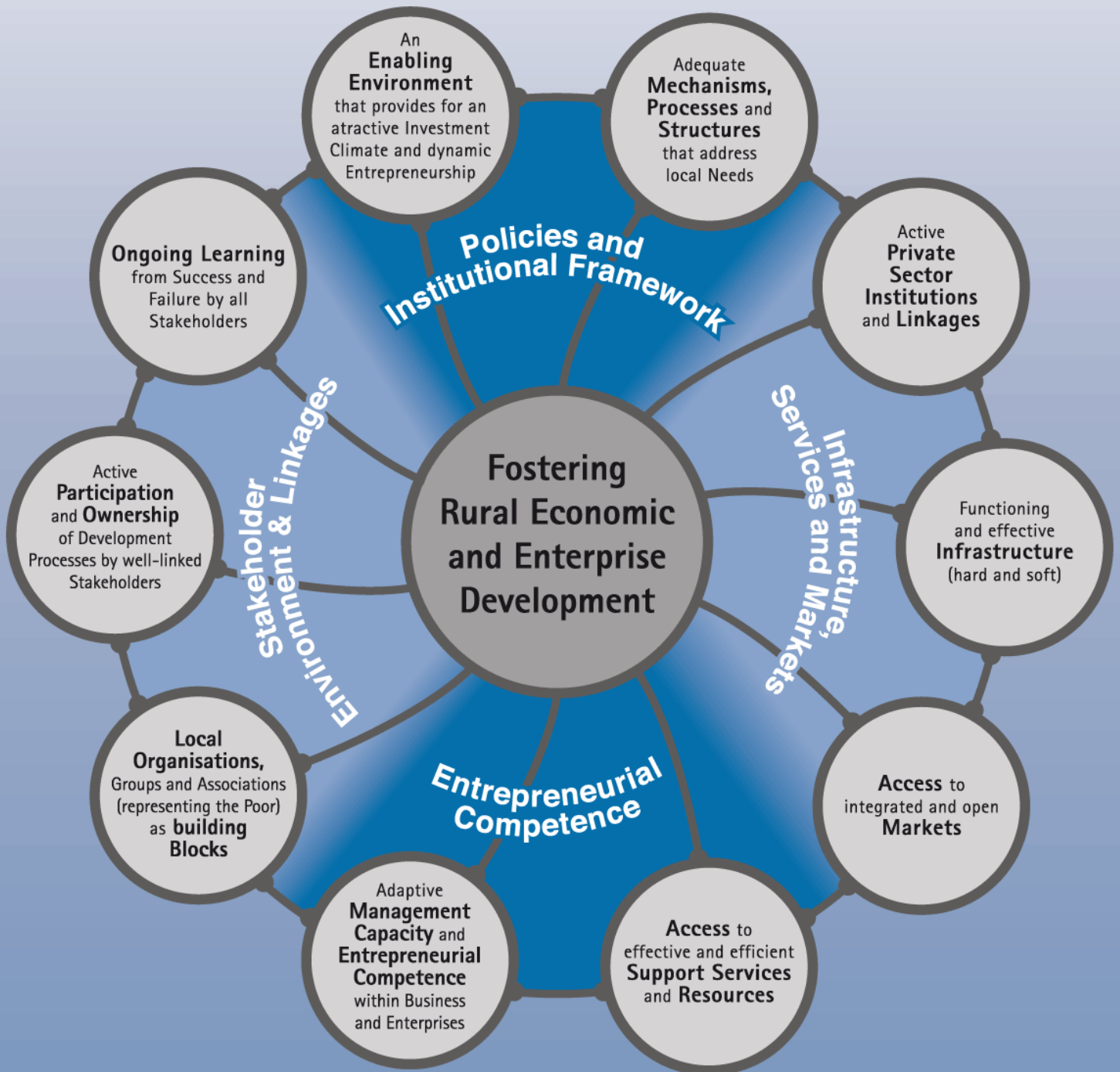




REED

A Framework for Fostering Rural Economic and Enterprise Development



The Rural Economic and Enterprise Development (REED) approach aims at diversification and innovation of the rural economy, increasing its market orientation and fostering value addition to rural products. REED aims at stimulating and enhancing the sectoral links between agriculture, agribusiness and non-agricultural economic activities (including service provision). REED views entrepreneurs and the private sector as the main drivers of sustainable rural development,

and emphasises the importance of providing an enabling environment for market-oriented economic activities. However, REED also has a public policy element, which focuses on the provision of basic rural infrastructure (soft and hard) and services that foster poverty reduction and economic growth. Rural economic and enterprise development needs a policy environment conducive to fostering investment and increased effectiveness of existing public and private institutions.

The REED Framework is an analytical tool which supports stakeholders involved in REED in creating a common understanding and vision of rural economic development through the systemic analysis of bottlenecks and opportunities. It helps to identify strategic entry points for interventions and it is also used as a tool for monitoring and evaluation of on-going programmes and knowledge management.



REED

A framework for fostering Rural Economic and Enterprise Development

Rural Economic and Enterprise Development (REED) aims at diversification and innovation of the rural economy, increasing its market orientation, and fostering value addition to rural products. The scope of REED covers all economic development of rural areas, not just agriculture. REED includes the promotion of on-farm commercial activities and non-farm activities by rural households and enterprises which ultimately will lead to the creation of new jobs, improved rural livelihoods and economic growth.

REED views entrepreneurs and the private sector as the main drivers of sustainable rural development, and emphasises the importance of providing an enabling environment for market-oriented activities. REED focuses on improving the competences of these main drivers and on providing an enabling environment.

The conceptual framework for REED supports stakeholders involved in economic and enterprise development in participatory strategy development and knowledge management to address their critical challenges. REED does this by providing access to the consolidated experience of practitioners from different professional and institutional backgrounds and enabling systematic identification of bottlenecks and entry points for intervention and learning together.

REED can be used as an analytical instrument for assessing and improving policies, institutional development, and intervention programmes and projects for more system-based and comprehensive intervention by all partners.

To strengthen and support small- and medium-scale enterprises and to develop key stakeholders' competencies, PICOTEAM offers services with regard to five core components related to REED:

1. Entrepreneurial competence

Successful entrepreneurs require technical and managerial competences to explore opportunities and tailor products and services towards the realities of the market.

2. Infrastructure, services and markets

Good infrastructure, hard as well as soft, improves general conditions for rural enterprises. REED focuses on business development services and market development

3. Platforms for joint learning, networking and interactions between the actors

Micro-, small- and medium-scale entrepreneurs are more successful if they are organised for joint learning from their experiences, in order to exchange information, to get better access to certain markets (economy of scale) and to represent their interests to other stakeholders as government or big business.

4. Policies and institutions supporting economic and enterprise development

Transparent and consistent rules and regulations, as well as a supportive society, are essential for entrepreneurs. These enabling conditions should be expressed through supportive policies and institutions.

5. Knowledge management for economic development

Entrepreneurs require access to timely and relevant information. Since entrepreneurs and other stakeholders have valuable knowledge based on their practical experiences, this should be available for a wider audience and could be used as a basis for joint learning as well.

REED was developed with the involvement of more than 20 cases of local economic development from Africa, Latin America and Asia involving a range of donors (e.g. DFID, FAO, GTZ, IFAD, DEZA/SDC, the World Bank and CTA). Success factors of these projects and programmes were distilled with the LearningWheel methodology and a full Guide to REED was written up, guided by J. Hagmann from PICOTEAM. The Guide was published by GTZ, 2003