Rapid Economic Appraisal: Facilitating Local and Regional Development

**Context**
At the initial stage of undertaking the Local and Regional Economic Development (LRED) process, Rapid Economic Appraisals were conducted in five selected LGUs. The results of the study demonstrated that the LRED approach was suitable in four LGUs in Leyte Province, namely: Baybay, Carigara, Ormoc, and Palompon.

**Problem**
There is a lack of result-oriented, participatory tools for assessing strengths and weaknesses of a local economy. Existing comprehensive assessments are costly and time consuming.

**Solution**
Identify the burning issues and offer ways for the local stakeholders to find the right answers through the conduct of Rapid Economic Appraisal (REA) under the Local and Regional Economic Development (LRED) process. Compared to traditional assessments or feasibility studies, rapid appraisals save financial resources and time and still come up with results that are fairly accurate.

**Approach**

*Figure 1: The Competitiveness Matrix*

- **Enabling environment**
- **Micro, Small and medium enterprises**
- **Infrastructure**
- **Support institutions**
- **Human and natural resources**

**Strengths**

**Weaknesses**

**Principles of Appraisal Methodology**
- Rapid/quick assessment
- Stakeholder participation
- Action orientation

The Rapid Economic Appraisal: A Results-Oriented and Participatory Assessment of the Local Economy

Rapid Economic Appraisal (REA) is a tool to assess the comparative (natural) and competitive (man-made) advantages & disadvantages of a local economy (see Figure 1: The Competitiveness Matrix). Rapid involves approximately one week of preparatory work and another one week of field work in a local government unit (LGU).

It is not the intention of a rapid appraisal to delve into details and provide ready solutions. The thrust of the process is to identify “burning issues” and offer ways for the local constituency to find the right solutions. An assessment is undertaken through a series of interviews and focus group discussions, with public and private players, guided by questions based on the 5 fields of analysis of the Competitiveness Matrix. Perceptions of resource persons drawn from the process are then subjected to debate and discussions among local stakeholders and experts.
Challenges faced during the conduct of the Rapid Economic Appraisal (REA) were:

- Over-optimism on part of the participants and facilitators in one of the Validation Workshops in terms of the “doability” of the activities.
- The institutional set-up of the LRED in the pilot LGU ofOrmoc City lacked clarity.
- Balance representation of public and private stakeholders in the conduct of REA.

Learning from these challenges, the program put more emphasis on the following critical steps in the 2nd Appraisal Mission held in January 2005: sound planning, identifying focal persons in organizing the REA and mobilizing stakeholders, and ensuring the support of local administration in the 2nd conduct of REA.

Key Results
The application of REA tool in the pilot LGUs, partner agencies and organizations of the program has gained a positive response:

- REA as a planning tool applied by other LGUs in Leyte, NGOs and various line agencies like DTI, TESDA, NEDA and DAR, NGO, through GTZ EnRD.
- Stakeholder participation (LGU, DTI and TESDA) promoted.

Success Factors
- Public-private collaboration strengthened.
- Systematic process in identifying priorities and determining next steps enhanced.

CASE: Public and private stakeholders in 4 LGUs in Leyte (Baybay, Carigara, Ormoc and Palompon) appreciated the participatory, systematic and quick assessment process in REA. As such, all areas developed LRED Actions geared towards promoting investments directly and partly towards improving the institutional environment.