INTEGRATED PLANS – A CONCEPT FOR UPGRADING THE PROCESS OF PLANNING ECONOMIC DEVELOPMENT IN MACEDONIA

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Abstract
Successful models of local economic integrated development of the local community provide financial security and they are put into function of the national development of the country. The introduction of integrated planning process provides a more realistic opportunity for planning the priority projects and linking them to the both, objective financial potential of the municipality, but also to the available alternative financial opportunities outside the municipality, while at the same time reducing overproduction of strategic documents and uncoordinated spending of the scarce resources. The paper makes an attempt to indicate that integrated planning can be applied in the current Macedonian context regarding the decentralization process and that it has greater efficiency in creating priority activities in relation to the objective financial possibilities of the municipality.

Key words:
Integrated planning; Systematic analysis; Development plans; Local economic development; Municipalities.

INTRODUCTION
In all municipalities, local economic development is based on the available resources and actual potentials, but mostly depends on the creativity, skills and knowledge of the mayor and his team in charge of economic development.

Different methodologies for planning local economic development are present in Macedonia. Regardless of which planning model will be selected, the process of developing a strategy, besides the analysis of the situation in the community, defining key areas, strategic and specific goals, a detailed plan of activities with a timeframe and responsible persons, a financial construction for implementing the activities, managing risks, monitoring and evaluation and promotion of the document
(communication strategic part), should fully include the principles of inclusion of all citizens categories, actually respecting transparency and participation and an integrated approach in the preparation and implementation. Basically, this approach is related to marketing strategies for branding. Globally, a marketing-oriented approach is a present and a future for the advancement of the planning process in order to enhance equal citizens’ service delivery performance. This approach is nothing but a type of municipal branding, especially for those municipalities, which include all the steps of a participatory strategic planning approach in creating their integrated development strategic document.

Why is the marketing orientation of the municipalities so important? The conditions and the environment in which municipalities and cities currently operate show intense tendencies of mobility and mobility of people and capital (tourism, moving, migration, employment, starting a business).

This means that municipalities must explore, analyze and promote such offers, conditions and benefits in order to attract potential investors, consumers and other target groups of clients that have a priority and strategic significance for their local development. This, understanding and popularity of the concept of marketing or branding of all settlements (municipalities, cities, regions) is also increasing significantly. It starts from establishing a plan for realization of priority projects for improvement of the existing so-called “the total services offer of the municipality” (Kotler et al., 1993) (what is needed by the clients, what their real needs are, how to create the offer and promotion, whether to emphasize the competitiveness regarding available natural resources, geographical location, cultural, historical/unique architecture and touristic attractions, quality social and health welfare, proper education offers, infrastructure potential, including parking and public transport, or attractive environment and sports facilities as parks, swimming pools etc.).

In other words, starting from the approach market "from the outside", targeting the desired target groups and defining/maintenance a solid database related to identified target groups, to which the messages should reach (offering the "clients" attractive content considering their demographic profile, lifestyles, etc.). Certainly, those messages should always go hand in hand with the proper SWOT analysis of competitive possibilities/offers, i.e. determining the key advantages of their own potential in terms of the supply (“supply driven approach in service delivery process”). These advantages, best come to light if the municipality/city has developed integrated planning using the already tested methodology (“bottom up approach”).

**METHODOLOGY**

This research of this area is based on analysis of the contents of the integrated plans. The method or strategy used for this research is actually a brief overview of the current integrated plans accepted by the in-line ministries (preferably Ministry of Local Self
Government) as well, in order to maintain and improve the effective and democratic planning process, increase the quality of life through setting advance equal municipal service delivery. The activities to explore integrated planning process is designed several main points/objectives that are set and briefly explained, including the specifics, which represents a special separate sections.

Despite the overall development of the integrated plans an appropriate methodology is used to set the activities, project the results and growth of municipal service delivery based on the integrated planning process.

Within the methodology, the following activates have been prioritized:

- Discussion and formulation the expected municipal/Local Self Government Units’ improvement in certain area (vision, mission and objectives);
- Selecting and prioritizing 3-7 projects using the criteria previously established (urgency/importance);
- Desk research of available official municipal documents and data i.e. programs, profile, strategic documents, available statistical data, current municipal resources, including human resources and financial capacities;
- Close cooperation/meetings and discussion with key municipal authorities and officials regarding their knowledge and experience to implement, monitor and evaluation of the whole process of integrated planning, stressing the need of transparent and accountable approach;
- Meetings with the civil sector active in the field of local governance issues to hear their voice in this matter;
- Coordination with the in-line ministries related to municipal investments;
- Meetings/data collections of available state and international donor programs and funds to support municipal investments/projects set and developed in the integrated plans;
- Drafting a concept of integrated plans and assistance into organizing broad community discussion as well as follow up of the concept-document by revision/improvement of the gaps and bottlenecks; and
- Developing final version including all the constructive comments and proposals in the discussion process (with close cooperation with the mayor and his time) and adoption of those documents by the Municipal Councils.

**INTEGRATED PLANS – RESEARCH AND ANALYSIS**

More than one hundred thousand European municipalities and cities currently in existence are constantly in competition with each other to attract potential investors,
but also tourists, as well as qualified and competent staff and skilled labor. In this competition, municipal governments change economic planning at the expense of the integrated, which they recognize as the most appropriate, because such planning offers an offer that is attractive to customers (visitors and investors) and which has a long list of advantages apart from the offer that it can project (self) economic planning.

The experience of institutional approaches in planning local economic development in EU Member States shows that the practice of implementing integrated planning, i.e. designing integrated plans has been selected on the basis of a multitude of positive results in many countries in and outside the EU. This approach notes a particular success in Lithuania, where it was introduced seven years ago in the "Administration Reform Strategy" aimed at strengthening capacities and establishing a civil service administration oriented towards its citizens.

**Can integrated planning be applied in a Macedonian context?**

If we start from the fact that the local self-government units have developed a number of strategies that outline many strategic priorities, it is logical to ask how to rank those strategies according to their importance and weight in a way that will satisfy all the interests of involved stakeholders from all aspects in favor of the local community.

The situation is even more complicated having in mind that most of these strategies have developed appropriate action plans with their own measures, tasks and activities. Each working group or team that participated in the preparation of those strategic documents has arguments for their defense that cover (only) certain problems that for one part of the community are priorities, but for another part, those issues do not deserve urgent attention. Hence, in fact, the key dilemmas in their implementation are:

- Are, indeed, all these numerous strategies, with even more numerous activities (in them) that need to be undertaken, really necessary at a given moment?
- How to implement so many strategies with limited resources and budget?
- How to prioritize the projects included in the action plans in accordance with the basic criteria (urgency/importance), when there is no coordination of the measures and actions contained in other strategies?
- How to effectuate the implementation of the activities, when it often results contrary to the expected (wasted funds for wrong projects and disturbed citizens' trust in the local government)?

In Macedonia, an EU-funded project "Building effective and democratic local self-governments in Macedonia" (2013-2015) made an attempt to introduce this kind of planning. The project prepared a series of documents: manuals, integrated plans for the 10 pilot/partner municipalities (Bitola, Stip, Centar, Debar, Bosilovo, Caska, Lipkovo, Brvenica, Dojran and Chair), and they were provided with adequate
technical and expert support. In these municipalities, the integrated planning of the development, as a concept, was first presented and implemented with the support of the project team of experts. The results of the project showed that integrated plans involving the highest priority projects of the municipality, realistically feasible for (usually up to) two years, can be particularly useful in several aspects:

- Focusing on top priorities (prioritized projects, coordinated activities and efficient use of resources);
- Attract additional funds for financing from (previously identified) external sources for those priorities (mostly capital infrastructure projects) for which such additional funds are necessary, and they can be provided by bidding on various calls published under appropriate programs by international donors;
- Informing citizens and stakeholders about municipal priorities and investment plans, as well as transparency in their implementation; and
- Prevention of work overloading/duplication, which usually occurs when multiple plans/projects are being prepared at the same time, putting them all within a timely, prepared, systematized, comprehensive and fully informative integrated plan, built according to actual needs and opportunities of the municipality, and harmonized with the forms of application in front of international donor institutions.

The process of developing an integrated plan should go through five steps as following:

1. Inclusion of the citizens/Citizens’ participation;
2. Developing/publishing an integrated plan;
3. Projects implementation;
4. Monitoring and evaluation; and
5. Issuing regular progress report of the results and impact.

**Step 1 - Citizen Participation** - Compulsory involvement of the citizens and stakeholders in the dialogue to exchange information on the current situation, needs and priorities, and to inform all the involved parties of the findings from the analysis of relevant data.

**Step 2 - Develop an integrated plan** - Define vision, mission and strategic goals and identify three to five priority projects. This phase includes the preparation of a draft plan, with intensified internal consultation (within the municipality), and external meetings and forums with citizens and stakeholders, including potential financial institutions. The phase ends with the publication of the integrated plan (a two-page
summary for citizens and for technically uneducated stakeholders), once it is adopted by the council of the municipality.

**Step 3 - Implementation** - Realization of measures for implementation of the priorities envisaged in the integrated plan for identifying/finding sources of funding, following the list of previously identified opportunities and programs from donors and creditors.

**Step 4 - Monitoring and Evaluation** - All stakeholders are involved in the process of publishing and exchanging information about the progress of implementation and changes (if they occur).

**Step 5 - Reporting** - Reporting on a regular basis is made by the Mayor through an annual report to the municipal council, as well as to the citizens regarding the progress in the implementation of the integrated plan. The report, in contrast to the long and detailed descriptions that are submitted to the council of the municipality, should not be longer than 3-4 pages and should include simple language and terminology, as well as pictures and diagrams.

Following the concept of preparation and implementation of integrated development plans, all the afore-mentioned partner municipalities included the EU's point of view, prioritized activities and defined the most urgent needs of local communities. All were adopted by municipal councils, and more than half of the projects have already managed to provide full or partial external financing.

The short period for which this type of planning has achieved not so modest results (although this approach to local development planning has been tested in an extremely sensitive political and economic unstable setting) is a good indicator of the effects that it achieves and it is a guarantee of success because as a model it can be easily applied in other municipalities in Macedonia, where there is a diversity of strategic documents and action plans that seem to be too expensive for municipal resources and too complicated for municipal capacities to be able to be realized.

**CONCLUSION**

With the model of integrated and marketing-oriented planning, the municipalities are expected to achieve multiple benefits, as follows:

- Exploiting the available quantitative and qualitative information that will help to obtain a complete picture of the local economy and its comparative advantages;
- Preparation of systematized analyzes using the established databases for the preparation of the strategic documents of the municipality;
- Prioritizing the most essential activities and measures from all existing strategies;
Increasing the interaction between the municipality and the citizens;
Improving the relations between the municipality and the private sector;
Encouraging the development of local businesses; and
Significantly increasing the quality of life in the local community.

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