

# Participatory Appraisal of Pro-Poor Income Potentials (Pro-poor PACA)

## Poverty Reduction

### Participatory Appraisal of Pro-poor Income Potentials (Pro-poor PACA)

Pro-poor PACA is a participatory, bottom-up, pragmatic and market-oriented approach to poverty-oriented local economic development (LED) at the district level. Pro-poor PACA is used to diagnose and assess the local economy and its potentials and to plan and formulate activities and projects for LED with the purpose of reducing poverty. In the assessment process, Pro-poor PACA is highly action-oriented with emphasis placed on follow-up activities for realising economic development opportunities, generating income and reducing poverty. Learning and transfer of LED skills are key elements of the approach, as the appraisal team mostly consists of local actors.

#### 1. What do you get from Pro-poor PACA?

- Identifying sub-sectors/value chains that offer economic potentials and income opportunities for people who are poor
- Assessing economic potentials and critical bottlenecks of poor districts
- Practical proposals to stimulate the local economy and provide more income opportunities for the poor
- Quick, visible results, rather than starting with a huge strategy

#### 2. What do you achieve with Pro-poor PACA?

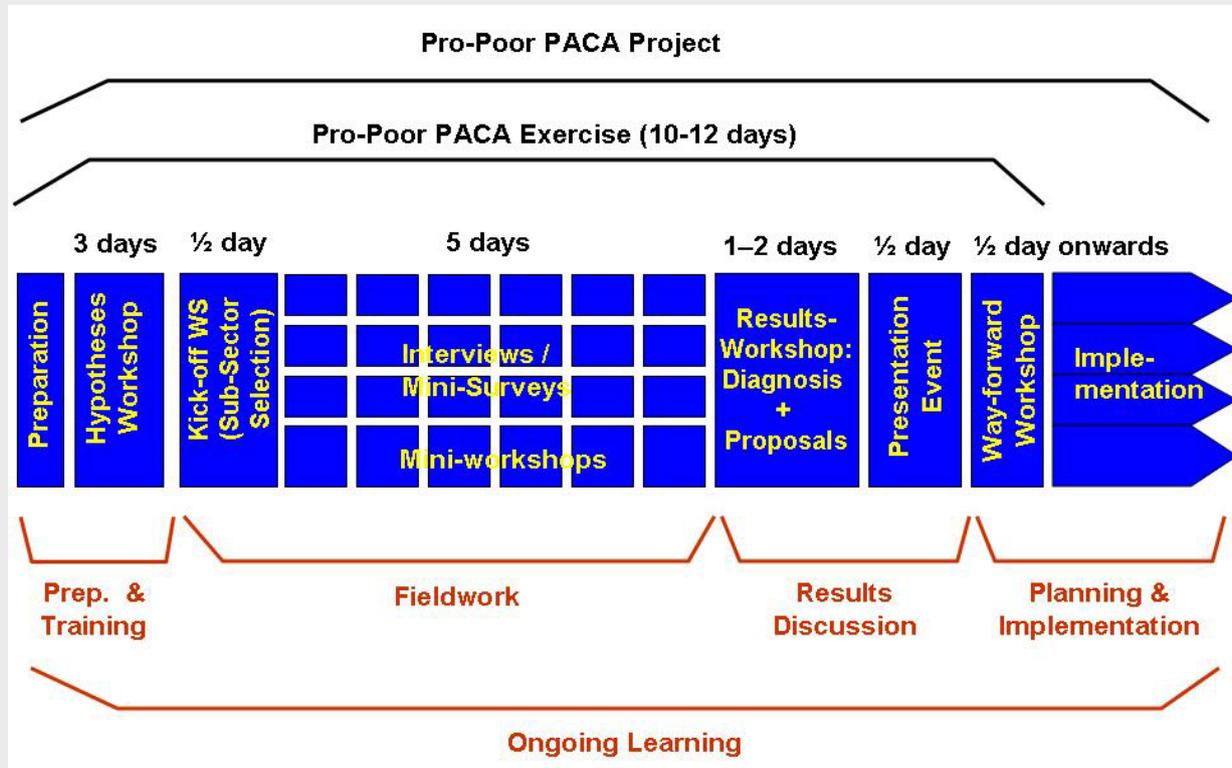
- Local officials & others get skilled in participatory tools for LED and needs-oriented resource planning
- Better connection of local agencies, businesses and the poor
- Better inclusion of poor people into economic activities
- Market access for the poor who are enabled to tap into market potentials and increase their income

#### 3. What are the key steps in a Pro-poor PACA Exercise?

- Hypothesis workshop with training elements on LED, market concepts, poverty concepts and facilitation/ interviewing skills
- Kick-off workshop with the local stakeholders and supporting institutions to select pro-poor sub-sectors / products
- Series of interviews with local firms, business associations, supporting institutions, local government, and poor individuals
- Mini-survey with buyers/traders and producers to assess / self-assess the performance of (poor) producers/farmers on a 5-point scale
- Mini-workshops with supporting institutions to identify gaps in the service provision particularly to people who are poor
- Mini-workshop with enterprises/farmers (modification of Porter's 5-Forces-Model)

- Results-workshop to elaborate a diagnosis and assessing proposals against feasibility, poverty reduction potential and time aspects
- Presentation event to present the diagnosis and the proposals for practical interventions
- Way-forward workshops to plan the implementation of proposals

#### 4. What is the sequence of a Pro-poor PACA Exercise?



#### 5. Who participates in a Pro-poor PACA Exercise?

The local host (district PC, chamber or other local organization) who organizes the Pro-poor PACA exercise, represents the PACA team and is in charge of the follow-up after the exercise. The PACA team consists of one or two external specialists and mostly local actors from different organizations conducting the exercise and involving a variety of local stakeholders through participatory processes

#### 6. How long does a Pro-poor PACA Exercise last?

The preparation needs 3-4 weeks. The duration of the PACA exercise itself is 10-12 days depending on the size and diversity of the locality. 6–12 months should be calculated for implementation and follow-up activities. Pro-poor PACA exercises can be repeated on an annual or bi-annual basis.

#### 7. What skills and knowledge are required?

- Facilitation and presentation skills
- Knowledge on LED concepts and tools
- Knowledge on concepts of value chains and markets
- Knowledge on poverty concepts

#### 8. Where has pro-poor PACA been applied before?

- Ea Kar District, Dak Lak Province (2006)
- Various Districts in Thanh Hoa Province (2008-2010)
- Dak Song & Thuy Duc Districts, Dak Nong Province (2009)
- Kotwar District, Uttarakhand State in Northern India (2009)
- The traditional PACA method ([www.paca-online.org](http://www.paca-online.org) / [www.mesopartner.com](http://www.mesopartner.com)) has been applied in more than 30 countries, including Vietnam.