

Requirements for activating local economic development projects within the framework of strategic plans for small cities to achieve Sustainable Development, (Case Study: Samanoud City)

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ABSTRACT

The local economic development (LED) creates economic projects and activities that support the local communities' economy through the involvement of all stakeholders to create job opportunities that are suitable for their skills, which improves living standards and quality of life while lowering poverty rates. Strategic planning for LED helps cities in general and small cities in particular to increase their capabilities to cope with potential risks that hinder local economies, which is why the study of the local economy and investment plans was included in the methodological framework for preparing urban strategic plans. It was discovered through monitoring and analysing the city of Samanoud's strategic plan, which serves as one of the small cities in Egypt, that there is a significant gap in the implementation of LED projects following the adoption of the strategic plan. This is because a significant portion of the proposed LED projects were not carried out for a variety of administrative, financial, legislative, and planning issues. To address these issues, a framework for promoting LED was put forth. It was separated into two groups based on priority, referred to as "highest priority and lowest priority," and each group has some requirements, including the creation of a fund organization to support start-up projects and the provision of legislation to support the fund's organization. Improving the urban and economic environment, encouraging the private sector, and making people in charge of local administrations more aware of the significance of LED projects will make the implementation more successful through strategic plans.

Keywords: Local Economic Development - Urban Planning - Strategic Plans - Small Cities - Sustainable Development.

INTRODUCTION

The Egyptian cities face numerous challenges that significantly impact their developmental progress. These challenges include low living standards, high poverty rates, unequal distribution of development benefits, and the emergence of informal settlements. Additionally, there are developmental disparities among communities and inequalities in accessing the outcomes of economic development. Other issues include rising unemployment rates, inefficient utilization of local resources, and the failure to capitalize on the unique competitive advantages of various cities⁽¹⁾ One of the key approaches aimed at fostering local economic development is the preparation of strategic plans for urban settlements, encompassing both cities and villages. However, this approach has encountered several obstacles that hinder the achievement of local economic development goals. These challenges highlight the need for proposing frameworks to face these gaps and address sector-specific challenges, whether they are related to planning, legislation, or financing, among others.

Research Objective and Questions

The research aims to propose frameworks for addressing the challenges faced by local economic development projects during the preparation of city strategic plans. It seeks to maximize the positive developmental impacts of these projects, particularly in small cities, where such efforts can significantly improve living standards, enhance the urban environment, and achieve appropriate rates of urban development. The research questions are:

- What are the current constrains and challenges hindering the implementation of local economic development projects in the small cities?
- What is the framework and necessary intervention requirements to overcome these challenges and obstacles during the implementation phase?

Research Significance

The significance of this research stems from its focus on "stimulating local economic development (LED)" which aligns closely with the overarching goals and pillars of Egypt's Sustainable Development Vision 2030, as illustrated in Figure (1).

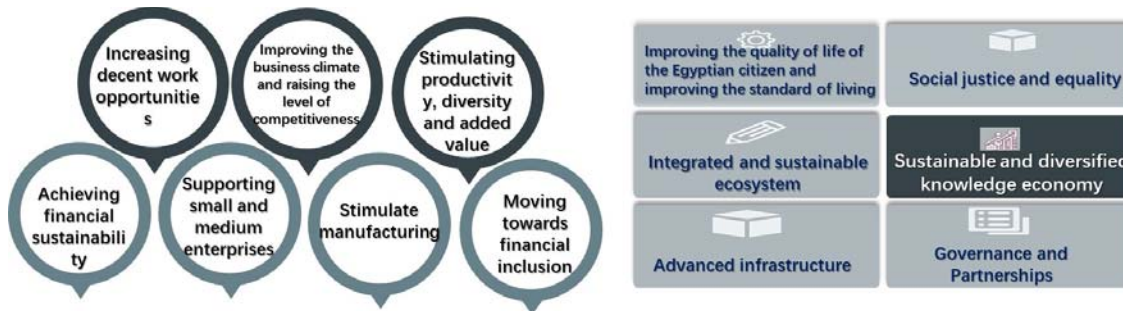


Fig. 1. The general objectives of the pillar of a diversified, knowledge-based and competitive economy, as one of the axes of Egypt’s vision for sustainable development 2030 . Source : Adapted from ⁽²⁾.

On the other hand, the study is linked to relevant Sustainable Development Goals ⁽³⁾ (SDGs) that pertain to promoting local economic development (Fig. 2). This supports and strengthens the link between economic development planning, spatial planning and urban policies. By addressing these connections, the research emphasizes its role in advancing national and global developmental priorities.



Fig.2. Classification of sustainable development goals and their associated targets within development fields . Source ⁽⁴⁾.

METHODOLOGY

This involves examining the theoretical framework of two main themes: local economic development (LED) and urban strategic planning. It emphasizes the importance of strategic planning for LED and includes analysis of various global case studies to identify the key strengths and best practices of these experiences. Depending on this foundation, the research applies an empirical framework to the small city of Samannoud in Gharbia Governorate. The aim is to identify the gaps and challenges related to the implementation of LED projects in this context. Based on these findings, the research proposes frameworks to address these gaps and overcome the identified challenges effectively.



Fig. 1. Research methodology . Source (Author)

1 Theoretical framework

1.1 Local Economic Development (LED)

1.1.1 Definition and Phases of the Evolution of local economic development

LED is a concept that emerged 20 years ago, and it is defined as follows: LED is the process by which public, business, and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. The aim is to activate the capabilities of an area to harness its economic potential and improve quality of life for all in the community⁽⁵⁾. LED is a participatory process where local people from all sectors work together to stimulate local commercial activity resulting in a resilient and sustainable economy. It is an approach to help create decent jobs and improve the quality of life for everyone. LED means more than just economic growth, it is about promoting participation and local dialogue, connecting people and their resources for better employment and a higher quality of life⁽⁶⁾. The formal definitions for LED tend to include aspects of multi-stakeholder engagement, economic activity, jobs, and better living standards for all the residents of a particular area, namely a community⁽⁷⁾. The Concept of LED has evolved through four primary phases⁽⁵⁾:

1 – Inward Investment (1960s to early 1980s):

- Focused on attracting investments to specific localities, especially from foreign sources.
- Emphasis was placed on creating favorable conditions for investors.
- The public sector played a key role by providing grants, loans, tax incentives, and infrastructure development.

2 – Growing Sectors (1980s to mid-1990s):

- Aimed at retaining and expanding existing businesses within specific localities.
- Investments were more tailored to the needs of the locality.
- Support included business startups, advisory services, incubators, workspaces, and access to startup capital.

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3 – Networks, Clusters, and Partnerships (Late 1990s onwards):

- Emphasized fostering knowledge networks and creating effective local business environments.
- Partnerships were established between local governments and the business sector.
- Strategies integrated education and skills development to support cluster growth.

4 – City Renaissance (Late 1990s onwards):

- Focused on revitalization driven by property development and retail.
- Increased land value became a significant feature.
- Efforts aimed at boosting civic pride, but the outcomes were often fragile and inconsistent.

1.1.2 Goals of Local Economic Development (LED)

The primary goal of LED is to enhance the economic capacity of a local area, aiming to secure a brighter economic future and improve the quality of life for everyone. LED involves collaboration among public, private, and non-governmental sectors to foster better conditions for economic growth and job creation. In today's world, the success of a community hinges on its ability to adapt to the dynamic changes in local, national, and global market economies. Communities are increasingly adopting strategically planned LED initiatives to boost their economic capabilities, create a favorable investment environment, and enhance the productivity and competitiveness of local businesses, entrepreneurs, and workers, in addition to combat poverty depends on its understanding of LED processes and its capacity to act strategically in an ever-changing and competitive marketplace. This approach emphasizes the importance of learning from the best practices in strategic planning and implementation for LED. It draws on insights from the cities of changing local economic development network and other programs worldwide, showcasing successful examples to guide communities in achieving sustainable and inclusive economic development ⁽⁸⁾.

So, the concept of LED can be identified based on the previously discussed concepts, which include:

- Participatory framework involving development partners in local communities.
- Role of non-governmental organizations (NGOs) in local economic development.
- Self-reliance on local economic resources.
- Use of local financial resources to fund projects.
- Improving individuals' living standards.
- Creating job opportunities.
- Increasing the local output of communities.
- Building social capital.
- Small-scale projects as a suitable entry point for local economic development.
- The importance of creating an institution to implement the local economic development plan.

1.1.3 Importance of Local Economic Development (LED)

LED plays a crucial role in the broader economic performance of a state. Its significance is growing due to increased global competition, population movements, technological advancements, and rising spatial disparities. In this context, LED is vital for encouraging investment in activities that align with local strengths and characteristics, creating new jobs, and reducing inequalities between richer and poorer regions. Economically successful local communities today are those that can address local challenges while also developing the skills to adapt to dynamic changes both domestically and internationally. LED enables this adaptation by focusing on strategic planning, broad participation, continuous local dialogue, and coordination of resources both within and outside the community ⁽⁹⁾. LED is important due to the followings:

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- Creates new job opportunities and boosts employment.
- Raises income levels, allowing people to afford services.
- Expands the tax base of local authorities.
- Enables local governments to provide better services and facilities.
- Focuses on human resource development and opportunities for growth.
- Promotes links between developed and underdeveloped areas.
- Builds institutions that support sustainable economic development.

Additionally, the prosperity and well-being of cities depend on their ability to capitalize on opportunities for sustained employment growth and to minimize challenges such as global economic integration and urban population growth. Therefore, the quality of economic planning and city management is crucial. Developing effective LED strategies at the city level is vital for both good governance and strong economic performance. LED strategies differ from traditional top-down policies, allowing cities and their surrounding regions to take more control over their economic development. These strategies focus on:

Table 1 . The importance of local economic development.

Integrated territorial approaches	where the local economy is thoroughly understood, and the business environment is improved to retain existing activities and attract new investments. This includes understanding the informal economy and using it to create sustainable income sources for the urban poor
Strong governance and policy coordination	ensuring that strategies are locally driven, owned, and managed through transparent, accountable governance practices.
Participatory policy development	which enables stakeholders, including the private sector and community organizations, to actively contribute to strategy development, improving ownership and long-term impact.

Source: ⁽¹⁰⁾

For cities in developing countries, LED strategies offer the additional benefits of leveraging strong community ties and tapping into the informal economy, which can be vital for upgrading the local economy. By enabling LED strategies and policies, cities can empower their communities to shape and take charge of their economic future ⁽¹⁰⁾.

1.1.4 Issues hindering the Local Economic Development

The main issues hindering local economic development are generally similar across different regions. These include centralized decision-making, neglecting the business environment that enables economic institutions to operate efficiently and effectively, thus limiting their competitiveness, and a lack of focus on developing the informal sector.

The key issues in local economic development are as follows:

- ❖ **Good Governance:** Involves representing a broad range of interests, including the government, private sector, and civil society, through partnerships and careful selection of development partners.
- ❖ **Creating a Business-Friendly Environment:** It is essential to establish decision-making rules and procedures that foster a safe, attractive, and stimulating investment environment, supported by macro and micro policies that promote economic sector development and align with local development goals.

- ❖ **Enhancing Competitiveness and Collaboration:** This involves re-examining local characteristics as a basis for competitiveness, crafting a clear vision, and prioritizing projects that align with that vision.
- ❖ **Incorporating the Informal Economy:** The principle of integrating both the formal and informal sectors into the broader economy, along with policies that ensure the sustainability of the informal sector. It is vital that priority projects also focus on regulatory measures to improve and organize informal economic and urban activities.

In conclusion, local economic development policies must focus on creating a supportive environment, building partnerships, and ensuring sustainability in both formal and informal sectors. Effective governance and integrated planning are critical to achieving these goals.



Fig. 4. Issues of Local Economic Development. Source: Author

1.1.5 Principles of Achieving Local Economic Development (LED)

LED is guided by several key principles, including ⁽¹¹⁾:

- **Creating Favourable Locational Factors:** LED focuses on making a place attractive for business. This includes both visible elements, such as improving infrastructure and training workers, and less tangible aspects, such as fostering a business-oriented mindset and ensuring the efficiency of local administration.
- **Promoting Business Growth:** LED supports existing businesses, startups, and external companies entering the area. It encourages local economic integration by fostering connections, supporting spin-offs, subcontracting, attracting suitable investors, and considering franchises to create new local businesses.
- **Improving Local Market Functionality:** LED aims to improve the functioning of local markets by creating opportunities that align supply with demand, as well as uncovering, promoting, and supporting new business opportunities.
- **Maximizing Local Resources and Skills:** LED focuses on making better use of available local resources and skills, optimizing opportunities for development and growth.
- **Inclusive Participation:** LED targets previously disadvantaged individuals, marginalized communities, and regions, ensuring their full participation in the economy. This includes empowering enterprises and Small, Medium, and Micro Enterprises (SMMEs).
- **Promoting Local Ownership and Community Involvement:** LED encourages local ownership, active community participation, leadership, and joint decision-making processes.
- **Building Partnerships:** LED involves local, national, and international partnerships among communities, businesses, and governments to address challenges, create business ventures, and support local development.

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- **Comprehensive Economic Approach:** LED involves integrating diverse economic initiatives into a unified strategy for local development, ensuring that all efforts contribute to the broader economic goals.
- **Flexibility in Approach:** LED requires flexible strategies to respond to changing local, national, and international circumstances, adapting to new challenges and opportunities as they arise.

1.2 Theoretical Framework of Strategic Planning Approach (SPA)

1.2.1 General background of the SPA

The use of SPA began in urban planning during the 1980s, as urban planning became more interactive with society. This approach ensures the integration of all community members and public sector representatives in the decision-making process. It requires active and interactive participation from all stakeholders involved in the planning process. This identifying the needs and responsibilities of all concerned parties^(12, 13). The aim of strategic planning is to create a future vision for a city (the spatial area) rather than predicting the future by projecting current trends and growth rates. This future vision is informed by an analysis of the relationship with the external environment and the city's resources.

The strategic planning is a structured decision-making tool that focuses on identifying critical issues and how to resolve them. Local economic development (LED) is connecting to strategic planning to answer four basic questions^(14, 15)

1. **Current Situation Analysis:** Where are we now? This involves identifying stakeholders and analysing the current situation in collaboration with the community.
2. **Defining the Goal:** After understanding the current situation, the next question is: "Where do we want to be?" This leads to defining the vision and translating it into clear goals.
3. **Determining the Means:** After setting the vision, the next question is: "How can we get there?" This involves proposing activities, evaluating alternatives, preparing a detailed action plan, and implementing the strategy.
4. **Reviewing the Situation:** From the outset—especially during implementation—it is crucial to ask: "Have we reached our goal?" This requires defining mechanisms to assess progress, followed by monitoring and evaluation to adjust the course of action if necessary.

those four questions shaped SPA phases that ensure its process to be comprehensive, inclusive, and responsive to local needs and external changes⁽⁴⁾



Fig. 5. Strategic planning Phases. Source: Author

- There are several reasons that encourage planners to adopt strategic planning such as⁽¹⁶⁾
- Rapid global changes that require adaptation to meet emerging challenges.
 - The emergence of multiple planning models and programs due to changes in various development areas, like goal management, efficiency, and productivity, requiring planners to identify which programs should be chosen for improvement.

- The diversity of issues, changing socio-economic demands, and regional pressures on development.
 - Major updates in regional development strategies that demand more responsive approaches to local needs in fast-changing communities.
- In addition, strategic planning also offers several advantages including ⁽¹⁷⁾:
- Ensures success in achieving goals under changing circumstances.
 - Strengthens and develops human resource capabilities in regions.
 - Guarantees long-term growth and development.
 - Facilitates crisis management instead of reactive problem-solving.
 - Enables effective monitoring and evaluation of results.
 - Integrates social, economic, and environmental dimensions.
 - Promotes civil society participation and reflects community aspirations.
 - Aligns with long-term national planning.
 - Includes effective implementation mechanisms, including financing and partnerships.
 - Builds on the capacity of local institutions.

1.2.2 Benefits and Challenges of Strategic Planning for Local Economic Development

Table (2) highlights the advantages of strategic planning in promoting local economic development, while also acknowledging the challenges that must be addressed to ensure successful implementation.

Table 2. Benefits and Challenges of Strategic Planning for Local Economic Development.

Benefits of Strategic Planning for LED	Challenges of Strategic Planning for LED
■ Enables small communities to set investment priorities and provide a clear investment strategy to funders	■ Requires leadership, vision, and motivation to start the process
■ Creates better, more local jobs, enhancing wealth in the area	■ Pushes the process forward, requiring strong facilitation, communication, and information management skills
■ Helps small communities manage change and shape their future	■ Faces challenges related to time constraints, budgeting, skills, and the ability to develop plans
■ Provides a shared understanding of local priorities and guidance on local issues and needs	■ Changes in government officials and stakeholders require building structures independent of individuals
■ Bridges the gap between local authorities and the wider community	■ Aligning multiple local interests and addressing cultural constraints can be difficult
■ Improves leadership and encourages open communication	■ Defining realistic goals and priorities that can be accomplished within the available time and resources
■ Provides opportunities for collaboration and partnerships	■ Integrating economic planning goals with other local objectives may pose a challenge
■ Increases participation by local actors in strategic decision-making	■ Issues of jurisdiction: local control over resources and policies may be difficult
■ Mobilizes a variety of organizations with diverse and established interests	■ Capitalizing on local competitive and collaborative opportunities
■ Ensures a high level of credibility and legitimacy	■ Requires resources and commitment to follow through on the plan's execution
■ Develops action plans with clear results, goals, timelines, roles, responsibilities, and budgets	■ Takes time to build partnerships and collaborations effectively
■ Allows for monitoring, evaluation, and adaptation of strategies based on changing circumstances	■ Resistance to change from those benefiting from the current power structure
■ Develops a strategy that reflects local interests and economic realities	■ Requires sufficient time and funds to engage marginalized and vulnerable groups in the process

Source (Adapted from many references by the author)

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1.2.3 International Experiences of Local Economic Development (LED)

Studying international experiences is a crucial tool for deriving lessons learned from various countries and attempting to apply those lessons in a way that aligns with the specific characteristics of Egyptian case. Table (3) provides a comparative analysis of the multi approaches used in different countries to achieve local economic development.

Table 3 Comparative analysis of Sample of international experiences in local economic development.

Experiences	Development Levels	Participating Entities and Funding Sources	Development Approaches and Policies	Development Project Programs
China	State - Regional - Local level	Government - Private sector	Through economic reforms and the development of small rural industries aimed at achieving self-sufficiency and developing medium-sized cities	- Establishment of village committees - Establishment of rural centers and municipalities
India	- National level - Regional level - Block level	-Local administrations - Housing and Urban Development Area - Central government agencies - Local community and private sector	Small industry development approach, structural reforms, privatization, and urban environmental development aimed at rural growth	- Small Industry Development Program - Electronics and Software Industry Program - Urban Environmental Development Program and establishment of the Housing and Urban Development Organization
Indonesia	- National level for setting a general development policy - Regional level represented by the Rural Housing Council - Village level represented by local development associations and cooperative units	- Central government agencies - Local community and private sector	Integrated development approach (economic, social, urban, and human) aimed at improving the living environment and increasing income	- State Development Program with a focus on regional facilities - Municipal assistance program to improve the economic environment - Village assistance program to improve road services, public services, and marketing
Algeria	- State - Regional - Local level	- Central government agencies - Local community and private sector	Multidirectional development approach (economic and social)	- Programs to develop local development strategies - Programs to develop local social and economic infrastructure

Source: Adapted from⁽¹⁸⁾

RESULTS AND DISCUSSION

International Experiences to Develop the Local Economy

- It is crucial to achieve local economic development at all levels (national, regional, and local) with integration between these plans to ensure coherence and success.

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- Focus in local economic development plans should be on local resources and the importance of meeting the competitiveness requirements for those communities.
- Emphasizing a participatory approach for local economic development that involves all development partners.
- The overall goal of development plans (spatial and local economic) in the previous international experiences was to achieve a certain level of economic and social welfare for their communities, despite the challenges and issues they faced.
- The importance of developing the educational system at all stages and establishing training institutions.
- There is a need to diversify income sources, avoiding reliance on a single source for funding development. This is especially vital since sustainable local development requires financing, guidance, and new means of funding.
- Adopting Bangladesh's experience of establishing a poverty bank that focuses on rural women, offering them interest-free loans, and requiring financial institutions to allocate a certain percentage of loans to marginalized groups, particularly rural women and unemployed youth.
- Encouraging youth entrepreneurship to combat unemployment in Egypt by learning from the experiences of other countries.
- The developmental role of civil society organizations is essential in identifying the poorest and most marginalized groups, directing developmental programs and initiatives towards them.
- There is a need for investment in human capital, especially through education.

Through previous experiences and their results, the most important influences on determining the requirements for activating local economic development projects in the strategic plans for small cities can be identified as follows:

- The comprehensive approach represents an approach to determining the requirements for activating local economic development projects (legal - legislative - administrative - economic - environmental - social -)
- There will be multiple levels of activation requirements between (the national level - the regional level - the local level)
- The use of local resources is a basic requirement when identifying local economic development projects.
- The importance of the participation of stakeholders in financing local economy projects as a basic economic requirement for the success of local economy projects.
- The importance of the requirement of complementary services for local economic projects for the success of these projects in achieving their goals.
- The importance of non-traditional sources of financing for financing local economic development projects.

1.3 Requirements for LED

The LED requires several essential intervention requirements, just as ⁽¹⁴⁾, ⁽¹⁹⁾ :

❖ Institutional and Administrative Structures

- Leadership, vision, and motivation for institutions to drive progress.
- Effective communication and facilitation skills, alongside strong management of information.
- Handling changes in government, staff, and partners, requiring institutionalization and clear authority.

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- Moving from crisis management to long-term strategic planning.
 - Clear authority and control over resources and policies, addressing potential challenges in governance.
- ❖ **Economic and Financial Resources**
- Consideration of time constraints, budgets, and capacity when preparing plans.
 - Addressing differing interests and cultural determinants.
 - Investment of time and financial resources to ensure the involvement of marginalized groups, including the poor.
 - Emphasizing reliance on local economic resources for sustainable growth.
- ❖ **Participatory Framework**
- Patience in establishing partnerships with various stakeholders.
 - Convincing existing beneficiaries to embrace changes in power structures.
 - Overcoming challenges in setting practical goals and shared priorities, as well as actionable activities.
- ❖ **Legal and Referential Requirements**
- Adoption of the local economic development plan by the responsible institution, ensuring the use of a participatory framework during the planning stages.
 - Verifying that the local economic development plan aligns with the outcomes of other development efforts (sectoral, national).
 - Local development units within local authorities are responsible for managing and organizing partnerships between the public and private sectors at the local level, from a technical perspective.
 - The General Administration for Local Development and Investment is responsible for monitoring the work of local and national authorities, as well as private sector institutions and non-governmental organizations ⁽¹¹⁾.
- ❖ **Planning Requirements**
- Understanding the map of local and export markets for goods and services produced in different regions, including the size of these markets.
 - Updating economic surveys and sectoral assessments to determine the current state of the local economy.
 - Engaging in discussions with the Ministry of Local Development, private sector representative institutions, and research entities about the methodology for preparing vision statements, strategies, and economic plans.
 - Identifying existing plans related to macroeconomic or local economies.
 - Determining the key performance indicators (KPIs) and sub-indicators to measure progress in local economic development, setting current baseline data for these indicators, and establishing methods for collecting this data regularly.
 - Assessing the need to modify the methodology and tools of strategic development planning within local authorities to ensure local economic development is reflected in the planning process and in the plans issued by these authorities.
- ❖ **Procedural Requirements**
- Developing criteria and guidelines to assist local authorities in achieving local economic development.

- Understanding the current and past efforts,
- Distributing and disseminating the local economic development plan to relevant stakeholders, placing it within the context of previous and upcoming efforts.
- Developing a culture of incentives and tax exemptions to stimulate local economic development.
- Activating local development units within local authorities and encouraging and supporting the establishment of local economic development forums.

❖ General Requirements

- Establishing the belief that local authorities are facilitators of investment, not necessarily investors themselves.
- Promoting the culture of local development within local authorities, the private sector, and the public.
- Opening a dialogue with banks and investment funds regarding their financing mechanisms for economic projects and investments.
- Identifying educational and training pathways that contribute to building the technical capacities of workers in the field of local economic development at various levels.
- Relying on a self-reliant approach to local community development.

Institutional and Administrative Structures	Participatory Framework	Planning Requirements	General Requirements
Economic and Financial Resources	Legal and Referential Requirements	Procedural Requirements	

Fig. 6. Requirements for LED . Source: Author

1.4 The Egyptian Experience in Preparing Strategic Plans for Urban Development

According to the Urban Planning Law No. 119 of 2008 ⁽²⁰⁾ the strategic urban plan refers to a plan that outlines the future needs for urban expansion, along with projects and plans for economic, social, environmental, and urban development necessary to achieve sustainable development at the local level within the framework of the governorate's future vision ⁽²¹⁾. This plan identifies the urban boundary, land uses, planning and construction requirements, as well as implementation programs, priorities, mechanisms, and funding sources.

The main axes for preparing strategic plans for Egyptian cities are ⁽²²⁾:

- Social dimension: Urban development projects contribute to improving health and quality of life.
- Environmental dimension and climate change: Ensuring the integration of climate-friendly practices and benefiting from ecological systems and natural resources, promoting environmentally friendly projects that support both economic and social impacts.
- Sustainable urban planning: To create an integrated and efficient urban structure.
- Economic sustainability: Promoting the diversification and sustainability of the economic base and encouraging good governance practices.
- Social justice: Ensuring that all groups participate in every phase of the planning process, addressing their needs and aspirations, and involving stakeholders, the private sector, and civil society in formulating the city's future vision.

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- Excellence and innovation, identity, and functional urban design.
- Compliance with national and international frameworks.

Strategic Urban Plans for Small Cities in Egypt (October 2006 – July 2015) ⁽²³⁾

The project aimed to enhance the planning methods and tools adopted by the Egyptian government to prepare urban strategic plans that respond to local priorities. The project also worked on improving performance and accountability in city development programming, particularly in reducing exclusion and vulnerability in Egypt. The main objectives of the program included evaluating the current situation of shelter, basic urban services, and the economic conditions of cities, and integrating these analyses into a comprehensive strategic urban plan.

The strategy for urban planning of Egyptian small cities was based on three key axes:

1. Providing adequate housing and addressing informal settlements.
2. Providing basic urban services.
3. Developing the local economy, through focusing on environmental issues, good governance, and marginalized groups.

The most important output of the general strategic plan for small cities is determining the urban boundary to accommodate population growth until 2032. This meets current and future housing and service needs, while contributing to the local economic development of the city. Expediting the preparation of detailed plans also helps provide a planned and official environment for urban expansion, avoiding informal and unplanned growth that threatens the city's outskirts, especially in areas where basic urban services are not provided. This informal growth negatively impacts the city's development and contradicts the development goals.

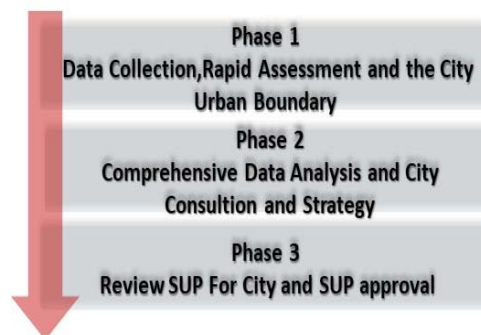


Fig. 7. Strategic planning Phases for small cities. Source: Author adapted from ⁽²³⁾.

2 Applied Framework for the Study

2.1 Case Study (Samanoud City):

The current study is conducted in Samanoud city, one of the smallest cities in Egypt, the chose of this city is due to the followings:

- Availability of basic data about the city.
- Samanoud being the fifth station in the Holy Family's journey, where they stayed for 17 days.
- It was the first city in the Gharbia Governorate to distribute projects according to the development plan during the preparation of its strategic urban plan.
- The city has diverse local economic resources, including industry, tourism, and commercial activities linked to agricultural activities.

2.1 Data Collection

Various data collection methods are used, including:

- Primary Data: Collected through personal interviews with officials from various city departments (related to the implementation and suggestion of local economic development projects). Each interview began with an informal discussion to understand

how officials think about implementing local economic development projects and addressing the issues in the strategic urban plan. Subsequently, questionnaires were administered and compiled by the researcher based on the responses from the interviewees. The questionnaire included a table listing local economic development projects, and officials were asked to provide updates on the execution status of each project. They were also asked to explain reasons for not implementing priority projects outlined in the approved strategic urban plan.

- Secondary Data: This includes data like:
 - The recent city's strategic urban plan.
 - Population data from the Central Agency for Public Mobilization and Statistics (CAPMAS) (24).
 - Data from the governorate information center and the city council.
 - Information about urban boundary and unplanned urban growth within the proposed urban area.

2.2 City Profile:

Samanoud is a central city located in the northeastern part of Gharbia Governorate. It is situated in the heart of Markaz Samanoud, which is one of the eight administrative units in the governorate. The city is bordered by:(25)

- East: The Nile River's.
- North: Markaz Talkha in Dakahlia Governorate.
- West: Markaz El_Mahalla al-Kubra in Gharbia Governorate.
- South: Markaz Zefta in Gharbia Governorate.

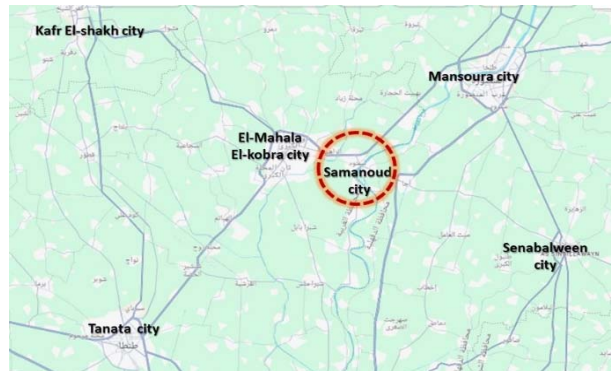


Fig. 8. The location of Samanoud city.

Source: Author

The area of Markaz Samanoud is 144.7 km², with a population of approximately 285,960 people. The predominant economic activity in Samanoud is agriculture, along with fishing and manufacturing industries (26).

The economic activities in Samanoud are:

- Industry: including pottery, textiles, copper craftsmanship, glass production, and wrought iron for building materials.
- Tourism: Samanoud is rich in historical sites

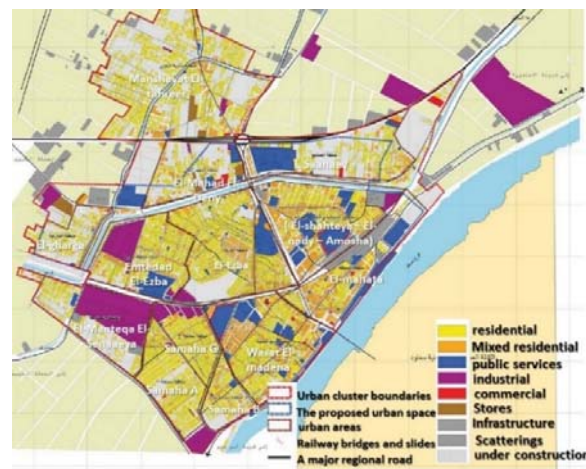


Fig. 9. Current land uses of Samanoud city.

Source: (26, 27).

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2.3 Strategic Urban Plan for Samanoud City (2009)

The strategic urban plan for the city, which developed in 2009, identified several priorities for local economic development projects, including (26) :

- Establishing a craft industrial zone (woodworking and furniture workshops).
- Activating agricultural crop stations.
- Developing animal feed production.
- Establishing a small industries development fund.
- Encouraging cattle fattening stations.
- Establishing weaving and knitting workshops for widows.
- Activating training centers.
- Creating an integrated system for waste collection, recycling, and processing.
- Building a permanent market outside the residential area.
- Organizing the weekly livestock market.
- Creating a Samanoud development fund organization.
- Urban coordination of Saad Zaghoul Street to leverage religious sites (e.g., Virgin Mary Church).

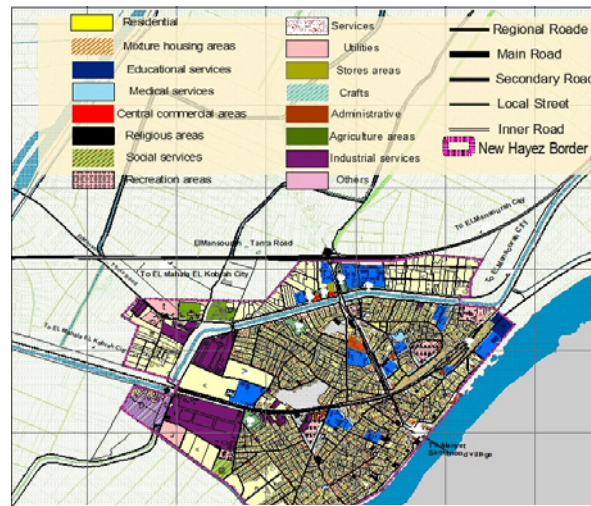


Fig. 10. Strategic planning for Samnoud city. Source (26)

Gaps in Economic Projects' Execution

Following the interviews with development partners after the city's strategic urban plan was finalized and approved, a survey was conducted to assess the current gaps in the project implementation and the reasons for delays or lack of the projects' execution. Table (4) illustrates the status of priority local economic development projects proposed in the approved strategic urban plan for Samanoud.

Table 4 . Current status of implementation of Local Development Project in Samanoud.

Project Name	Project objective	the site	Expected Implementation Time	Status of implementation
Urban coordination of Saad Zaghoul Street to exploit religious shrines (Church of the Virgin Mary)	The project aims to make optimal use of the archaeological assets in Samanoud city, including the Church of the Virgin Mary and many mosques built in the Mamluk era.	Saad Zaghoul Street in Samanoud City	24 months starting in the five-year plan (2007-2012)	Not done
□ Samanoud Development Fund Organization	The aim of the project is to enable young people to establish their own projects in light of the appropriate soft loans expected from the Fund.	Samanoud Businessmen Association	Two months start in the five-year plan (2007-2012)	Not done
Industrial and Craft Zone Creation Project:	The project will serve the middle class and those wishing to have a workshop or craftsmanship. It also has other economic objectives such as maximizing the local economy, expanding industrial and craft activity, controlling sustainable urban development, and reducing the unemployment rate among young people.	Adjacent lands in the northwest of Samanoud city	3 years starting in the five-year plan (2007-2012)	Not done (The proposed project site has not been and is being used for residential purposes.)

Source: Adapted from (28)

2.3.1 Reasons for Non-Implementation of Proposed Projects (City Strategic Plan 2027):

- **Urban Coordination Project for Saad Zaghloul Street to Leverage Religious Sites:**
 - The city's tourism sites, particularly religious ones, were not effectively marketed at the local, regional, or global levels, preventing Samanoud from being featured on the tourism map.
 - No programs were created to raise awareness among local administrative staff regarding tourism promotion, nor were there educational programs for the city's residents about its tourism components.
 - There was a lack of coordination between the city's engineering department and experienced residents, and the local council did not organize efforts with the city's executive council effectively.
- **Samanoud Development Fund Organization:**
 - Businessmen did not fulfil the promises to establish a fund organization that would support young people wanting to start small businesses.
 - As a result, necessary permits, especially from the Ministry of Social Affairs, were not obtained, preventing the project from moving forward.
- **Industrial and Craft Zone Creation Project:**
 - Detailed planning for the industrial and craft zone was not prepared.
 - Approval from the General Authority for Industrial Development, a key development partner, was not obtained for the project.
 - Efforts were not organized effectively, and there was a lack of cooperation between the local council, executive authorities, and the residents regarding land allocation for industrial development.
 - The project faced opposition from landowners who had been allocated land for the industrial zone due to the lack of implementation of core principles for prioritizing projects. Moreover, there was no negotiation with these landowners as part of the participatory process.

2.3.2 Local Economic Development Gap Identification Indicators

A set of indicators were used to identify the gap for priority local economic development

projects and the failure to achieve their objectives, as follows:

- The plan's inability to achieve the goal of eliminating unemployment, as the rate rose from 8% in 2006 to 14.8% in 2017.
- The percentage of the population below the poverty line is 2.9% of the population, despite the proposed investment projects in the city.
- The gap between the growth rates of economic establishments and the growth of employment, where the growth rate of establishments reached 4.8% and employment reached 2.9%.
- Low growth rates for workers in senior professions in the city and the growth rate for those with a university degree, which amounted to 5.01%.
- The gap between the current share of government and central aid, which reached 86.5%, and the proposed share in the strategic plan, which reached 71.13%, as well as the city's current share in providing self-credit, which reached 13.5%, compared to the proposed share in the plan, which reached 23.5%.
- The gap between the financial capabilities available to the city and the capabilities and investments required to implement the proposed investment plan within the strategic plan for the city of Samanoud 2008, which amounts to 51.450 million pounds.
- The gap between the number of industrial facilities proposed in the plan with 50 workers or more, where 7 facilities were proposed, and the number of current industrial

Requirements for activating local economic development projects within the framework of strategic plans for small cities to achieve Sustainable Development, (Case Study: Samanoud City)

facilities with 50 workers or more, which amounted to 5 facilities, with a deficit rate of 28.6%.

- The gap between the rate of job creation provided in 2018, which amounted to 202 opportunities, and the rate proposed in the plan, which is 350 opportunities annually.
- Failure to integrate informal workers into the city through the proposed strategic plan projects.
- The plan's goal of bringing the number of tourist visitors to the temples and monuments in Samanoud to 30,000 visitors was not achieved (according to the survey data and interviews with the city council).
- The gap between the strategic plan's proposals for basic employment (1,400 job opportunities) and the population increase needs proposed by the plan, which amounted to 6,323 job opportunities (the number of added population is 20,424 people / economic dependency rate is 3.23) with a savings rate of 22.1%.

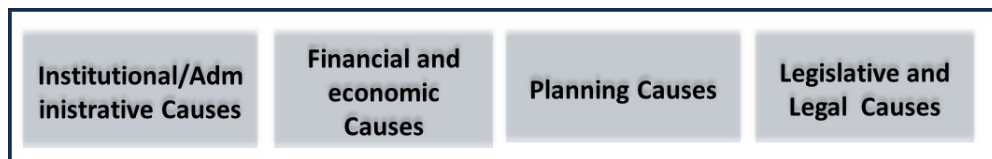


Fig. 11 Reasons of the local economic development gap . Source(author)

These reasons highlight the multifaceted nature of the challenges preventing the execution of important economic development projects in Samanoud.

3 Proposed Framework for Addressing Gaps and Challenges in LED in Small Cities

3.1 First Priority:

➤ Planning Requirements:

- Update studies on the development of tourism sites in the city.
- Prepare a map showing the network of relationships between all the city's tourism elements (Coptic monuments, Islamic Mamluk-era sites, Nile Corniche, sports services, main squares, historical residential buildings from ancient times, etc.).

➤ Institutional/Administrative Requirements:

- Develop serious programs to raise awareness among local administrative staff.
- Establish a department for tourism development within the city council's organizational structure.

➤ Legislative Requirements:

- Draft the executive regulations for the Samanoud Development Fund organization.

➤ Financial Requirements:

- Leverage global best practices from leading youth self-initiative support programs, in addition to utilizing technical support programs provided by international organizations and bodies specializing in microfinance.

3.2 Second Priority:

➤ Planning Requirements:

- Conduct studies on the feasibility of expanding and developing current economic activities in terms of quality and type (vertical development within the same sites).

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- Work on improving commercial centers and markets through organizational activities, offering new services, enhancing transportation services, and improving visual appearance and character.
- **Institutional/Administrative Requirements:**
 - Encourage a culture of entrepreneurship and investment among youth.
 - Deepen participatory processes within the city for implementing economic projects, expanding participation especially by integrating relevant ministries and institutions, and negotiating with them (e.g., Tourism Development Authority, Industrial Development Authority, Ministry of Antiquities).
- **Legislative Requirements:**
 - Grant tax exemptions and incentives to the private sector working in the tourism field.
 - Improve the investment atmosphere.
- **Financial Requirements:**
 - Establishing a fund organization to support start up projects.
 - Expand the resource base generated by marketing textiles and fabrics besides introduce new patterns for financial resources.

Some other basic requirements can be added (in addition to the previously mentioned requirements) as follows:

- Requirements for activating the proposed economic and service projects in the strategic plan that have not been implemented and for which land is available, such as (establishing a new water station, developing the purification station, and increasing its capacity to 400 liters/second)
- Providing an urgent financial plan for economic and service projects for which land is available (developing the existing central hospital to serve low-income people)
- Providing the available land for projects and accurately determining their location, such as (establishing an industrial and craft zone on the borders of Samanoud city)
- Determining the ownership of the land on which the projects will be built and removing encroachments if they exist (establishing an industrial and craft zone on the borders of Samanoud city)
- Financing requirements by providing the necessary financial funding to equip the projects (establishing the Samanoud Development Fund - developing the first and second phases of the sewage treatment plant - developing the existing central hospital to serve low-income people)

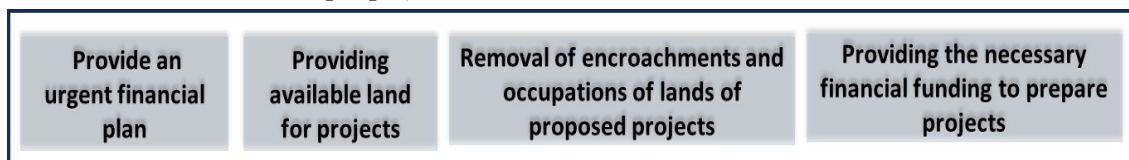


Fig. 12 Sample of basic requirements to Addressing Gaps and Challenges in LED, Source: author.

The above-mentioned requirements are implemented through the executive departments of Samanoud City Council, as shown in Table (5).

Table 5. The link between the role of city council departments and the proposed requirements for activating local economic development projects.

departments	Planning Requirements	Institutional/Administrative Requirements	Legislative Requirements	Financial Requirements
Planning and Follow-up Department				
Councils				
Public Relations				
Financial and administrative inspection				
Citizen Service				
Legal Affairs				
Personnel Affairs				
Government financial Budget				
financial accounts				
Development				
Warehouses				
the environment				
Contracts and purchasing				
hothouse plant				
Revenue				
Engineering Management				
Administrative Affairs				
Technology Center				
Information and Decision Support Center				
Treasury				
Mechanical campaign				
Security				
Warehouses				

Source(author)

Conclusions and Recommendations

The study of LED in Samanoud highlights the importance of addressing gaps and challenges through a well-structured and prioritized framework. The city has unique blend of historical, cultural, and economic resources presents significant opportunities for sustainable growth if effectively harnessed. However, achieving LED requires concerted efforts across

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multiple dimensions, including planning, institutional reforms, legal adaptations, and financial enhancements. The analysis demonstrates that the failure to implement key strategic projects, such as urban coordination for tourism sites, establishing industrial zones, and creating a local development fund, is primarily due to a lack of coordination, inadequate planning, insufficient funding, and legal obstacles. Addressing these issues demands a comprehensive approach that involves all stakeholders, including government bodies, private sectors, NGOs, and local communities. The Key recommendations include updating studies on the city's tourism potential, developing clear administrative and legal frameworks, and fostering participatory processes. This also entails empowering local administrations with better skills and resources to manage projects effectively and engaging in transparent practices to build trust and attract investment. Furthermore, financial sustainability remains a critical issue, with proposals to utilize innovative financing mechanisms, tax incentives, and microfinance programs. Emphasis should also be placed on leveraging global best practices and technical support to improve funding for local initiatives.

The proposed framework prioritizes enhancing institutional capacities and fostering collaboration among development partners to address planning, legal, and funding challenges. This holistic approach ensures a practical pathway for achieving the strategic objectives outlined for Samanoud's local economic development. Ultimately, the findings and recommendations from this study serve as a guide for policymakers and practitioners aiming to develop similar strategies for other small cities in Egypt. By addressing these gaps systematically, Samanoud can unlock its potential as a model for sustainable local economic development in the region. Therefore, several requirements can be proposed to improve the city's financial resources, involving both governmental and non-governmental sources (government plans, private sector, associations, residents, etc.):

Institutional/Administrative Requirements:

- Enhance the capacities of local administration staff (particularly in economic departments) to encourage and direct external support for local development projects.
- Activate the role of local development partners in overseeing the city's general budget, investment plan, and national plans.

Legislative Requirements:

- Legalize three-wheeled transport vehicles through paying taxes and directing part of them toward improving the environment.

Financial Requirements:

- Mobilize resources from non-governmental organizations (NGOs) to assist the underprivileged.
- The Environmental Affairs Agency should provide the local administration with pollution measurement devices.
- Increase and improve government support for housing for the poor and low-income residents.
- Enhance government support for emergency housing initiatives.

To implement the requirements, it is proposed to add some technical departments as departments affiliated with the city council, as shown in Figure (13).

Requirements for activating local economic development projects within the framework of strategic plans for small cities to achieve Sustainable Development, (Case Study: Samanoud City)

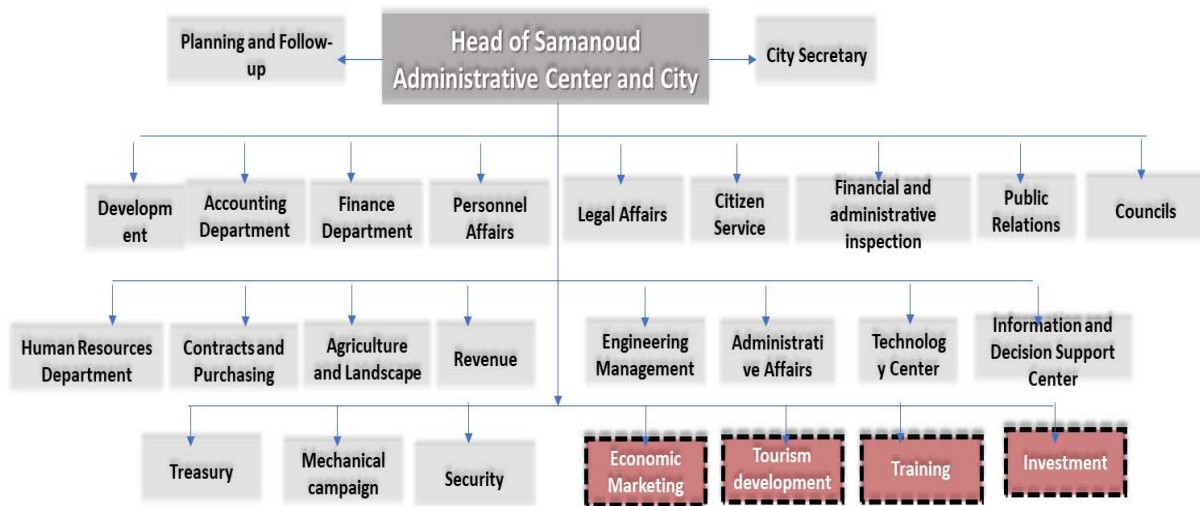


Fig. 13. Proposed structure of departments affiliated to Samanoud City Council according to the proposed requirements. Source: author.

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متطلبات تفعيل مشروعات التنمية الاقتصادية المحلية في إطار المخططات الاستراتيجية للمدن الصغرى لتحقيق التنمية المستدامة (دراسة حالة: مدينة سمنود)

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المسخلص

تعتمد التنمية الاقتصادية المحلية علي تحفيز قدرات المجتمعات المحلي مما يساهم في خلق مشروعات وأنشطة اقتصادية تهدف لاستدامة الهيكل الاقتصادي ومرونته في مواجهة التحديات والصعوبات المختلفة، وكل ذلك في ضوء مشاركة كل الأطراف المؤثرة في المجتمع المحلي في اختيار وتوجيه تلك المشروعات لخلق فرص عمل مناسبة لقدراتهم وموارد لذلك المجتمع مما يعود بالنفع علي تحسين مستوي المعيشة وجودة الحياة وخفض معدلات الفقر. ولأهمية تحقيق تلك الأهداف تم تضمين دراسة الاقتصاد المحلي والخطط الاستثمارية في الإطار المنهجي لإعداد المخططات الاستراتيجية الحضرية حيث يساعد التخطيط الاستراتيجي للتنمية الاقتصادية المحلية المدن عامة والصغرى خاصة في رفع قدراتها للتوافق مع المخاطر المحتملة التي تعوق الاقتصاديات المحلية. ومن خلال رصد وتحليل المخطط الاستراتيجي لمدينة سمنود كأحد نماذج المخططات الاستراتيجية للمدن الصغرى، تبين وجود فجوة كبيرة في تنفيذ مقترحات التنمية الاقتصادية المحلية بعد اعتماد المخطط الاستراتيجي، حيث لم يتم تنفيذ نسبة كبيرة من مشروعات التنمية الاقتصادية المقترحة وذلك للعديد من الأسباب التخطيطية، الإدارية، التمويلية والتشريعية. ولمواجهة تلك الأسباب تم اقتراح إطار لتفعيل التنمية الاقتصادية المحلية وتم تقسيمها حسب الأهمية علي مجموعتين "الأكثر أولوية والاقلة أولوية"، وكل مجموعة تتضمن عدد من المتطلبات مثل انشاء صندوق لدعم المشروعات الصغيرة مع توفير القوانين الداعمة لإقامة مثل تلك الصناديق. رفع الوعي بأهمية التنمية الاقتصادية المحلية عند القائمين علي الإدارات المحلية، تحفيز القطاع الخاص من خلال تهيئة المناخ العام للاستثمار وتحسين البيئة العمرانية والاقتصادية، ومن المتوقع بتطبيق ذلك الإطار بفروعه الأساسية زيادة فعالية تنفيذ مشروعات التنمية الاقتصادية المحلية من خلال المخططات الاستراتيجية المختلفة.

الكلمات المفتاحية: - التنمية الاقتصادية المحلية - التخطيط الحضري - المخططات الاستراتيجية- المدن الصغرى - التنمية المستدامة.