



Steering the LRED Process - the "Local Coordination Board" Model

Background

Decentralization

In the context of decentralization in Vietnam, local political leaders are responsible for economic growth within their territories. There is strong competition among provinces for investors and benchmarks. In this dynamic situation, outdated planning approaches have to be modified. New and more flexible strategic approaches are needed for vertical coordination between ministries and line departments and for horizontal, cross-sectoral cooperation between line departments and other stakeholders like local businesses.

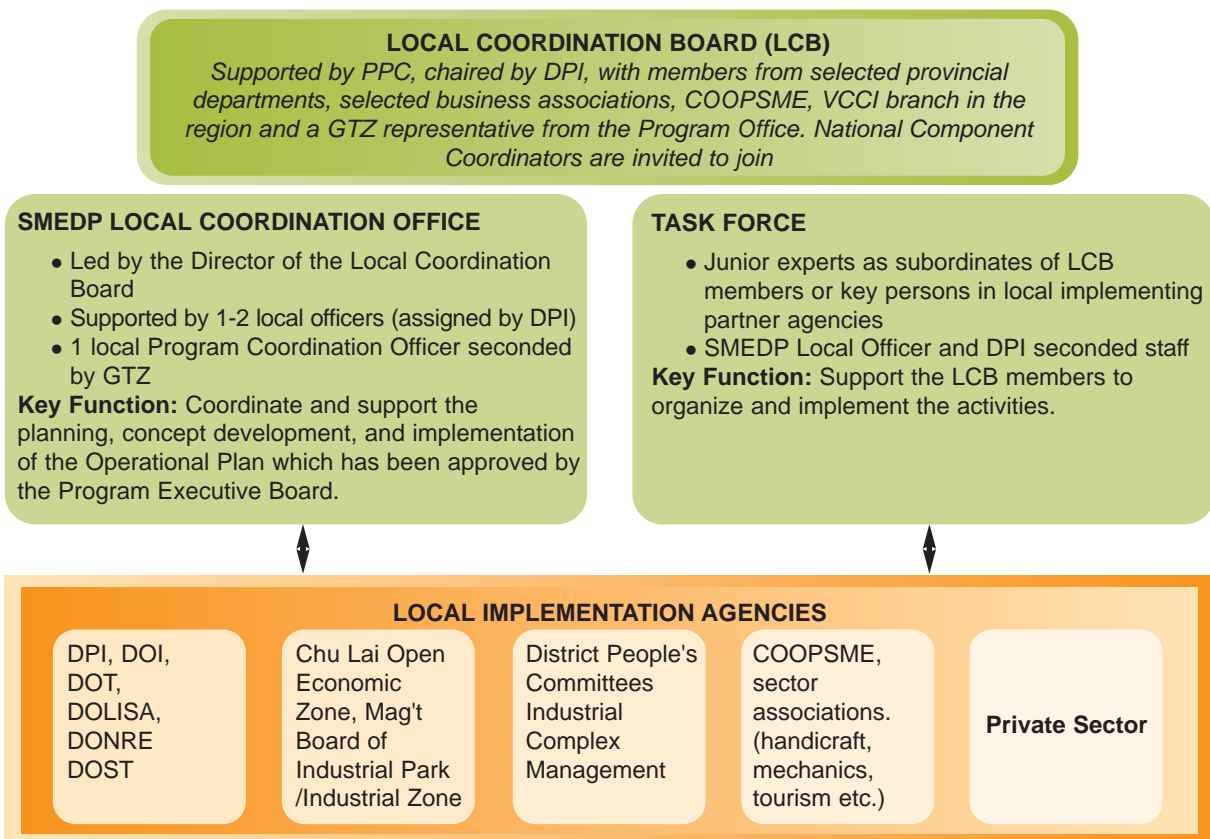
LRED Priorities and Strategy-Building

In many locations, LRED covers agricultural product development, craft village development, tourism promotion, investment promotion, and capacity development for local staff and entrepreneurs. An organizational structure is needed to identify crucial topics and to fund, implement and monitor initiatives and activities. It will be the driving force in the LRED process.

GTZ Intervention

Institutionalization

A "Local Coordination Board" (LCB) was set up in the four provinces supported by the MPI-GTZ SMED Programme. The Board is set up under the regulation of the Provincial People's Committee, the highest administrative body of the province. LCB members are key persons from selected line departments. Therefore LCB set-ups vary, depending on each province's LRED focus topics. Below is the Quang Nam province's LCB where investment promotion is a core topic:



Under the LCB, a task force of junior experts from the respective departments supports their superiors in their daily work. Innovative tools and instruments are used to support the LCBs in promotional policy and strategy design, and in implementation (PACA, COMPASS, Public-Private Dialogue, investment and start-up promotion).

Expected impacts

- **Improved provincial competitiveness:** Better coordination amongst local implementing agencies in resource allocation for prioritized sectors, thereby improving provincial competitiveness.
- **Better representation of local stakeholders' interests:** High ownership and commitment of all stakeholders in the LRED strategy and action plan design and implementation.
- **Better alignment in local economic governance:** Enhancing the role and recognition of the LCB in the local economic governance structure; increasing provincial top management/leaders' willingness to make administrative reforms and participatory planning between both public agencies and private sector
- **Better public service delivery:** More interaction with the private sector to ensure better service delivery to target groups.

Lessons learnt

- **Selection criteria:** LCB and task force members must take the lead and steer the process. They also need to have facilitation and coordination skills. Ideally, such persons also champion LRED initiatives.
- **Process quality management:** Constant communication and information exchange plays an important role in maintaining the networking character of the LCB. It not only helps self-correct inevitable conflicts that happen during the process but also strengthens the coordination and relations among the institutions of the LCB members. Clear indicator setting, regular monitoring and reflection, and benchmarking manage the quality of LCB work. Transparency towards various stakeholders, service orientation and continuous mobilization of the private sector are other criteria for high-quality performance.

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