

# Analysis & Proposals for Krong Buk Local Economic Development (LED)



# What is PACA?

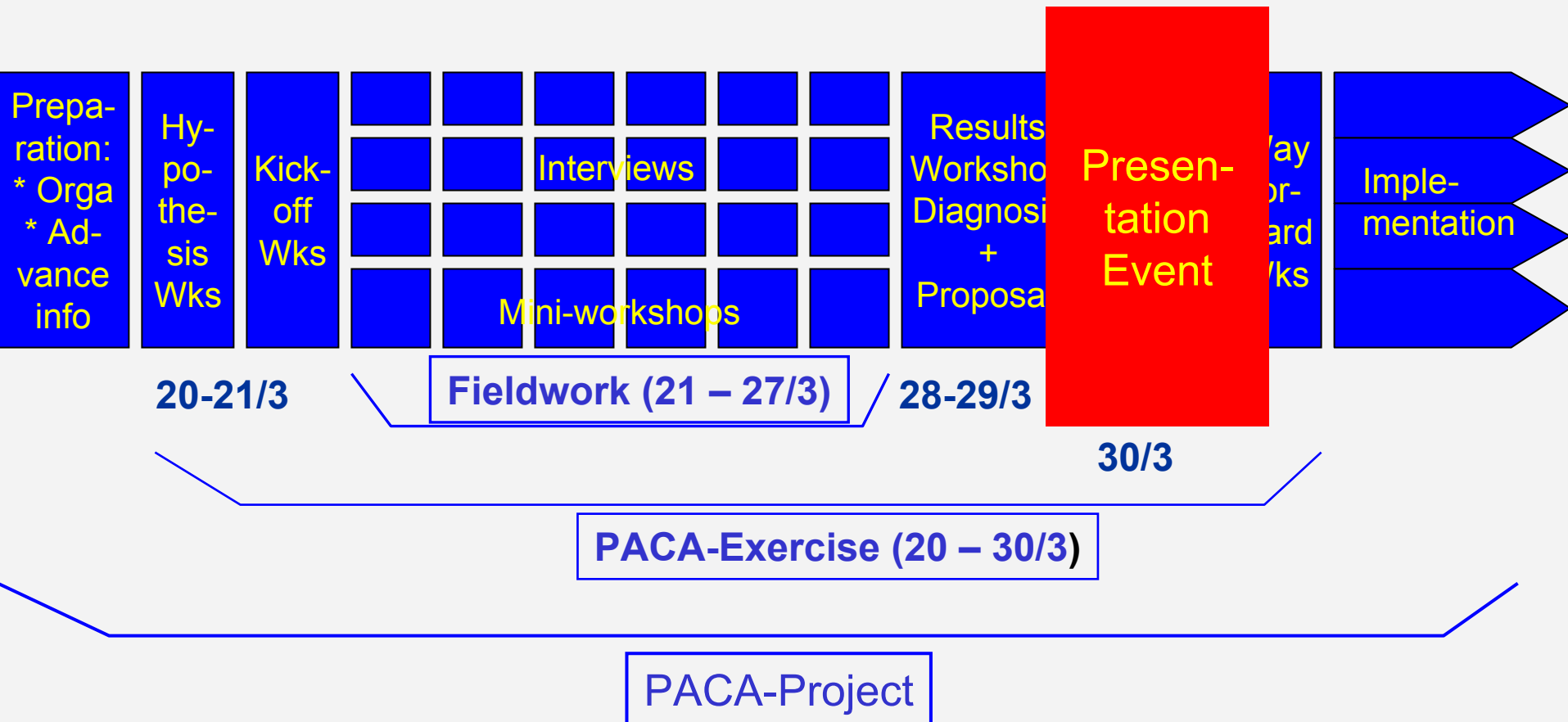


**A methodology to support local economic development (LED).**

**PACA propose activities to promoting competitive advantages of local economy & enterprises based on 3 criteria as follows:**

- quickly implementable (starting next week)
- quick, visible results (with 3 months)
- feasible with local resources & skills

# What is the sequence of activities in a PACA?



# What have we been doing?

## 20 – 30/03/ 2006

- Kick-off workshop (21 Mar)
- Interviews with businesspeople and stakeholders in different sectors in Krong Buk (21– 17 Mar)
- Mini-workshops (7) with SMEs:
  - Mechanic enterprises
  - Trade enterprises
  - Coffee enterprises
  - Supporting Institutions
- Internal Results Workshop (29 Mar)
- Presentation Event (30 Mar)
- Way-forward workshops (from 30/3 onwards)

# Kick-off workshop



# Interviews

PACA®

Participatory Appraisal of  
Competitive Advantage

A Product by mesopartner



# Mini-workshop



# Studied Sectors



- **Coffee processing**
- **Mechanic**
- **Consumer product trade & service**



# Krong Buk Economic Analysis

# Coffee processing





# Advantages

- **Soil and climate suitable to get high coffee productivity**
- **Krong Buk farmers and enterprises have experience on coffee growing and processing. Relationship between farmers and enterprises has been established**
- **Some coffee enterprises have capital, experience and prestige to extent**
- **Coffee sector is a core sector in local economic and is at high priority of local authority.**

# Disadvantages

- **Enterprises have not created a strong trade brand because of :**
  - Limited awareness on management, marketing and strategy making
  - Powder coffee production technology is out dated.
  - There is not any showroom for Buon Ho coffee.
- **Coffee enterprises can not export directly**
- **Coffee quality of farmer is not high because of** weather risks; lack of irrigation, lack of investment capital; lack of high quality coffee plantation procedures, lack of technical support & post harvest technology.



# Mechanic



# Advantages

- **Mechanic enterprises quickly meet demand of coffee sector clients because of market proximity**
- **Mechanic enterprises have a large and stable market: agricultural machine**
- **Mechanical sector has a chance to reach neighbor districts because of locational advantage for transportation**

**Mechanic**



# Disadvantages

Mechanic

- **Unprompted development, un- oriented strategy enterprise :**
  - Many enterprise owners are not professionally trained
  - Low management skill
  - Outdated technology
- **Products and services only meet simple demand**
- **Production activities depend on coffee crop**



## Consumer product trade & service





# Advantages

General trading

- Advantage location: link to 3 district: Cư M Gar, Ea Hleo & Krông Năng.
- Krông Buk has a large consumer market with 160 thousands of population.
- Trade enterprises have developed distribution channel network to communes.
- Enterprise owners are active.



# Disadvantages

General trading

- Lack of management skill on financial, distribution channel & storehouse.
- Marketing activity is weak.
- Specialized storehouse system is not established.
- Krông Buk has not any trade center.
- Buying power is much depend on coffee harvest.
- Counterfeit goods.



# Supporting Institutions

# Advantages



- **DPC interested in LED:**
  - Promote industry, trade & service.
  - Support to establish Krong Buk Biz Association.
  - Public Administrative reform follow one stop shop model.
  - Investment & Trade Promotion.
- **Krông Buk has an industry zone.**
- **Biz Association has active members.**

## Weak points (1)

- Not any vocational & business skill center in district area.
- Lack of preferential capital information
- Not any useful business information channel.
- Lack of biz start-up promotion activity
- Biz Association is not professional.

## Weak points (2)

- **Inconsistent administrative procedure from grassroots level to provincial level.**
- **One stop shop model: lack of professional consulting.**
- **Quality control is not carried out at local level.**
- **Branch of tax office is not much support enterprise in relevant issues.**

# LED Proposals

# Proposal 1 (short -term)

**Content: CEFE Training**

**Organizer : District Ec. Dept, DPI, COOPSME.**

**Activities:**

1. Submit training program to GTZ.
2. Give training information: leaflet, banner,...
3. Material, logistic preparation.
4. Do the training and quality control.

**Expectation results:**

- Rise awareness of business & business license procedure.
- Seek and select business ideas.
- Capacity building & virtue to be a successful businessman.



## **Proposal 2 (short -term)**

**Content: Consultation on Biz Assoc. Development strategy**

**Organizer: District Biz Assoc, DPC, VCCI .**

**Activities:**

1. Krong Buk Biz Assoc. Suggest GTZ to find an expert on Biz Assoc. Organization & management.
2. Preparation for presentation day.
3. Participate in the presentation and select solutions.

**Expectation results:**

- Biz Asso. Representative & district leaders understand development and the importance of a professional association.
- Biz Asso. Representative & district leaders understand advantages & disadvantages of other solutions.
- Build up Biz asso. to be a professional association.

## **Proposal 3 (short -term)**

**Content:** List of marketing courses and trainers.

**Organizer:** Dist Ec. Dept, DPC.

**Activities:**

1. List of marketing courses and trainers.
2. Request trainers give their programs & services
3. Collect information & make a database.
4. Give the information to Biz Assoc & coffee enterprises.

**Expectation results:**

- Coffee enterprises know about useful exist trainers.
- Reference material at biz association library.



## **Proposal 4 (short -term)**

**Content:** Rolling out of sustainable coffee model from Krong Pak to Krong Buk

**Organizer:** DPC, LCO, GTZ RDDDL.

**Activities:**

1. Dist Ec. Dept contact GTZ RDDDL to find out cooperation opportunity.
2. Planning workshop to make an action plan
3. Carry out activities at Krong Buk.

**Expectation results:**

- Awareness raising and skills improvement of coffee farmer on planting, harvesting and pre-processing
- Production activities is complied with technical procedure & standard.
- Increase Krong Buk coffee quality and prestige on the market.



# Proposal 5 (short-term)

Content: Vocational training course

Organizer: Dist. IA, DOLISA, COOPSME

Activities:

1. Submit VT letter & proposal to VT center.
2. Send announcement letter to enterprises, CPCs.
3. Conduct the training.

Expectation results:

- Professional skill of workers is improved to meet the demand.
- More jobs opportunity.



# Proposal 6 (mid-term)

**Content:** Training for district investment promoters

**Organizer:** DPC, DPI, LCO.

## **Activities:**

1. DPC send request letter to DPI for supporting in IP.
2. DPC do the TNA.
3. DPC select promoter.
4. Do the pilot IP activities & follow up.

## **Expectation results:**

- District promoters understand IP steps & make an IP for district.
- DPC determine suitable IP tools.
- DPC carry out IP activity.

# **Proposal 7 (mid-term)**

**Content: Vocational training need  
assessment for district training centers**

**Organizer: Dist. IA and dist. DOLISA.**

## **Activities:**

1. Submit the TNA proposal.
2. Make questionnaire, training for survey team and do the survey.
3. Analyze information and give results.
4. Report.

## **Expectation results:**

- Training need in district identified
- In put for district training center.

# Proposal 8 (mid-term)

Content: Newsletter improvement

Organizer: Dist. Biz Assoc, Ec. Dept,  
**COOPSME/DOT.**

## Activities:

1. Biz Assoc. conduct the survey on biz information need within district area.
2. Biz Assoc. cooperate with **Ec. Dept, COOPSME/DOT to get** biz information .
3. Biz Assoc. Collect information and publish weekly newsletter.

## Expectation results:

- Krong Buk enterprises access to useful biz information
- District leader has one more channel to give information.

# **Proposal 9 (mid-term)**

**Content: One-stop shop model**

**Organizer: DPC, DANIDA PAR proj.**

## **Activities:**

1. Quality assessment of one stop shop model at district and commune level.
2. Recommendation of solutions.
3. Improved activities & quality assurance.

## **Expectation results:**

- Agreement on consistent administrative forms and procedures



# Proposal 10 (short-term)



Content: Feasibility study of Trade Center

Organizer: DPC, Biz Assoc.

Activities:

1. Agreement on **Feasibility study of Trade Center**
2. Selection of consulting company
3. Prepare for study, budget
4. Result presentation & feedback

Expectation results:

- **Feasibility study report.**
- Basic for making decision on Trade Center.

# Krong Buk PACA team

- Christian Schoen (Mesopartner)
- Nguyễn Trung Thành (MCG)
- Lê Chí Phúc (MCG)
- Lê Thị Hường (URS)
- Lê Quyền (Daklak COOPSME)
- Nguyễn Văn Pháp (Krong Buk Ec. Dept)
- Trần Ngọc Hạnh Tiên (Krong Buk Ec. Dept)
- Lê Đình Thắng (Krong Buk Ec. Dept)
- Nguyễn Nhã Tiến (Krong Buk DPC)

Xin cảm ơn sự  
chú ý của quý vị!

