lives. What these people cannot see is that, normally, the answers are right in front of them, waiting to be discovered and understood. And this is what the mesopartner approach does: it reveals the hidden opportunities that have been there all along, unexplored.

There are, of course, slight differences between teaching a group or real entrepreneurs, all belonging to the same region or community, with the same cultural and social background, and

teaching such a varied group of students, who need to leave aside the fact that this is just another lecture among many others and try to work together in some kind of role play, pretending to be those local or regional entrepreneurs. At that moment, one needs to apply the art of teaching as well as the art of learning. But the roles may change sometimes, and the person who was supposed to be teaching has to start learning about such different regions and backgrounds, while those who should be sitting listening and making notes can become the ones teaching their colleagues and the lecturer himself. This is when the art of learning becomes much more interesting and difficult to practice than the art of teaching. To learn, the person needs to open his or her mind, free of prejudice, breaking paradigms and old beliefs, so that new opportunities and perspectives can be achieved.

Creativity may be the tool required to best perform the role of "learner". Go back to your childhood and try to remember how nice it was to use your own imagination to change some little things around you. Come back to your adult life and apply this creativity in a practical manner to solve your current problems. This is one of the proposals of the mesopartner approach. Use what you already have. Search for quick and practical results, but always with a lot of creativity. And do not wait for others to give you solutions. Find them yourself.

Gabriela Barbosa, a Brazilian architect and urban planner, and a student at the Spring Masters Program of the University of Dortmund in Germany and Ardhi University in Dar es Salaam, Tanzania.

The mesocard Corner

The consensus model versus the PACA logic

In our PACA training courses we are sometimes asked if our methodology can bring about "consensus among the local stakeholders". The question is based on the general understanding that participatory methodologies have to be based on

the consensus model. Participants often want to compare PACA and our other LED methodologies with formats they have experienced in LED approaches, e.g. round tables or strategy planning sequences with consensual discussions about what initiative or infrastructure project would have to be promoted first.

The question involves two assumptions that can be fatal for LED or PACA initiatives:

First, LED initiatives should be guided along criteria of consensus

Second, if consensus is reached, the initiative can be successfully implemented.

The misconception of LED according to assumption 1:

The guiding criteria of LED and PACA are not consensus but the exploitation of business opportunities within the forces of the market as well as reduction of market failures. It always requires cooperation between different stakeholders (e.g. between entrepreneurs in a value chain, support of service institutions e.g. finance, quality testing and certification, transport, information, etc.). The common objective of these stakeholders has to be the orientation towards specific markets and demands.

In reality, we see that many LED activities are not really oriented towards real markets or based on realistic information about the opportunities and challenges faced by the stakeholders. Often activities are focused on large infrastructure projects (e.g. incubators, technology centres, etc.) or social development aspects (e.g. capacity building for survival companies). Thus we have to differentiate between the consensus model in which everybody should be satisfied (e.g. businesses with and without entrepreneurial skills)

and the promotion of networks of stakeholders that are really motivated and capable of planning concrete activities to strengthen their market opportunities and the competitiveness of the local economy.

The misconception of LED according to assumption 2:

One of the problems of LED is that it is often guided and planned by public sector representatives without sufficient knowledge about the functioning logics of the markets or the tools and appraisal techniques that are necessary to identify real bottlenecks. Often private representatives are only invited to workshops for information gathering and are not really challenged to reflect on their own competitive situation. One of the most common network failures in such LED processes is to look for consensus towards the most common denominator. Often the activities are selected because nobody is really willing to take over responsibility for implementation.

Many of the never-implemented action plans designed in countless municipalities all over the world are the result of LED according to a consensus model. This is actually a form of practice which we want to address with PACA and our other LED methodologies.

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New mesopartner publications

Working Paper 11:

The Local Business Environment and Local Economic Development: Comparing Approaches

Doug Hindson, Jörg Meyer-Stamer

– both available at www.mesopartner.com

Working Paper 12:

Donor Approaches to Local Economic Development in Africa

Doug Hindson

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mesopartner offers training and advice on local economic development in general and PACA in particular.