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DFID Poverty Oriented Research Programme
R8369 (NRI: C1731)

Final Report

Pro-poor Rural Economic and Enterprise Development:
A framework for analysis and action (REED)

December 2006

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Abstract

The aim of this report is to summarise the key findings, activities, dissemination and other components of the DFID PORP Rural Economic and Enterprise Development (REED) project.

Acknowledgements

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1 Project Background

Final Report

R Number: R8369 (NRI: C1731)
Year: 2006
Short title: Rural Economic and Enterprise Development (REED)
Researcher: Dr Junior Davis
Organisation: Natural Resources Institute, University of Greenwich
Project start date: June 2004
End date: June 2006

Budget Summary: expenditure in financial years: (£)

| | |
|---------|---------|
| 2005/06 | 2006/07 |
| £38,900 | - |

1.1 About the project

This project focuses on new pro-poor local economic and enterprise development mechanisms for public policy and interventions to enhance poverty outcomes and growth in developing countries. Preliminary work undertaken through a multi-donor initiative has developed a framework which has benefited from further analysis, development and piloting. The model and good practice generated aimed to guide the development community and national institutions in their support to pro-poor local economic and enterprise development. The application of the Rural Economic and Enterprise Development ([REED](#)) framework should provide guidance on pro-poor public policy and institutional support at local and national government levels specifically in South Africa and Bangladesh. The project has also formulated strategies which incorporate the development of key institutional processes conducive to pro-poor growth based on findings from the analysis conducted within the project.

The purpose of this project is to promote policies that support, guide and evaluate 'pro-poor' rural and local economic development across a range of less developed countries and transition economies in which the UK Department for International Development (DFID) is active. This project was funded by the DFID through the Central Research Department. For more information, please click [here](#).

1.2 The research aims

The research aims to develop further a conceptual framework and project tool for the fostering of rural economic and enterprise development in developing and transition countries. Local economic and enterprise development has to overcome multiple institutional and government obstacles at the macro, meso and micro levels.

The conceptual framework, building on the experiences and lessons learned from practical experience in rural projects, consists of ten cornerstones for intervention. These are clusters of successful elements of intervention approaches dealing with rural economic and enterprise development. The cornerstones can be broadly classified into four categories:

- Policies and institutional framework
- Infrastructure, services and markets
- Entrepreneurial competence
- Stakeholder involvement and linkages

The cornerstones represent the core functions that must be provided for successful, self-sustaining rural economic and enterprise development processes. The framework is based upon the principle of systemic interaction, so that each of the cornerstones is critical for the success of policies, programmes and projects.

For each of the ten cornerstones, the core elements, key strategies and ways of implementation have been identified in an iterative process, building on the collection of available information and experience-based knowledge. The format is open-ended, allowing the addition of new strategic elements and case study material, which will be developed as part of this research project. The cornerstones presented in Figure 1 are:



Figure 1 Rural Economic and Enterprise Development Cornerstones

Although project and programme initiatives aimed at improved economic and enterprise development is incorporated within the REED framework, it looks beyond particular interventions by focusing on the institutional architecture. Thus, even where particular interventions make sense (e.g. economic diversification), the right institutional architecture will be vital to its success; particularly in supporting the private sector. With the increased emphasis that government institutions and donors place on local economic development, enhanced rural-urban linkages and growth, it is of paramount importance to (where necessary) streamline the institutional framework, and/or improve coordination to optimise efforts and reduce duplication between different role-players for the benefit of enhancing economic growth and the development of the private sector.

The project aimed to:

- Contribute to the improvement of sustainable rural livelihoods in developing economies by assisting government and civil society (public sector policy, investment and institutional) efforts to enhance the rural poor's access to employment and SME opportunities through strategic advice, the development of best practice, evidence based research and dialogue through policy forums and networks.
- Promote the participation of the poor into policy processes and fora for discussing the fostering of rural economic development through rural non-farm enterprise
- Strengthen the links between the current REED framework and in-country policy and programme processes, through regional workshops, seminars and shared learning/-training platforms.
- Elaborate on the ingredients for a 'REED guide for program design' in rural and local economic development based on key success factors, promising approaches and practices.
- Evaluate the effectiveness and efficiency of existing enterprise initiatives (credit programmes, employment programmes) in promoting pro-poor growth and reducing poverty.
- Foster the development of coalitions between local, national governments and donors to identify strategic linkages and partnerships both within the public sector and between private and public undertakings to promote employment, SME development and pro-poor growth

These objectives were pursued through a range of activities including literature review, primary data collection in selected case study locations, workshops, technical reports, policy studies and policy advocacy activities.

1.3 Project components

The project has four key components:

- (i.) Refine and develop the conceptual framework so that it can address gaps in the framework
- (ii.) Pilot the approach in Bangladesh and South Africa in the form of in-depth case studies including training for local development practitioners and government in utilising the framework as a pro-poor REED programme planning, design and evaluation tool
- (iii.) Make widely available a robust framework and set of tools for use by the development community including national institutions
- (iv.) Methodologies and diagnostic methods development and validation for local economic and enterprise development

The research outputs develop several options for applying the framework which should improve rural economic and enterprise development policy and programme effectiveness in PRSP and non PRSP countries. The development and promotion of the rural non-farm economy, local economic and rural enterprise development has featured significantly within DFID's work and that of the wider donor and NGO community. This work in part builds on the team's recent and extensive work on the rural non-farm economy - <http://www.nri.org/rnfe/index.html>

The direct beneficiaries are intended to be the donor community and national governments in the target countries. These institutions should benefit in terms of their enhanced capacity to devise policies and interventions that enhance the poverty-reducing impact of local economic and enterprise development interventions in developing and transition countries. Ultimate beneficiaries will be the poor in those countries where such policies and interventions are taken up.

2 Main Activities during the Project 2004 to 2006

Activities have been met in line with those specified in project application form in section 2. These activities have comprised processes of consultation with stakeholders and collaborators), desk research (including in-country components), a range of fieldwork studies, (including both participatory and more formal components), data analysis and reporting, production of publications, holding of in country workshops at various levels, networking and disseminating findings (notably to key policy makers and to interested donors, especially DFID and GTZ). These activities are described in more detail below.

The research project has progressed according to schedule. The following tasks and objectives have been fulfilled as outlined in the project proposal:

- The first project workshop and planning meetings in the UK (with GTZ), Bangladesh and South Africa took place in July 2004. The website for the REED project has also been set-up: www.nri.org/projects/reed.
- The methodological framework for the project has been developed.
- The project team has identified and categorised the main REED and local economic development (LED) activities undertaken by different agencies in support of the rural populations in the two case study countries;
- The project team has drafted a literature review/ country study focusing on, and reviewing the potential of existing LED and REED policies (including pre-accession programmes designed for LED in Transition Economies) to improve the rural economy, access and/or capacity to generate employment within the case study countries.
- Relevant domestic and cross-national data sets have been identified; access to them gained, and their potential for contributions to our research has been explored.
- All partners discussed extensively (electronically as well as at the workshops) approaches to quantitative and qualitative data analysis. Agreements on the approaches to be taken were discussed with in-country project partners in both Bangladesh and South Africa.
- The planned shared international workshop in Sri Lanka on REED to be co-financed by GTZ with this project was cancelled due to organisational changes and delays due to GTZ, and latterly the effects of the Tsunami of 2004.
- The NRI team have contributed to a joint donor initiative on the development of an interactive learning platform for information exchange with a regular e-forum and periodic electronic conferences online to discuss and improve the framework and its usefulness for the users. NRI team members have acted as occasional moderators on the website conferences (see Rural Economic Development under the Global Donor Platform for Rural Development <http://www.donorplatform.org/>)

To date, it has been established that the study is filling a significant gap in research on REED, employment and economic diversification and potential government and donor policy interventions in the context of pro-poor growth. It also has the potential to fill an existing data gap about the impact of local economic development in the rural economies of both Bangladesh and South Africa.

2.1 Bangladesh Workshop results

A workshop was held on November 23, 2004, at the BRAC Centre, Dhaka, Bangladesh. Thirty participants representing 23 organizations including bilateral development partners and the World Bank met on the 23 November 2004 to discuss Rural Economic and Enterprise Development (REED) in Bangladesh. See REED website: www.nri.org/projects/reed for list of workshop participants.

The specific objectives of the workshop were to:

- Share the REED framework
- Present examples of current and planned projects and programmes in Bangladesh directly involved with some elements of the REED
- Map projects and programme to the REED framework
- Consider the options and opportunities to take forward the REED framework as a pilot initiative in Bangladesh

Resource papers were shared with the workshop participants. These are:

Working paper 1 - Using the Rural Economic and Enterprise Development (REED) framework for analysis and joint action: implications for spatial development. Junior Davis May 2004. Internet: www.nri.org/projects/reed also available at World Bank website

Working paper 2 - Using the Rural economic and Enterprise Framework (REED) framework for analysis and joint action: outline and work plan for action research. Junior Davis, Felicity Proctor and Ana Marr. October 2004 Internet: www.nri.org/projects/reed

Working paper 3 - Addressing poverty through local economic and enterprise developments: A review of conceptual approaches and practice. Junior Davis and Catherine Rylance. November 2004 Internet: www.nri.org/projects/reed

Following the welcome including programme background and workshop objectives by Felicity Proctor and Sattar Mandal, Junior Davis presented: The REED framework and outline of the proposed action research. The full REED document is available on (<http://www2.gtz.de/agro-based-development/english/papers.htm>)

This was followed by a series of presentations from the following programmes:

- Bangladesh Rural Advancement Committee (BRAC) (see: www.nri.org/projects/reed)
- Agro-based Industries and Technology Development Project 11 (see: www.nri.org/projects/reed)
- KATALYST (see Internet: www.nri.org/projects/reed)
- CARE – Bangladesh (see Internet: www.nri.org/projects/reed)
- International Development Enterprises (see Internet: www.nri.org/projects/reed)
- Chars Livelihood Programme (CLP) (see Internet: www.nri.org/projects/reed)

Table 1 Provisional mapping of project and programme interventions against the REED framework

| <i>Project/programme</i> | <i>Active cornerstones</i> | <i>Opportunity cornerstones</i> |
|---|----------------------------------|---------------------------------|
| BRAC – employment and income generating programme | 1,3, 5, 6, 7, 8, 9, | |
| ATDP 11 Agro-based industries and Technology Development | 1, 3, 5, 7, 9 (partial) | 2, 6, 9 |
| KATALYST | 1, 2, 3, 4, 5, 6, 7, 10 | 8, 9 |
| CARE Income project | 3, 5, 6, 8 | 7, 9, 10, 1, 2, 4 |
| International Development Enterprises (IDE) | 2, 3 4, 5, 6,7, (all in part) | 8, 9 |
| Chars Livelihoods Programme | Not completed | |

2.1.1 The Bangladesh workshop outcomes

A number of the programmes recognized the need for some broadening out of the framework within which they operate e.g. KATALYST, BRDB although there was concern expressed by some participants on taking on too wide a mandate. Whilst the Chars programme of DFID has a wider operational framework, it has yet to become fully operational.

Some participants felt that the different cornerstones of the REED framework operate at different levels and suggested that it would be helpful to differentiate these. Others questioned how poverty was specifically addressed through the framework. It was also recognized that many current initiatives in Bangladesh may not be giving adequate attention to sustainability and that a number of programmes were weakly integrated within and or associated to public sector activities.

The extent of poverty and rural focus in some of SME and BDS work was questioned and there exists scope to seek to understand who benefits and losses from particular types of intervention. In general, there are opportunities to: strengthen the linkages between the formal and informal sectors; deepen the understanding of the labour market including associated remittance management; strengthen the empirical basis which informs investment choice; build a common understanding between practitioners on how to intervene within the market (noting in particular the level of effective subsidy offered through some donor initiatives); and deepen an understanding of the linkages between urban and rural economic activity.

The need to strengthen the mechanisms for lesson sharing was emphasised. A new initiative (web-based learning platform) supported by DFID through CARE was noted and aims to strengthen good practice sharing for BDS – this was welcomed. Additional opportunities exist for lesson sharing and validation of replicable practice within all the key elements of the REED framework.

The group felt that the REED framework offers a framework for joint learning, a tool for analysis and dialogue, a check list for project development and a tool to inform monitoring

and evaluation. A number of participants expressed interest in holding follow up discussion with the REED team.

2.2 South Africa workshop results

The project team held a South Africa REED Workshop in Bloemfontein on the 25th January 2005 at the Faculty of Agriculture and Natural Resources, University of the Free State, Bloemfontein. The workshop was designed for local economic development (LED) and enterprise development project managers, coordinators, advisors, academics, and staff at design and implementation level of programmes related to rural economic and local development, agriculture, enterprise and rural development (government, private sector, NGOs etc.). Numerous institutions were invited to attend the workshop, please see list of participants at NRI Internet: www.nri.org/projects/reed. The NRI research team was represented by Dr. Junior Davis and Felicity Proctor.

Dr Doreen Atkinson (Karoo Institute) facilitated and organised the workshop in cooperation with Professor Lucius Botes, Centre for Development Support, the University of Free State (UFS). The workshop was hosted at the University of Free State campus.

Resource paper shared with the workshop participants. This was:

Working paper 3 - Addressing poverty through local economic and enterprise developments: A review of conceptual approaches and practice. Junior Davis and Catherine Rylance. November 2004 Internet: www.nri.org/projects/reed

2.2.1 South Africa workshop discussion

Felicity Proctor welcomed the workshop participants and outlined the objectives of the meeting. The REED framework and methodology was presented by Dr Junior Davis. Dr Davis outlined the REED approach, the proposed NRI use of the framework, its relevance to recent international local economic development initiatives and its potential applicability to South Africa.

This was then followed by an open discussion chaired by Doreen Atkinson (South Africa, Karoo Institute) with the workshop recipients to:

- Evaluate the utility of REED in the South African context and identify potential partners in taking forward REED research;
- Identify clear key researchable themes in the context of REED and South Africa; and
- Propose follow-up actions and lessons learned for future activities e.g., conference/workshop/publications etc.

2.2.2 The South Africa workshop outcomes

There was a positive response from many participants. Comments included:

- The methodology can be used as an evaluation tool by government departments to evaluate project proposals.
- Defining “rural” requires several indicators, including spatial location, density and function. The term acquires different meanings in different localities. In the South African context, this is more defined in terms of administrative boundaries and responsibilities for different levels of government.

- REED can be usefully linked to municipal Integrated Development Plans (IDPs) – as a tool for planning, a check list for assessment, and for monitoring and evaluation.
- REED framework might be used in South Africa to turn around failed projects.
- REED framework can be used to draft job descriptions of municipal LED staff.
- REED framework can be used to promote the establishment and functioning of multi-purpose community centres.

One of the key challenges in South Africa is that sectoral government departments function in fragmented, compartmentalized ways and the link between line departments and decentralized functions is still evolving. The REED framework can be used to promote synergies between departments and between central and local administrations.

REED framework can be used to promote an effective “client interface” in South Africa, i.e. better and more accessible service delivery for poor people.

Some participants also felt that REED framework support document should also include an analysis of project failures, as we can often learn as much from project/programme failures as successes.

Several proposals were made on the future use of the REED framework in the Free State by the participants. These include:

- Department of Local Government and Housing proposes to use the REED framework to evaluate municipalities’ Integrated Development Plans in the Free State – as a check list and also as a possible tool for training LED municipal staff.
- University’s Department of Town and Regional Planning proposes to use REED as one of a set of tools for MA projects and theses – projects: spatial planning for tourism and economics for planners.
- The REED framework has already been reviewed and elements adopted within the World Bank – Netherlands *Evaluating and disseminating experiences in LED in South Africa* M&E working paper and will be considered for use in a related rural- urban linkages study in Mangaung Local Municipality in cooperation with Khanya- MRC
- The Centre for Development Support University of Free State (UFS) will also explore follow up opportunities

2.3 Other In-country and EU based Activities

In addition to the above workshops the project team has held several meetings with donors and key stakeholders involved in REED in Bangladesh and South Africa. The team held the following meetings (however, this is not a comprehensive list):

| | <i>Meeting venue & attendees</i> | <i>Meeting Note</i> |
|----|--|--|
| 1 | NRI and GTZ joint meeting on REED Royal Entomological Society, London UK - 1st June 2004 Attendees: Junior Davis, Felicity Proctor and Ana Marr – NRI. Rainer Neidhart and Michael Nebelung - GTZ | An overview and update on progress with the REED framework Discuss REED methodology issues: modalities and functions Discuss potential areas of collaboration between NRI and GTZ in developing the framework and piloting it in South Africa and Bangladesh |
| 2 | 27th June 2004 field trip to Mpumalunga: interviewing Black SME and manufacturing firm managers and staff. | Field trip to Mpumalunga: interviewing Black SME and manufacturing firm managers and staff. Junior Davis and Felicity Proctor accompanied GTZ in visiting SME and LED projects in Mpumalunga. |
| 3 | Meetings 28-29th June 2004 in Nelspruit with GTZ Dr Josef Grimm and Juergen Hagmann. | Junior Davis outlined and offered a presentation on the REED framework. Discussed potential/ opportunities for linking/ collaboration with GTZ on SME, REED and LED in Mpumalunga. |
| 4 | Meetings 28th June 2004 in Nelspruit with Jeremiah Tshoban and Mr Magagula (Office of the Premier), GTZ Dr Josef Grimm. | Meeting with Jeremiah Tshoba and colleagues (office of the Premier, Macro Policy & Management) about Mpumalunga LED planning, economic development initiatives and scope for piloting REED in the province. |
| 5 | Meeting 30th June, 2004 in Johannesburg - with Doreen Atkinson – Associate, University of the Free State, Faculty of Economic and Management Sciences, Centre for Development Support | Junior Davis and Felicity Proctor outlined and offered a presentation on the REED framework. Discussed potential/ opportunities for linking/ collaboration with actors in LED in South Africa. |
| 6 | Meeting 7th October 2004, with USAID Urban and LED Team in Washington DC | Discussed REED framework, USAID activities on LED and rural development and potential areas of common interest in piloting REED. |
| 7 | Meeting 25th November 2004 with DFID Bangladesh, Martin Leach. Dhaka, Bangladesh. | Discussed DFID CHARS, other DFID programmes and potential opportunities to share and link between CHARS and REED. |
| 8 | Meeting with Bangladesh Rural Development Board (BRDB), Govt of Bangladesh. 23rd November 2004. | Junior Davis and Felicity Proctor outlined and offered a presentation on the REED framework. Discussed potential/ opportunities for linking/ collaboration with BRDB on REED in Bangladesh. |
| 9 | Meeting with ITDG and Prof. Mandal, 23rd November 2004. Dhaka, Bangladesh. | Discussed ITDG programme of work on LED, Rural enterprise development and non-farm rural economy. Also discussed how NRI and ITDG could collaborate on the piloting of REED: where and how. |
| 10 | Fieldtrip with Prof. Mandal to Western Bangladesh. 24th November 2004. | Conducted fieldtrip and interviews with rural entrepreneurs, community organisations and farmers. |
| 11 | Meetings with Prof Sattar Mandal (Mymensinghi University) 22nd -23rd November 2004. Dhaka, Bangladesh. | Workshop planning meetings and discussions on REED methodology. |
| 12 | Meeting 26 January 2005 in Philippolis, South Africa Attendees: Junior Davis, Felicity Proctor A group of some 10 commercial entrepreneurs, farmers, Ministry of Agriculture, University of Free State and local Municipality representatives | Key issues that were raised: <ul style="list-style-type: none"> Population growth and control – was concern that public transfers of Rands 170 per month for each child up to 14 years was a disincentive for population control. View that some 76% of people received public |

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| | met to talk through issues of local economic development in Philippolis. | <p>transfers – pensions, disability grants, child grants etc and that this impacts on the nature of economic activity. Low labour productivity.</p> <ul style="list-style-type: none"> • Poor selection of projects for economic investment. Out migration of skilled labour. Acute alcohol abuse. • Inappropriate school curriculum in particular for skills for work. Difficulty in obtaining background information on new employees i.e. no CVs. • Reduction in farm labour per farm i.e. from 20-25 persons to 10-12 persons. Partly due to decline in farming but also due to new labour laws. • In Philippolis the abattoir and butchery is probably the largest single employer at 35 persons. • New labour laws include minimum wage at Rands 650 per month – domestic workers now have to formally sign in and out. • Public transfers are provided on a monthly basis and there is a tendency (with incentives created by inadequate banking system) for recipients to withdraw the 4 months payment. Street traders visit on pension day and “take away” opportunities for local enterprise to support local level procurement of goods and services. |
| 13 | Meeting with TABELISA project Team (South Africa) in UoG, London 29th March 2005, with Prof. Conlin (Tabeisa Project Leader), Prof Humphreys. | Junior Davis and Felicity Proctor outlined and offered a presentation on the REED framework. Discussed potential/ opportunities for linking/ collaboration with TABELISA project on REED in South Africa. |
| 14 | Planning meetings & field-trips with Intermediate Technology Development Group (ITDG) in Jamalpur (CHARS) 26-29th April 2005. | The ITDG team led by Abdhur Rob, Team leader Markets and Livelihoods, organised a two day programme in Jamalpur for the NRI team. We discussed methodology, piloting REED in ITDG projects, impact assessment and visited ITDG in-country project promoting SME development and LED. |
| 15 | Meeting 25th April 2005 with Nandini Dasgupta, Sattar Mandal & Saidur Rahman (Mymensingh University). Dhaka, Bangladesh. | The NRI team including Sattar Mandal and Saidur Rahman (Mymensingh University), met with Nandini Dasgupta. Meeting covered the Chars programme, the planned REED work and considered areas of mutual interest in developing pro-poor REED policies. |
| 16 | Planning Meeting with Department for Planning, Local Government and Health, Manguang, Free State. Christine Prinsloo and Dr. Henning Stapleberg. 9th June 2004. Bloemfontein. | Discussed DPLGH activities, shared Integrated Development Plans, agreed to collaborate in review of IDPs against REED and plan workshop. |
| 17 | Planning Meetings with CDS (UFS), Prof. Lucius Botes, 8th June 2005. Bloemfontein. | Discussed progress with co-authored paper on Evaluating REED against LED frameworks in South Africa |
| 18 | Planning Meetings with UFS, Dr Lize De Ridder, 8th June 2005. Bloemfontein. | Discussed progress with co-authored paper, fieldwork in the Karoo, and initial results from fieldwork studies. |
| 19 | Meeting 7th June 2005 with Thandi Henson (Khanya NGO) | Discussed ongoing work and community based approaches to LED in South Africa. |
| 20 | UK DSA presentation 7th September 2005 Milton Keynes | Presentation of REED work in South Africa and Bangladesh. |
| 21 | Meeting 21st September with G. Swinburn (Urban Dept, World Bank) | Discussed rural local economic development issues and interventions in SSA. |
| 22 | World Bank Institute & World Bank ALGAF Distance learning programme on LED in SSA. | WBI and WB used REED reports and included Dr Davis in ALGAF training session. |

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| | 2nd – 4th December 2005. UK. | |
| 23 | Meeting 10th May with Ms. Ruiter (Cordaid) about REED research and framework, UK | Discussed REED framework & research in Bangladesh & South Africa. |
| 24 | Meeting with Khanya on 25th May 2006, London, UK. | Discussed LED SSA proposals and concept note for further research based on REED framework. |
| 25 | National Conference on Developing Local Economies, Dept., for Provincial & Local Government, South Africa, 14-15 August 2006, Johannesburg 2006. This was the first national workshop on LED. The purpose was to develop a shared understanding of good LED practice and motivate more effective implementation. | The international session which had been proposed for the afternoon of day 2 and at which NRI was due to present its REED SA findings was cancelled at short notice (due to non attendance of x2 international speakers) however the material carried by the NRI team was warmly welcomed and many bilateral meetings were held. |
| 26 | Meetings with Khanya, 15th August 2006, Johannesburg. | Discussed REED and progress on the 4 country LED programme. |
| 27 | Meetings with Ms Phila Xuza, Assc. Director of Amatole Economic Development Agency. East London, SA. 15th August 2006. | Discussed the challenges of small town development in rural SA, the RNFE, and NRIs capacity to take HH poverty and livelihoods dynamics into the REED framework. |
| 28 | Discussions with Ms Lindiwe Msengana-Ndela, Director General of Dept., for Provincial & Local Government, South Africa. 15th August 2006. | Discussed how LED be placed within the National Spatial Development Programme (NSDP), Accelerated and Shared Growth Initiative- South Africa (ASGISA – Presidents Office) and Provincial Growth and Development Strategies (PGDS) |
| 29 | Meetings with Council for Scientific and Industrial Research (CSIR), South Africa, 16th August 2006, Pretoria, South Africa. | NRI presented the REED framework and the work in the Free State. Issues emerging – Spatial Economic and Enterprise Development (SEED) vs. REED; what is the appropriate level; for the framework application; local capacity to deal with REED, staff performance; staff role in facilitation not implementation; economies of scale. |
| 30 | Meeting with Gabriele Trah (GTZ) 16th August 2006, Pretoria South Africa. | Discussed GTZ rural development and LED programmes, & reflections on NRI REED work. |
| 31 | Meeting with James Macbeth (GTZ International Services) 17th August 2006, Pretoria, South Africa. | Discussed GTZ rural development and LED programmes, & reflections on NRI REED work. |
| 32 | Presentation of the NRI-led work in the Free State to the Department for Local Government and Housing Free State 19th August, Bloemfontein, South Africa. | The NRI team presented the REED framework and the findings of the Integrated Development Plan study of two districts in the Free State. |
| 33 | Presentation at the RIMISP/NRI Rural Territorial Dynamics: A research-based policy advice and capacity-building programme for rural economic growth and social inclusion Working Meeting. London, 25th September 2006. | The NRI team presented the REED framework and on the basis of research findings, proposed ways of incorporating a more territorially inclusive approach to REED. Also discussed NRI team paper contribution to next World Development Report on Rural territorial development and LED. |
| 34 | Presentation at Swedish International Development Agency (SIDA) workshop on LED, RNFE and poverty reduction in developing countries, Stockholm, 10th October 2006. | Dr Davis presented Rural Non-farm Economy, Territorial and Local Economic Development. |
| 35 | Participation at the OECD conference 'Investment Priorities for Rural Development' Edinburgh. 19-20th October 2006. | Discussed REED framework and wider OECD LED initiatives in SSA and Europe on PPG through RTD with several participants and key presenters. |
| 36 | Drafting of commissioned paper for forthcoming World Development Report 2008: Agriculture and Development. | Commissioned by World Bank to draft a paper informed by REED framework on Rural development from a Territorial perspective: lessons and potential in Sub-Saharan Africa |

3 REED project dissemination activities

World Bank International Conference on Local Development, Omni Shoreham Hotel, Washington D.C., June 15-18th, 2004. *Parallel Session 7: Bringing Rural and Urban Together for Local Development*

This session focused on rural-urban linkages for local economic development. Two regional development approaches which have been recently formulated were discussed. Both approaches explored institutional and market linkages whilst emphasising enterprise and private sector development as a key component of growth and poverty reduction strategies. Junior Davis presented *Using the Rural Economic and Enterprise Development (REED) framework for analysis and joint action: implications for spatial development*.

Discussion was quite wide ranging. A recurring issue concerned identifying potential entry points for the rural poor to exploit rural-urban linkage opportunities. In addition, questions were raised as to the main differences between existing South American territorial development approaches and the REED framework in promoting growth and development. Discussions within the group noted the vital and central importance of a viable and strong private sector. The absence of the private sector from the World Bank's 'Integrated framework for local development' was duly noted and discussed.

USAID urban-rural linkages workshop, Washington DC 6-7th October 2004. Junior Davis presented a paper on *The urban in rural: REED and Non-farm rural livelihoods in South Asia and Transition Countries*.

Felicity Proctor and Junior Davis participated in the two day meeting, on "Pro-Poor Growth: Country Experiences in the 1990s" Conference London 29-30 June 2005. As the purpose was associated with the REED project, and the Institutions and Growth DFID contract. Approximately 120 people participated in the meeting which was intended to disseminate the findings of a two year programme funded by AFD, DFID, BMZ and the World Bank on Operationalising Pro-Poor Growth. The meeting also took the opportunity to present the emerging findings from the WDR 2006 Equity and Development Report and a report entitled "Growth in the 1990s: Lessons from a Decade of Reforms". Key points emerging of relevance to REED include economic recovery started in early 1990s; growth is largely led by non-agriculture sectors (although the causal linkages are weakly known); that overall growth is good for the poor but that growth and inequality were positively correlated in the 1990s i.e. greatest growth showing greatest inequality; that rising inequality undermines the impact of growth on poverty reduction; and that upper income households saw faster income growth than lower income households.

Strengthening Local Economic Development in sub-Saharan Africa for Pro-Poor Growth: a multi-country action-learning programme. The NRI team in partnership with African Institute for Community-Driven Development (AICDD) - formerly Khanya (based in South Africa) have prepared a concept note/proposal based around taking forward an understanding of Local Economic Development and REED in 4-5 countries in sub-Saharan Africa, seeking to influence approaches to planning, services and investment around LED in these countries. It seeks to build on good practice in the region and elsewhere, and draw out innovative policies and practices that can impact on pro-poor growth. It will focus on smaller urban centres and rural areas rather than the major urban metropoli.

The concept note/proposal has been shared with a range of donors including DFID. The World Bank's Christine Kessides (TUDUR, Urban Development Unit) has linked the REED activities to work with the WB (as discussants and reviewers) of its LED initiatives in South Africa and Brazil, particularly through the dissemination process. The overall objective of the Evaluating and Disseminating Experiences in Local Economic Development research was to identify Local Economic Development (LED) lessons and examples that have relevance to low-income developing countries, particularly to countries in Sub-Saharan Africa. The research aimed to: (i) Provide the context for considering LED as a viable economic option, particularly for local government; (ii) Provide an overview of relevant LED initiatives and the principles that guide them; (iii) Evaluate, to the extent possible, the success and cost-effectiveness of programs; (iv) Extract lessons and examples to support knowledge development and dissemination across countries. The overall final dissemination workshop with SA, Brazil and the external audience of other SSA countries (the main target audience) – which was conducted through the World Bank's Global Development Learning Network, making it a distance Learning event in early December 2005 involved NRI. The sharing of the REED work with other donors has resulted in interest from USAID, SDC, Irish Aid, and the OECD. Moreover, Davis' (2006) paper Evaluating and Disseminating Experiences in Local Economic Development: Observations on Integrated Development Programmes of the Free State, Republic of South Africa fed directly into the event, and is available at the World Bank website <http://www.worldbank.org/ledafrica>).

SNV (the Netherlands Development Organisation) has developed a CD-Rom Reference Guide on tourism-related enterprise development based on best practice and includes NRI published reports from the Pro-poor Rural Economic and Enterprise Development: A framework for analysis and action (REED) project outputs. This has been disseminated in 26 countries in Africa, Latin America and Eastern Europe (see www.snvworld.org, for more details).

RIMISP and the Natural Resources Institute jointly co-ordinated a half day workshop/meeting on Rural Territorial Dynamics: A research-based policy advice and capacity-building programme for rural economic growth and social inclusion which was held on Monday 25 September at the British Consultants and Construction Bureau offices in London. The meeting was introduced and chaired by Julio Berdegue, President of RIMISP. The NRI REED framework and related work on rural territorial development was presented. In addition other institutions presented international research, development and training work in the field of regional and territorial development, and joined us in a discussion about how UK institutions might contribute to a planned RIMISP led programme, and/or benefit from it.

Commissioned by World Bank to draft a paper informed by the REED framework on rural development from a Territorial perspective: lessons and potential in Sub-Saharan Africa for forthcoming World Development Report 2008: Agriculture and Development. The paper focuses on pro-poor rural local economic development (LED) and rural territorial development (RTD) in SSA. The paper aims to: a) develop a systematic assessment of the conceptual underpinnings of current approaches to pro-poor local economic development (LED) and rural territorial development (RTD) and the practical methodologies applied (in Latin America, South Africa, Southern Europe and elsewhere); b) based on a set of analytical and empirical case studies from NRI's DFID Poverty Oriented Research Programme in Southern Africa on the approaches adopted and context specific development trends, assess the issues, lessons and potential poverty impacts involved in the application of approaches

for building socially inclusive, decentralised and spatially accented approaches to rural (and rural-urban) economic development in the South; and c) make a preliminary assessment of the transferability of LED / RTD methods in sub-Saharan Africa and their potential to contribute to poverty reduction (based on our DFID Poverty Oriented Research Programme case studies in Southern Africa). The paper draws on South Africa, Mozambique, Zambia and Ghana in collaboration with Professor Etienne Nel, Rhodes University, South Africa.

The NRI team has explicitly linked its REED project activities in Bangladesh to complement and where possible inform the CHARS Livelihood Programme (CLP). Our research in Bangladesh has assessed the adaptability of the REED framework in the implementation, design and outcomes of 'livelihoods programmes' in 4 Chars in Jamalpur where ITDG has been implementing its CHAR Enterprise and Livelihood Support projects. It will enable NRI, ITDG, CLP and government agencies to use REED framework to create an enabling environment that is pro-poor in terms of enterprise development, income generation and project innovation.

ITDG and NRI are applying the framework as a tool for reviewing ITDG's Char project, developing participatory community based planning and interventions addressing major constraints blocking the economic development of local communities.

3.1 Dissemination Outputs

3.1.1 Working papers

Quan, J., Davis, J., and F. Proctor (2006). Rural development from a territorial perspective: Lessons and potential in sub-Saharan Africa. Natural Resources Institute (unpublished mimeo).

Davis, J., Tavasci, D and Marais, L. (2006) Fostering Rural and Local Economic Development in the Free State of South Africa. Working Note ([PDF 983 Kb](#))

Davis, J. (2006) Evaluating and Disseminating Experiences in Local Economic Development: Observations on Integrated Development Programmes of the Free State, Republic of South Africa. Working Paper. Project Identification Number - PO7135829. Paper prepared for the World Bank- Netherlands Partnership Program. ([Download PDF 183Kb](#)) (Website <http://www.worldbank.org/ledafrica>)

Abdur, Rob, Mohammad, Ali, Shoeib Shazzad Khan and Junior R. Davis. (2005) Assessing the applicability of the REED Framework through natural resource project evaluation in the Chars, Bangladesh. ([Download PDF 306Kb](#))

Rahman, S., and Davis, J (2005). A survey of rural livelihood and enterprise development opportunities in the Chars, Bangladesh, August 2005. Natural resources Institute (unpublished mimeo)

Davis, J and Rylance, C. (2005). Addressing poverty through local economic and enterprise development: A review of conceptual approaches and practice. Working Paper 3 ([Download PDF 399Kb](#))

Davis, J. (2004). Using the Rural Economic and Enterprise Development (REED) framework for analysis and joint action: implications for spatial development ([Download PDF 140Kb](#))

Wandschneider, T. (2004). Small rural towns and local economic development: Evidence from two poor states in India. International Conference on Local Development. World Bank, Washington 16 - 18 June, 2004. Session on "Bringing Rural and Urban Together for Local Development". ([Download PDF 130Kb](#))

Davis, J. (2004). Using the Rural Economic and Enterprise Development (REED) framework for analysis and joint action: implications for spatial development. Working Paper 1 ([Download PDF 461Kb](#))

Davis, J., Proctor, F and Marr, A. (2004). Using the Rural Economic and Enterprise Development (REED) framework for analysis and joint action: Outline and workplan for action research. Working Paper 2. ([Download PDF 393Kb](#))

3.1.2 Promotional Leaflets

Addressing Poverty through Local Economic and Territorial Development ([Download PDF 753Kb](#))

REED project outline is available for **download** (PDF, 62KB).

3.1.3 Conference/ Workshop presentations

Davis, J. (2006). Rural Non-farm Economy, Territorial and Local Economic Development. *Swedish International Development Agency (SIDA) workshop on LED, RNFE and poverty reduction in developing countries*, Stockholm, 10th October 2006.

Davis, J. (2006). REED, local economic and territorial development: Approaches and Practice. *The RIMISP/NRI Rural Territorial Dynamics: A research-based policy advice and capacity-building programme for rural economic growth and social inclusion Working Meeting*. London, 25th September 2006.

Davis, J. and F. Proctor (2006). Rural Poverty Reduction Through Local Economic Development. *Free State Department for Local Government and Housing* 19th August, Bloemfontein, South Africa.

Davis, J. (2005). Addressing Poverty Through Local Economic Development. *UK Development Studies Association Conference*, Milton Keynes, September 2005. ([Download PPT 3.29Mb](#))

Davis, J., and F. Proctor (2005). Applying the REED framework in the Chars: Issues and options. Workshop with *Intermediate Technology Development Group (ITDG) in Jamalpur, Bangladesh* 27th April 2005.

Davis, J. (2004). Using the Rural Economic & Enterprise Development framework for analysis & joint action. World Bank International conference on Local Development, Washington DC 16-18th June, 2004. Session "Bringing Rural and Urban Together for Local Development."

Davis, J. (2004). Rural Economic & Enterprise Development: A framework for analysis & joint action, *GTZ meeting, Mpumalunga, South Africa 28th June, 2004*.

Davis, J. (2004). Rural Economic & Enterprise Development: A framework for analysis & joint action. *Bangladesh Rural Development Board (BRDB), Govt of Bangladesh. 23rd November 2004*.

Davis, J. (2004). The urban in rural: REED and Non-farm rural livelihoods in South Asia and Transition Countries. *USAID urban-rural linkages workshop, Washington DC 6-7th October 2004*.

Davis, J., and F. Proctor (2004). Rural Economic & Enterprise Development: A framework for analysis & joint action, *DFID-PRP-REED workshop, Dhaka-Bangladesh 23rd November, 2004*.

4 Discussion of Findings with Policy-Makers and Practitioners:

The NRI team has put a lot of effort into the generation and networking of policy findings.

1. Stakeholder identification: In each of the case study countries a process of initial consultation (usually working through and in liaison with local consultants and DFID staff) first identified important and interested policy makers. Informal assessments were then made on appropriate strategies and entry points for subsequent promotion of research findings.

2. Workshops: A series of workshops were held covering a variety of functions including introducing the conceptual framework for REED, sharing of intermediate findings with stakeholders, policy makers and partners in the research. It is hoped that subsequent workshops will provide forums for networking and refining research and policy conclusions. Such workshops have focussed at different levels including local e.g. District level forums to engage agencies responsible for decentralised governance, and Municipal level meetings to draw in key decision makers and interested parties from the public, private and NGO sectors. In some cases there has also been participation in workshops undertaken by other research projects e.g. in Bangladesh a presentation on the DFID CHARS Livelihoods Programme. We have also made several presentations in international and national for a about the project and its findings.

3. Development of policy papers: A range of reports, leaflets, REED Guides and other papers have been produced – some in conjunction with workshops and others as media for dissemination of policy outputs. Please see: www.nri.org/projects/reed for more information.

4. Training: NRI has worked extensively with the University of Free State in developing REED teaching materials for University of the Free State, Department of Urban and Regional Planning Masters students. Approximately 30 MA students (module EVB612/712, Economics for Planners) were given an LED-based assignment to design rural economic opportunities for township dwellers in Springfontein and Phillopolis (Free State) informed by the REED (framework) in the form of case studies.

NRI working with UFS developed training materials for a Tourism Plan that will be drafted as part of a Community Service Learning Module, RBT612/712 (Spatial Planning for Tourism) provided in the courses for qualifying in the Masters Degree in Urban and regional Planning and Honours Degree in Urban and Regional Planning which will be informed by the REED framework, as well as various other established frameworks, procedures and guidelines.

NRI has also assisted the Department for Planning, Local Government and Health; Manguang, Free State, South Africa with the design of REED based training material for its local economic development staff, and field officers.

5. Communication and networking: These activities iterated with workshops as a means of progressively engaging policy makers for the purpose of refining the REED research and disseminating policy proposals, and ideas on policy process. As previously noted, the NRI team have contributed to a joint donor initiative on the development of an interactive learning platform for information exchange with a regular e-forum and periodic electronic conferences online to discuss and improve the framework and its usefulness for the users. NRI team members have acted as occasional moderators on the website conferences (see Rural Economic Development under the Global Donor Platform for Rural Development <http://www.donorplatform.org/>)

5. Engagement: The NRI team has worked with a range of NGOs, government institutions, donors and private sector organisations in both Bangladesh and South Africa. For example, we have engaged with rural township dwellers (community workers, business people, farmers, civil servants, HIV activists etc.) in South Africa and the rural poor in Chars, Bangladesh. At other levels of society we have worked closely with government, donors and NGOs to pilot the REED framework and to learn more about its undoubted applicability as a tool for the design, elaboration, monitoring and evaluation of local economic development in developing countries.

4.1 Local partners

Local partners in research included NGOs, UFS, local consultants, and researchers from local research institutions. Prior to field research initial contacts and planning were undertaken in consultation with local DFID offices/staff and through Government departments at national land local level in both Bangladesh and South Africa. In South Africa the process also involved consultations with Provincial government staff Mpumalunga (Office of the Premier) and Free State (Department of Local Government and Housing), together with planning of fieldwork at District level with local consultants, business people, civil servants and community workers in Philiposis and Springfontein, the Centre for Development Support (UFS) and the Department of Urban and Regional Planning and other development bodies.

Field studies in Bangladesh covering access components were undertaken by ITDG (Bangladesh) and NRI staff, working in close consultation with the Agricultural University Mymensingh. In South Africa the main collaborating institutions for field research were the UFS and NGOs (Karoo Institute, Free State Rural Development Partnership).

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