



GOVERNMENT OF GHANA

MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT

NATIONAL LOCAL ECONOMIC DEVELOPMENT (LED) POLICY

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ABBREVIATIONS AND ACRONYMS

BAC	Business Advisory Centre
CBOs	Community – Based Organisations
CSOs	Civil Society Organisations
DAs	District Assemblies
DLEDP	District LED Platform
DEDC	District Economic Development Committee
FOAT	Functional Organisational Assessment Tool
DDF	District Development Facility
GOG	Government of Ghana
GPRS	Ghana Growth and Poverty Reduction Strategy
GSGDA	Ghana Shared Growth and Development Agenda
ILGS	Institute of Local Government Studies
ILO	International Labour Organisation
LED	Local Economic Development
LGA	Local Government Act
LGSS	Local Government Service Secretariat
MDA	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MESTI	Min. of Environment, Science, Technology & Innovation
MELR	Ministry of Employment and Labour Relations
MLGRD	Ministry of Local Government and Rural Development
MMDAs	Metropolitan, Municipal and District Assemblies
NBSSI	National Board for Small Scale Industries
NDPC	National Development Planning Commission
NGOs	Non-Governmental Organisation
NMTDPF	National Medium Term Development Policy Framework
NLEDP	National LED Platform
PPP	Public Private Partnership
REP	Rural Enterprise Project
RCCs	Regional Coordinating Councils
REDCs	Regional Economic Development Committees
RLEPD	Regional LED Platform (RLEDP)
SMEs	Small and Medium Enterprises
UNDP	United Nations Development Programme

FOREWORD

Over the past 3 decades or so, Ghana has made significant efforts at reducing poverty levels and improving the lives of its citizenry. In spite of the progress made in tackling poverty and meeting the Millennium Development Goals (MGDs), citizens are still frustrated by the high levels of hunger, poverty, and unemployment. At the same time, governments in Africa particularly in Ghana are still facing challenges in meeting the needs of the people because they lack the commensurate resources and sometimes the efforts are not fed with adequate local needs. Addressing these unpleasant phenomena urgently requires a paradigm shift in the way of doing things; a new approach to development that brings localism to the fore, one that focuses on inclusive local governance, local resource and social capital mobilization.

Lessons learnt elsewhere indicate that poverty reduction and development management need to be localized. Action must be taken at the level of governance nearest to the people and their communities within the context of national development agenda. Fortunately, the development of Ghana is guided by a national development framework, within which the priorities and aspirations of citizenry at the local level are adequately reflected.

Ghana, like several other developing countries, has embarked on decentralization to promote responsive, equitable and sustainable socio-economic development, better quality of life and greater opportunities of economic empowerment for her citizenry. Indeed, Chapter 20 of the 1992 Constitution which is on Decentralization designates the Metropolitan, Municipal and District Assemblies (MMDAs) as the highest political, administrative and executive authority at the local level. The Constitution also assigns to MMDAs among others the formulation and execution of plans, programmes and strategies for the effective mobilization of the resources necessary for the overall development of the districts. To give effect to these Constitutional provisions, the Local Government Act 1993, Act 462 has in section 10 re-stated these functions of MMDAs. The planning functions of the MMDAs are also prescribed by Section 2 – 7 of the National Development Planning (System) Act, 1994, Act 480

Over the past two decades, MMDAs have pursued with vigour their deliberative, legislative, administrative and planning functions. However, their capacity to economically empower their people has been limited. Until recently, there had not been any clear-cut comprehensive national policies that in one way or another enhanced local economic development (LED). As a result, many of the LED interventions, particularly those by Ministries, Departments and Agencies are project based with weak processes for integration into the Medium Term Development Plans of MMDAs.

The absence of a national policy framework on LED has therefore contributed to weaknesses in standards, comprehensiveness, cohesion and effective management of the few LED interventions. It is for these reasons that the LED Policy has been formulated with an Action Plan to facilitate the change in the lives of the local people for the better.

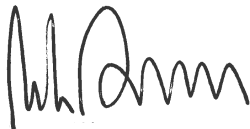
The introduction of LED is therefore seen as an alternative development strategy to fully harness the economic potentials of the MMDAs for job creation and consequently improved living standards.

The primary goal of this policy is to provide MMDAs with the framework of mainstreaming LED into their MTDPs and ensuring its implementation at the local level.

The LED policy framework will therefore guide Central Government to develop programmes and projects that determine how the public sector will invest, how infrastructure and services will be developed, how different economic sectors will be promoted, and how government will create a favourable legal and regulatory environment to support various aspects of economic activity in the communities. To be effective in achieving economic growth and human development objectives, these measures must be supported and reinforced by the actions of the MDAs and MMDAs, working in partnership with local communities and enterprises.

The LED policy framework will also enable Central Government and MMDAs to identify and enhance the opportunities for private sector and co-operatives that have control of vast resources and act as catalyst for social organization and cohesion. The policy is expected to create an enabling environment for local enterprises to create more jobs, stimulate inclusive economic growth and develop local economies while enhancing the capacity of MMDAs to tax local enterprises.

I am optimistic that the implementation of this Policy (and its Action Plan) as a new alternative development strategy will stimulate the MMDAs to mainstream LED into their Medium Term Development Plans to fully harness the economic potentials of the Districts, for increased employment opportunities, accelerated poverty reduction, bring about economic growth and consequently a higher and improved standard of living for the people.



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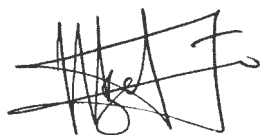
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1. INTRODUCTION

Decentralization under the Constitution designates the District Assemblies as the highest political authority in the district with deliberative, legislative and executive powers. The Local Government Act (LGA) also vests the DAs with administrative, planning and budgeting authority at the local level, with the responsibility for the overall development of their districts and enjoins all district

Assemblies to:

- Formulate and execute plans, programmes and strategies for the effective mobilization of resources necessary for local level development.
- Promote and support productive activity and social development and remove any obstacle to local development.
- Monitor the execution of development projects under approved development plans, assess and evaluate their impact on the peoples' development, the local, district, and national economy.

The provisions in the Act then provide a framework for the assemblies to focus on using local resources for local development. Over the past two decades, District Assemblies have focused on their administrative and legislative functions, to the detriment of their local economic development functions there by hindering their effort to improve quality of life and to offer greater opportunities for economic empowerment of their residents. The process of development envisioned in the decentralization program is a 'bottom-up' approach, where development programs are initiated from the local level based on the identified needs of local inhabitants. In local government authorities' quest to achieve a sustainable "home grown" development program, Local Economic Development (LED) has been the method of choice.

The introduction of LED could be seen as an alternative development strategy, to fully harness the economic potentials of the districts, for job creation and faster poverty reduction. Local Economic Development according to Ghana's National Decentralization Policy (2010), is the process by which local governments, local businesses and other actors outside the locality join forces and resources to enter into new partnership arrangements with each other or other stakeholders to create new jobs and stimulate economic activities in municipalities, towns and villages. Policies to promote job creation, the establishment of local industries as a base for industrial development and the facilitation of intra and inter district trade as well as strengthening the competitiveness of the local private sector are all part of the mandate of MMDAs in the area of economic development.

It is in this direction that the National Local Economic Development Policy is being developed for the country to help reduce poverty through increased economic growth and inclusion. The broad objective of the policy is to build up the economic capacity of a local area to improve its economic status and the quality of life for all. The policy seeks to address the following objectives:

- Improve the coordination of economic development planning and implementation; across governments and between government and donors and government and businesses and citizens at the local level;
- Enable local governments to support local economies to realize their potential and make local communities active participants in the economy of the country;
- Empower local governments to facilitate functioning partnerships between the public and private sectors in order to unlock the local economy and drive new growth;
- Provide a financing framework to coordinate funding flows in support of the strategy; and
- Promote broad based local participation in the economy

1.1. POLICY CONTEXT FOR LED IN GHANA

1.1.1 Constitutional Considerations

The 1992 Constitution places a great responsibility on DAs to facilitate LED. The part of the Constitution that lists the functions of districts does not directly include LED. This has contributed to the situation where LED has become a less lucrative mandate for districts. Rather, there is a clear implication given the posture of the Constitution and its schedules that districts have a key role in creating a conducive environment for investment through the provision of infrastructure and quality services, rather than by developing programmes and attempting to create jobs directly.

Beyond this, DAs are to play a facilitating role in respect of accessing resources locked in a range of different government support instruments for their localities. Nevertheless the issue of how to fund LED remains a matter to be addressed. In order to realize economic development, there is a need to review the powers and functions of District Assemblies as captured in the Local Government Act such that their facilitation role for economic development is properly established.

1.1.2 Local Government Considerations

The Local Government Act of 1993, Act 462 establishes the DAs as planning authorities at the local level with the legal mandate to formulate and execute plans, programs and strategies for effective resource mobilization for the overall development of the district.

However the same Local Government Act makes it clear that Local Government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities.

Thus, local economic development is about creating a platform and environment to engage stakeholders in implementing strategies and programmes. The Local Government Act (462) goes on to state that the powers and functions of local government should be exercised in a way that has a maximum impact on the social development of communities – in particular meeting the basic needs of the poor – and ensuring growth of the local economy.

1.1.3 Legal and Regulatory Framework

The policy operates within a national context and therefore hinges on relevant provisions in the 1992 Fourth Republican Constitution. Related and important legislation for decentralization and local governance in Ghana include;

- Decentralisation Policy Framework (2012)
- Local Government Act, 1993, Act 462
- National Development Planning (System) Act, 1994, Act 480
- District Assemblies' Common Fund Act, 1993, Act 455
- Local Government Service Act, 2003, Act 656
- Institute of Local Government Studies Act, 2003, Act 647
- Subsidiary legislation including the individual Establishment Instruments of the respective Assemblies and the Local Government (Urban, Town, Zonal Councils and Unit Committees) (Establishment) Instrument, 1994 (Li1589)
- Legislative Instrument 1961

1.1.4 Ghana Shared Growth and Development Agenda.

The Ghana Shared Growth and Development Agenda (GSGDA 2010-2013) recognizes that MMDAs must have the requisite capacities to fulfill their obligations effectively in order to realize the Local Government Act (462)'s vision of local government that focuses on development . The achievement of this vision is integrally linked to a supportive role by Central Government and Regional Co-ordinating Councils (RCCs) in promoting seamless and integrated service delivery and development in communities.

The GSGDA is underpinned by the concept of a unitary government wherein a de-concentration of national and regional government capacity connects with the capacities of districts to produce the required governance capability for sustainable local development. LED is one of the key priority areas under the thematic area: Private Sector Development in the District Medium Term Development Plan.

The approach to LED is based on joint private and public sector stakeholders reflecting the synergized inputs of all three spheres of government. In this regard, LED should not be just about what DAs do, but more critically what the rest of government does together with DAs. LED should therefore be a Thematic and Key Performance Area.

The Metropolitan, Municipal and District Assemblies are thus the ideal arenas for local level intergovernmental coordination in Ghana. Governments' efforts should be measured by its ability to develop a shared understanding of the needs and opportunities of these areas and the realization of integrated development outcomes in these areas (vibrant local economies).

The successor Policy Framework, Ghana Shared Growth and Development Agenda II (GSGDAII 2014-2017) also underpins the need to incorporate the concept of LED into the MTDPs of all MMDAs to create employment opportunities and reduce poverty.

1.1.5 International Protocols on LED

Ghana is a signatory to a number of international conventions and agreements which place responsibilities on the state to ensure that power and responsibilities are devolved to lower sections of the social and economic strata and promote local democracy and good governance. The policy is situated within important international commitments and initiatives which are detailed below;

- Kigali Declaration (2005) on Leadership Capacity Building for Decentralised Governance and Poverty Reduction in Sub-Saharan Africa;
- Victoria Falls Declaration (1999) on an African Vision on Decentralisation;
- Arusha Charter (1990) for Popular Participation in Development and Transformation
- Aberdeen Principles on good practice for local democracy and good governance
- Harare Declaration.
- Cardiff Consensus (2011)
- Trinidad and Tobago Affirmation on Commonwealth Values and Principles
- Singapore Declaration,
- Millbrook Action Programme
- Latimer House Principles

1.1.6 Millennium Development Goals (MDGs)

Ghana has had considerable experience with the Millennium Development Goals (MDGs). Ghana is largely on track in achieving the MDG 1 target of reducing by half the proportion of the population living in extreme poverty. The MDGs have been anchored and mainstreamed into National Development Policy Framework starting with the Ghana Poverty Reduction Strategy (GPRS I) 2003-2005 then the Growth and Poverty Reduction Strategy (GPRS II) 2006-2009, and recently Ghana Shared Growth and Development Agenda 2010-2013.

1.2 SITUATION ANALYSIS

1.2.1 Existing LED Guidelines and Initiatives

Effective Local Economic Development (LED) is critical to achieving the envisioned results of decentralization, including creating the necessary policy space for various actors to contribute to economic development. Chapter 20 of the 1992 Constitution devoted to Decentralization and Local Governance provides broad guidelines on the institutional arrangements, functions of different entities in the decentralized administration, key actors, their roles and responsibilities as well as resources. One of the key imperatives under the Constitution for achieving the envisaged decentralization is the transfer of functions, powers, responsibilities and resources from the central to local government. In addition, one of the key components of the National Decentralization Policy and Action Plan that provides the enabling space for MMDAs to facilitate economic development at the local level is LED. Broad and specific policy measures under the LED component of the decentralization policy create the incentives and policy space for local government to promote job creation, the establishment of local industries as a base for industrial development and strengthen the competitiveness of the local private sector to improve the local economies of Metropolises, Municipalities and Districts..

Furthermore, there exist numerous LED initiatives and interventions being implemented through the assistance of Development Partners but uncoordinated by Central Government. There is demonstrable evidence and good lessons emanating from these LED initiatives being supported by development partners (ILO, GIZ, and UNDP) as well as other development organizations in the districts. There are also many uncoordinated LED training interventions being sponsored by Development Partners (ILO, GIZ and UNDP). These interventions have had mixed results.

Since 1988, a number of important efforts have been made to move the decentralization process forward for enhanced local development. They include the following:

- Establishment of the District Assemblies' Common Fund to transfer funds to MMDAs to operationalise their functions.
- The development of the Functional Organisational Assessment Tool (FOAT) to facilitate and harmonize performance assessment and the provision of a District Development Facility (DDF) to coordinate development resources to District Assemblies in a manner that rewards good performance.
- The passage of several legislations on local government and decentralization to provide the requisite framework for decentralized local governance (Local Government Act (Act 462 and Institute of Local Government Studies law); and
- Formulation of Private Sector Development Strategy to improve the competitiveness of the private sector locally and globally.

In addition, Ghana's economy is mostly made up of micro, small and medium enterprises in the informal sector which is dominated mainly by women. Their efficiency and competitiveness is crucial to the country's economic growth, employment generation and poverty reduction.

1.3 CONCEPTUAL FRAMEWORK

1.3.1 Understanding LED: Some Definitions

Local Economic Development (LED): a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation within a local area. LED follows a bottom-up development paradigm aimed at ensuring sustainable economic development with an emphasis on the living conditions of the inhabitants/residents/people of the local communities. (UNDP)

The purpose of local economic development (LED) is therefore to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation. (World Bank Urban Development Unit, 2003:4)

Local economic development (LED) is a participatory process in which local citizens from all sectors work together to stimulate local commercial activity, resulting in a resilient and sustainable economy. It is a way to help create decent jobs and improve the quality of life for everyone, including the poor and marginalized. UN-HABITAT.

ILO defines LED as "a process where the local actors shape and share the future of their territory. We could define it as a participatory process that encourages and facilitates partnership between the local stakeholders, enabling the joint design and implementation of strategies, mainly based on the competitive use of the local resources, with the final aim of creating decent jobs and sustainable economic activities" (Canzanelli, 2001: 9).

The Ghana Decentralisation Policy (2011-2015) defines LED as 'the process by which local governments, local businesses and other actors join forces and resources to enter into new partnership agreements with each other or other stakeholders to create new jobs and stimulate economic activity in municipalities, towns and villages'.

1.3.2 Challenges and Issues

The situational analysis brought to the fore the key issues and challenges within the 'LED implementation Space'. Below are the issues categorized into National and Local (District) level.

1.3.2.1 District Assemblies

1. Lack of local level capacity and commitment to provide leadership and direction in policy making (by-laws and processes to regulate/ reduce the cost of doing business and maximize the involvement of people in the local economy).
2. Lack of capacity and commitment to administer policies, programmes and projects (the core function of DAs related to LED is to co-ordinate and maximise the impact of programmes and projects with respect to growth and development).
3. Lack of capacity and commitment to be the main initiator of economic development programmes through public spending, regulatory powers, and (in the case of larger districts) their promotion of industrial, small business development, social enterprises and cooperatives.
4. Inadequate resource base for LED
5. Uncoordinated LED activities at the district level
6. Low commitment of the leadership of the MMDAs on timely responses to local entrepreneurs and practical efforts at promoting LED"
7. Weak private sector to engage public sector for LED
8. Absence of adequate economic growth strategies.
9. Districts as key contributors to social and economic life but also the greatest concentrations of poverty.

1.3.2.2 Central Government

1. Absence of a national LED policy/strategy that mandates MMDAs to design and implement LED strategies and also improve coherence and delivery.
2. Absence of guidelines on LED at the national level.
3. Absence of an outfit to coordinate and consolidate LED activities in the country.
4. Lack of sector co-ordination on LED.
5. Slowness of decentralization reform process especially limited actions on fiscal and administrative decentralization.
6. Inadequate enabling environment.

1.3.2.3 Private Sector

1. Inadequate managerial skills
2. Poor entrepreneurial orientation
3. Obsolete technology
4. Lack of access to finance
5. Informal nature of businesses
6. Limited training
7. Low access to post-production infrastructure (i.e. storage, processing, transport etc)

1.3.2.4 Past LED interventions

1. Many of the LED interventions particularly the ones by MDAs are project based with weak processes for integration into Medium Term Development Plans of Assemblies.
2. The challenges associated with project based LED include defects in governance structural arrangement at the local level, poor inter-sector linkages and inherent project internal processes which do not encourage ownership, knowledge management and integration into strategic plans of local governments.

1.4 Rationale for the Policy

There have been some national policies that in one way or another enhance LED. In addition, many of the LED interventions, particularly those by MDAs are project – based with weak processes for integration into the Medium Term Development Plans of MMDAs. The absence of a national policy framework on local economic development has therefore contributed to weaknesses in standards, comprehensiveness, cohesion and effective management of LED interventions.

The LED policy framework will therefore allow Central Government to develop policies and programmes that determine how the public sector will invest, how infrastructure and services will be developed, how different economic sectors will be promoted, and how government will create a favourable legal and regulatory environment to support various aspects of economic activity. To be effective in achieving economic growth and human development objectives, these measures must be supported and reinforced by the actions of the MDAs and MMDAs, working in partnership with local communities and enterprises.

The LED policy framework will enable Central Government and MMDAs to identify and enhance the opportunities for private sector and co-operatives that have large control of vast resources and act as catalysts for social organization and cohesion. The policy is expected to create an enabling environment for local enterprises to create more jobs, stimulate inclusive economic growth and develop local economies while enhancing the capacity of MMDAs to tax local enterprises.

Local economic development is most importantly about people working together to achieve sustainable economic growth that brings economic benefits and quality of life improvements for all in the local community.

The national policy framework will enable the identification and facilitation of opportunities and constraints within the Ghanaian economy. The policy is expected to involve local people and institutions in the development of their local economies by focusing on opportunities for economic growth, employment creation through empowerment as well as social and economic transformation.

2. POLICY GOALS AND OBJECTIVES

2.0 Policy Goal

2.1 Visioning and Strategy Formulation

2.1.1 Vision Statement

To create responsive local economies for improved standards of living, economic growth and sustainable development.

2.1.2 Overall Policy Goal

To facilitate economic growth, employment and income generation in order to promote household welfare and alleviate poverty.

2.1.3 Specific Policy Objectives

Objective 1: Improve institutional arrangements and legislative framework for LED

Improve institutional arrangements for LED at all levels of government and the community through enhanced institutional, legal and regulatory framework to facilitate economic growth and employment.

Objective 2: Strengthen local economic competitiveness and LED governance

Strengthen SMEs through improved local competitiveness, transparency and accountability and stakeholder participation in LED processes.

Objective 3: Promote LED initiatives with emphasis on innovation and human development

Promote LED initiatives through an increased number of decent jobs, improved livelihoods and poverty reduction with emphasis on innovation and human development.

Objective 4: Provide urban and rural infrastructure to enhance quality service at the local level

Provide urban and rural infrastructure to support LED to ensure enhanced quality service delivery.

Objective 5: Identify and harness existing and potential natural, human and financial resources

Identify and exploit existing and potential natural resources, expertise and facilitate access to financial resources for LED.

Objective 6: Enhance Capacity of Local Economic Actors and LED Institutions

Equip local economic actors with the requisite skills, knowledge and attitudes and build capacity of LED institutions at all levels.

Objective 7: Build capacity of RCCs and MMDAs to monitor environmental impacts of LED activities.

Build capacity of RCCs and MMDAs to monitor environmental impacts of LED activities.

2.2 Funding Mechanisms for LED

A range of financing mechanisms shall be established to help promote LED. These will include the following;

- Central Government and development partners' support for the operational funding of LED activities for co-ordination of funding opportunities and operations of regional and district units.
- MMDAs develop and integrate LED activities into their budgets and annual action plans
- Parliament and DACF Administrator's Office to modify DACF guidelines to prioritize LED and thereby motivate MMDAs.
- Raising private capital, the issuance of municipal bonds, leasing transactions and entering into public – private partnership (PPP) ventures. Specific LED-related financial tools for special-purpose funds (e.g. Municipal LED Support Grant Fund (Bidding Process)municipal finance,central government special funds, loans, multiple/single-scheme based/need).
- Savings through cooperative societies and 'susu' arrangements.
- Central Government should provide the basic needs of various small settlements and make available essential and extensive infrastructure which facilitate for socio-economic development.

3. GUIDING PRINCIPLES

3.1 Guiding Principles

Ten (10) principles have been identified which are expected to guide the implementation of the LED policy. These are:

1. That the Government of Ghana has a decisive and unapologetic role to play in shaping the economic destiny of Ghana through a decentralized but bottom-up approach.
2. That creating an environment in which the overall economic and social conditions of localities in Ghana are conducive for the creation of employment opportunities is the responsibility of District Assemblies

3. That Local Economic Development is the outcome of actions and interventions resulting from local good governance and the constant improvement and integration of national priorities and programs in local spaces.
4. That local investment from the centre or private sector will only be effective where the potential and competitive advantages of each locality are known and exploited.
5. That the promotion of robust and inclusive local economies requires the concerted, coordinated action of all key stakeholders and sectors of Government centered on the application and localization of the principles indicated in approved national Development Plans from time to time.
6. That locally owned appropriate solutions and strategies must emerge to support national frameworks in local spaces and should promote sustainable development and sustainable human settlements.
7. That Ghana competes in a global and increasingly integrated world economy whose threats must be minimized and whose opportunities must be exploited through the development of local economies.
8. That private sector and co-operatives form the heart of the economy and have a crucial role to play as partners in local level development that will ultimately stimulate robust and inclusive growth and the development of local economies.
9. That people are the single greatest resource and including all inhabitants in development and increasing their skills leads to increased opportunities for stimulating local economies.
10. That local initiatives, energies, creativity, assertive leadership and skills will ultimately unlock the latent potential in local economies which will shape the direction for local economic development

3.2 Priority Cross-Cutting Issues

3.2.1 HIV/AIDS

A high prevalence of HIV/AIDS within Ghana has numerous implications for LED in terms of gender and costs.

There are biological factors which make women more vulnerable to infection than men and structural inequalities in the status of women that make it difficult for them to take measures to prevent infection which in turn also intensifies the impact of AIDS on them.

For example, the work that women carry out – paid or un-recognized – is more easily disrupted by AIDS: e.g., women dominate the informal sector where jobs are covered neither by social security nor by any occupational health benefits. The power imbalance in the workplace exposes women to the threat of sexual harassment. In most cases, they are unable to negotiate for safe sex or refuse unsafe sex.

The two major economic effects are a reduction in the labor supply and increased costs. The loss of young adults in their most productive years will affect overall productivity and growth. If AIDS is more prevalent among the economically active population, then the impact may be much larger than the absolute number of AIDS deaths indicated.

The direct costs of AIDS include expenditures for medical care, drugs and funeral expenses. Indirect costs include lost time due to illness, recruitment and training costs to replace workers, and care of orphans. If costs are financed out of savings, then the reduction in investment could lead to a significant reduction in economic growth.

3.2.2 Informal Economy

The informal sector in Ghana provides about eighty per cent (80%) of employment and makes numerous contributions to socio-economic development. The informal sector includes employment and production that take place in unregistered enterprises. Workers in the informal economy are excluded from various legal protections regimes and they are unable to access the basic benefits or enjoy the basic rights arranged for those in the formal economy. This vulnerable environment often includes unsafe and unhealthy working conditions, long working hours with insufficient and unsteady compensation, low skill and productivity levels and a general lack of access to information, markets, finance, training and technology. The policy seeks to create a dynamic, supportive and safe environment and equal opportunity in both the formal and informal sectors.

3.2.3 Women and the Physically Challenged

It is recognized generally that women have been marginalized in the development of LED interventions. Promoting women in SMEs as labour and entrepreneurs is essential for promoting opportunities directed at women in Ghana. In addition, vulnerable groups like the physically challenged and unemployed youth require full integration into economic spaces. Consideration and concern should be given to these vulnerable groups to assist their addition as key productive members of LED. The integration of these special groups in the national LED Strategy is inclusive and supportive of all local stakeholders.

3.2.4 Youth

Young people often find their businesses in the lower sections of the classification. As a result, many young people find it difficult to access essential development support for their business growth. Thus, they are marginalised. Businesses of young entrepreneurs therefore struggle to grow. Young entrepreneurs at times get frustrated and abandon their businesses to pursue other ventures (a disincentive for other young people to go into business ventures). This partly accounts for the high level of youth unemployment being experienced in the country.

Young people need adequate attention to obtain the leverage and head-start to thrive in the local economy. A fairly youth focused policy will create the enabling environment for the growth of their businesses. This would also lead to a vibrant local economic development that can be sustained over generations.

3.2.5 Climate Change

Climate change is one of the important issues facing society presently and in the future. The social and economic cost of climate change is estimated to be very high compelling the urgent need for developing the requisite technical knowledge, research skills and policy awareness to combat the envisaged adverse impact. The policy seeks to create a comprehensive climate change vision and approach and in addition, consolidate and broaden existing climate change practice in the light of technical, resource and political connotations. The policy seeks to build the capacity of key stakeholders at all levels to assess relative vulnerabilities to climate change, and to evaluate and implement adaptation options for agriculture, water, forest, and coastal zone management projects. Since all these vulnerabilities need appropriate adaptation measures to cope with climate change and sea level rise, the integration of climate change into local socio-economic development plans is therefore vital for sustainable development. Taking cognizance of the implications of climate change on LED, the MMDAs and other key stakeholders have the responsibility to respond and adapt to the changing climatic conditions. This will ensure the preservation and restoration of environmental quality.

4. THEMATIC AREAS

4.1 THEMATIC AREAS AND IMPLEMENTING AGENCIES

Thematic Area 1: Creating harmonized, coordinated and integrated framework to address local economic gaps

Key Focus Areas	Issues	Objectives	Strategies	Implementing Agencies
1. Institutional Arrangements that facilitate development of local economies	Fragmented institutional arrangements for LED	Improve institutional arrangements and legislative framework for LED	<ul style="list-style-type: none"> Establish LED Platforms at all levels Define and align roles of the respective institutions Harmonize and Coordinate institutional arrangements of LED at all levels. 	MLGRD/MoF/ NDPC/LGSS/ILGS Lead Agency: NDPC
2. Legal and Regulatory Regime	Non – existent or inadequate legal and regulatory framework for LED)		<ul style="list-style-type: none"> Identify existing LED – related legislation for review. Review and enact new laws and regulations that will facilitate LED activities Mainstream LED into all National Development Planning Process Set LED compliance standards 	Parliament, MLGRD/MoF/ NDPC/LGSS/ MMDAs Lead Agency: Attorney – General’s Department

Thematic Area 2: Strengthening local economic competitiveness and participation

Key Focus Areas	Issues	Objectives	Strategies	Implementing Agencies
1. Enterprise Development	SMEs have low comparative advantage and not competitive. Co-operatives non-existent or dysfunctional.	Strengthen local economic competitiveness and LED governance	<ul style="list-style-type: none"> Identify comparative advantages and competitiveness of localities Develop LED strategies and integrate same into the MTDP. Review legislative framework for co-operative organization and development 	MOTI/Dept. of Co-operatives/NBSSI/MMDAs/BACs/REP/ Lead Agency: NBSSI
2. Shared Ownership	LED initiatives have adopted top-down approaches		<ul style="list-style-type: none"> Involve stakeholders in LED decision-making processes Mainstream gender, PWD and vulnerable group issues into LED planning and implementation processes 	MLGRD/MoGCSP/ MELR/NALAG/MMDAs/ LOGNET/Civil Society (CSOs) Lead Agency: LOGNET
3. Social Accountability	LED initiatives have lacked transparency, accountability and participation		<ul style="list-style-type: none"> Develop LED communication strategies Build LED Information Sharing Platforms Establish Reward and Sanction Schemes for LED 	MLGRD/NCCE/MMDAs/ Civil Society (CSOs) Lead Agency: NCCE

Thematic Area 3: Creating Wealth and Reducing Poverty

Key Focus Areas	Issues	Objectives	Strategies	Implementing Agencies
1. Economic empowerment	<p>SMEs have low entrepreneurial skills.</p> <p>Individual entrepreneurs do not have any trade associations.</p> <p>Non – existent or dysfunctional co-operatives</p>	<p>Promote LED initiatives with emphasis on innovation and human development</p>	<ul style="list-style-type: none"> • Organise individual entrepreneurs into Associations • Create platforms for peer learning and innovation • Identify potential entrepreneurs through awareness creation • Develop schemes to protect property right • Create awareness to National LED interventions for job creation • Develop entrepreneurial skills • Strengthen co-operatives. 	<p>MELR/Dept. of Co-operatives/NBSSI/BAC/REP</p> <p>Lead Agency: MELR</p>

Thematic Area 4: Improving infrastructure and quality service delivery at the local level

Key Focus Areas	Issues	Objectives	Strategies	Implementing Agencies
1. Physical urban and rural infrastructure	Low level of social and economic infrastructure to facilitate quality service delivery	Provide urban and rural infrastructure to enhance quality service delivery	<ul style="list-style-type: none"> Invest in infrastructure (social services, transport, marketing and storage) Create opportunities for private sector participation in the provision of infrastructure Incorporate the use of ICT in infrastructure and service delivery. Identify basic needs of all local settlements and endeavour to provide them with social and economic infrastructure. 	NDPC/MLGRD/Ministry of Roads & Highways/MOFA/Ministry of Communication/MDAs/MMDAs Lead Agency: MLGRD
2. Services Sector	Low inter - sectoral linkages		<ul style="list-style-type: none"> Facilitate linkages and access to services (Financial, marketing, support, ICT, etc) 	NDPC/MLGRD/ Ministry of Communication/MDAs/MMDAs Lead Agency: NDPC

Thematic Area 5: Mobilising local resources for job creation and investments

Key Focus Areas	Issues	Objectives	Strategies	Implementing Agencies
1. Natural Resources	Potential natural resources not identified. Identified and potential natural resources not harnessed.	Identify and harness existing and potential natural, human and financial resources for LED	<ul style="list-style-type: none"> • Create a Geo-reference Database • Utilize Geo-reference and Socioeconomic Database for LED Planning and Utilization • Add value to natural resource base for job and wealth creation including tourism development 	MDAs, Geological Survey Dept. / Forestry Dept/RCC/MMDAs Lead Agency: MLNR
2. Human Resources	Low human resource capacity for LED		<ul style="list-style-type: none"> • Build database on LED human resource capacity • Build requisite capacities at all levels for LED • Utilize local expertise for the promotion of LED 	MoE, Tertiary Institutions, LGS,MDAs/NBSSI/RCCs/MMDAs/BAC/REP/NGOs/CBOs Lead Agency:MLGRD
	Low access to financial services		<ul style="list-style-type: none"> • Create enabling environment for accessing LED financing. • Establish mechanisms for the mobilization of financial resources (Microfinance,MASLOC, Commercial Banks, Rural Banks, Savings & Loans Companies, Credit Unions 	MLGRD/MoF/MMDAs/MASLOC/GH AMFIN, Financial institutions/NGOs Lead Agency: MoF

Thematic Area 6: Building capacity for sustainable economic growth

Key Focus Areas	Issues	Objectives	Strategies	Implementing Agencies
1. Skills Development	local economic actors do not have adequate skills, knowledge and attitudes on LED	Enhance Capacity of Local Economic Actors and LED Institutions	<ul style="list-style-type: none"> Organise education and training activities for LED actors to develop knowledge skill and attitudes on LED Develop LED Tool Kits to serve as hands-on guide Conduct institutional audit to identify capacity gaps Build district level capacity to develop LED Strategic Plans Promote learning and exchange of practice 	MELR/MLGRD/LGSS/MDAs/MMMDAs/NBSSI/BAC/REP/NYEP/LESDEP Lead Agency: MELR
2. Institutional Strengthening	Institutional capacity to facilitate LED is low.			MLGRD/LGSS/MDAs/RC Cs/MMMDAs Lead Agency: ILGS

Thematic Area 7: Minimising Adverse Environmental Impacts

Key Focus Areas	Issues	Objectives	Strategies	Implementing Agencies
Institutional Strengthening	Institutional capacity to monitor environmental impacts low	Build capacity of MMDAs to monitor environmental impacts of LED activities.	<ul style="list-style-type: none"> Conduct institutional audit to identify capacity gaps Build district level capacity to develop LED environmental impact assessment reports. 	MLGRD/MESTI/LGSS/MDAs/EPA Lead Agency: MESTI

5. IMPLEMENTATION FRAMEWORK/INSTITUTIONAL ARRANGEMENTS

5.1 Institutional Arrangements

Institution	Role
Inter – Ministerial Co-ordinating Committee (IMCC) on Decentralisation	<ul style="list-style-type: none"> • Serve as a platform or forum for receiving various LED inputs from Ministries • Endorse LED Policy Review
Ministry of Local Government and Rural Development (MLGRD)	<ul style="list-style-type: none"> • The lead central management agency and will collaborate with other sector ministries and agencies on policy planning and resource mobilization • Co-facilitate preparation of District Medium -Term Development Plans reflecting LED. • Coordinate the preparation of annual programmes reflecting LED with targets and assigned responsibilities for plan implementation with other implementing agencies
LED Advisory Council	<p>Provide the necessary political weight, banking an attention LED deserves as one of the key priorities of Government</p> <p>Provide strategic direction for the development of LED at all levels.</p> <p>Lead advocacy and dialogue efforts at the highest level government.</p> <p>Facilitate the national framework for the implementation of LED.</p> <p>Provide the platform for greater integration and closer cooperation between both LED stakeholders and sector departments involved in implementing LED.</p> <p>Review of national policy, strategy and guidelines on LED.</p> <p>Create policy, regulatory and fiscal environment.</p>
LED Secretariat	<p>Coordinate implementation as identified tasks will be the responsibility of other departments and/or agencies</p> <p>Ensure capacity development of all stakeholders; mobilise resources support LED; develop and implement appropriate communication strategy; collate documentation on LED work.</p> <p>Facilitate national, regional and district work including LED platforms, develop framework and make recommendations to the Advisory Council.</p> <p>Undertake joint monitoring and evaluation activities.</p>
LED Platforms	<p>Ensure dialogue and planning relevant to local economic development among MMDAs, civil society, community-based organizations and private sector.</p> <p>Play a key role in integrating state action, combining government and off-budget resources and energising innovation and excellence in local economic development.</p> <p>Exchange of information regarding needs and potential of the MMDAs private sector including financial institutions.</p>

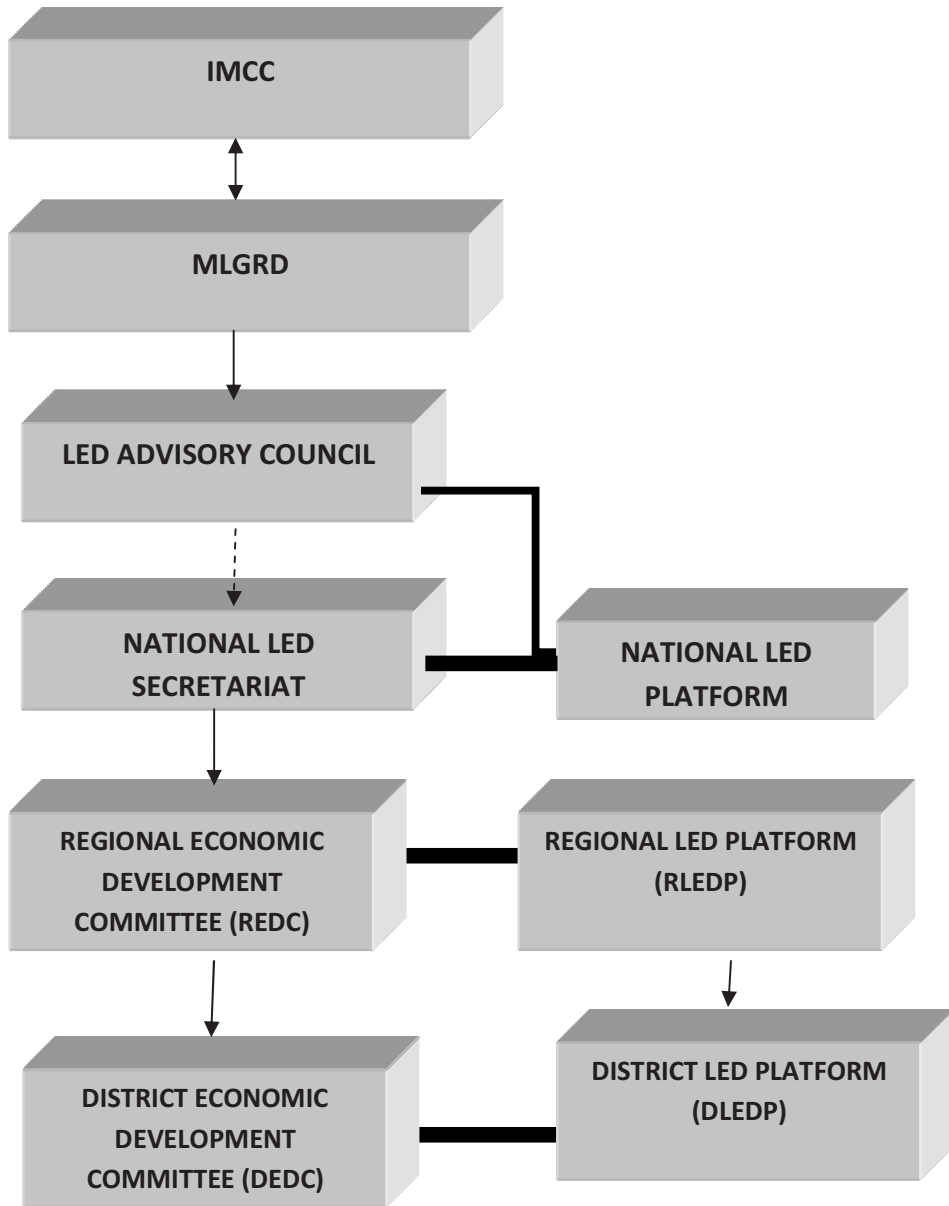


Figure 1: Institutional Arrangement for LED Framework Implementation

5.2 Roles and Responsibilities of Key Stakeholders

The role and responsibilities of key stakeholders are in the table below;

Inter – Ministerial Co-ordinating Committee (IMCC) on Decentralisation	<ul style="list-style-type: none"> • Serve as a platform or forum for receiving various LED input from Ministries. • Endorse LED Policy Review
Ministry of Local Government and Rural Development (MLGRD)	<ul style="list-style-type: none"> • The lead central management agency and will collaborate with other sector Ministries and Agencies on policy, planning resource mobilization • Co-facilitate preparation of District Medium-Term Development Plans reflecting LED • Coordinate the preparation of annual programmes reflecting LED with targets and assigned responsibilities for plan implementation with other implementing agencies • Sponsor legislations to Parliament as appropriate on LED initiatives.
LED Advisory Council	<p>Provide strategic direction for the development of LED at all levels. Facilitate national framework for the implementation of LED. Provide the platform for greater integration and closer cooperation between both LED stakeholders and sector departments involved in implementing LED. Review of national policy, strategy and guidelines on LED. Advise on policy, regulatory and fiscal environment.</p>
LED Secretariat	<p>Ensure capacity development of all stakeholders; mobilise resources to support LED, develop and implement appropriate communication strategy; collate documentation on all LED work. Facilitate national, regional and district work including LED platforms, develop framework and make recommendations to IMCC. Periodically review guidelines for LED resource utilisation Undertake joint monitoring and evaluation activities.</p>
National Development Planning Commission	<p>Formulate National Development Policy Framework reflecting LED Provide Guidelines for preparation of District Development plans (DPPs) reflecting LED Co-facilitate preparation of DPPs reflecting LED Monitor and report on LED at the national level</p>
Parliament	<p>Enactment of enabling laws to enhance the development of LED. Approval of adequate financial resources for MMDAs for the development of LED.</p>
MDAs	<ul style="list-style-type: none"> • Spearhead policy making, regulation, coordination, monitoring and evaluation, funding, investment promotion • Enforcement, implementation of regulations, direct investments, advocacy, resource mobilization, networking • Service provision, capacity building, M&E, job creation

MMDAs	<p>Provide conducive legal and regulatory environment for the promotion of LED.</p> <p>Identify local level resources and opportunities</p> <p>Ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities.</p> <p>Provide infrastructural support to facilitate local economic development</p> <p>Facilitate participatory decision making and partnership building with non – state actors (including private enterprises, professional associations, unions, co-operative societies, organised labour NGOs, CBOs and traditional authorities) on the direction of local economic development.</p>
Private Sector/ Co-operatives	<ul style="list-style-type: none"> • Provide services and products • Mobilize resources and direct investments
NALAG	<p>Build a better understanding of LED and of the role of local government in LED.</p> <p>Raise the profile of LED in MMDAs</p> <p>Encourage the sharing of international and national good practices on LED</p>
Civil Society	<p>Active involvement in the local development process.</p> <p>Engagement with local stakeholders and MMDAs for improved LED policies and programmes.</p>
Community	Local ownership of LED initiatives

6. MONITORING AND EVALUATION ARRANGEMENTS

To enable the Government and the general public to monitor progress of policy implementation, the existing M and E systems must be used and provisions for LED M&E integrated into them. An efficient system of reporting will be developed and this will be related to the work of all the implementing organizations at all levels (national, regional and district). This will ensure a systematic supply of information to all the responsible parties on how successfully they are moving towards the goals and tasks set by the policy.

Baseline quantitative and qualitative data on the current situation of each local economy should be collected at the initial stages and utilized to evaluate the selected projects and efforts at implementation effectiveness.

It is important that the local community is informed of LED implementation and its goals and achievements. Local community members should be aware of the economic situation in the districts, improvements, and what steps may be taken by specific persons to provide assistance in meeting the community economic goals. This will require effective exchange of information to gauge public opinion and provide feedback to the implementing organizations.

Monitoring and evaluation will be formulated at two levels: (a) continuous monitoring at the programme level and (b) an annual review on key policy areas by MLGRD with technical support from the Institute of Local Government Studies (ILGS). Beneficiary or community level participatory assessment as a third level of M & E will be conducted in order to enhance ownership of LED and enable ordinary citizens drive the process.

6.1 Continuous Monitoring at the Programme Level

Progress in achieving LED strategic objectives will be assessed against set objectives. Progress made in achieving specific targets will form the basis for refining the annual programme and investments identified in the programme of work. Monitoring of the plan will be performed by the District LED Monitoring Committee (DMC) comprising representatives of all of the key LED stakeholders/partners at district and local level – organized and informal businesses and labour organizations and civil society.

Monitoring will be done continuously and would involve a systematic process of collecting, analyzing and disseminating information to show improvements in programme management and guide resource allocation. Monitoring will be connected to the implementation of annual programme of work and will involve quarterly collection and assessment of the performance of different components of the programme of work. It will seek to determine whether activities are being implemented as planned, milestones achieved and outputs delivered. Monitoring will also entail tracking progress towards goals and objectives.

The policy also envisages a role for civil society organizations and citizens to hold MMDAs accountable on the provisions of the policy and to engage government regularly on the progress of implementation. Citizens will have the opportunity to express their views on the performance of MMDAs in various areas and exercise their demand for accountability at various levels. The rationale for this process is to ensure whether people are getting satisfactory services at the local level or not, to identify the problems and to provide appropriate solutions.

6.2 Periodic Reviews

Policy and programmes will be reviewed regularly taking cognizance of feedback from monitoring and evaluation reports. Annual reviews of the programme of work will take place at all levels, from district, regional to national. In-depth reviews of key areas will be conducted on a selective basis as part of the annual review process. The reviews will involve in-depth analysis of the content and variables affecting performance. In addition, these reviews will assess the relevance, efficiency, effectiveness, adequacy, sustainability and impact of the components of the programme of work.

A monitoring and evaluation process is of great importance in identifying if programs' tasks are achieved and what changes are required to continue the work in the right direction. M & E outputs would form critical inputs for policy review. Policy review will be contingent on unfolding LED practice and critical assessments produced at all levels.

Several stakeholder consultations will be held at the district, regional and national levels. MDAs, MMDAs, district sub structures, traditional authorities, Development Partners, private sector, civil society, organized labour unions, NGOs, CBOs and FBOs will be engaged in serious discussions and consultations at all these levels.

National, regional and district review fora will also be held to deliberate on key issues for consensus building.

7. COMMUNICATION STRATEGY

The effective delivery of the National LED Policy requires a clear understanding on the part of all key stakeholders. The policy will take cognizance of and utilize existing communication strategies from national to the local levels. This is based on the understanding that Planning guidelines require each sector and districts to have communication guidelines

7.1 Focus of the Communication Strategy

The objective of the communication plan is "to disseminate and create awareness of the policy among key stakeholders and generate feedback to promote ownership and attainment of the goals, objectives and targets of the policy".

In communicating the National LED Policy, the communications strategy represents a coherent plan of action, whose strategy is to take cognizance of the following factors;

1. Clear articulation of the goals, objectives and targets to be achieved by the various key stakeholders;
2. Promoting understanding of the possible operational constraints and imperatives and what is required to innovatively address or mitigate any adverse effects;
3. Identify the objective environmental conditions of local economic development and shape perceptions about it.

The information and feedback generated from the communication activities will be fed back into annual planning and is expected to bring the perspectives of stakeholders into annual planning and decision making processes at all levels. This will enable the delivery of appropriate programmes that meet the needs of the ultimate beneficiaries. A good knowledge of the LED policy document and national LED operationalization processes will provide a basis for action by communities in terms of seeking support from both state and non-state actors in order to execute and achieve some of the projects and activities articulated for their communities for example in community action plans. It can also enhance monitoring of the activities of agencies involved in the implementation of components of LED in their communities. The LED policy document will be extensively disseminated to relevant MDAs, MMDAs, development partners, private and non-governmental organisations.

7.2 Audience

It is crucial that at the district level, which is the nerve centre of LED activities, information on District Plans, budgets and strategies should be shared with MDAs, MMDAs, Assembly staff, Assembly Members, Heads of Departments, district sub structures, Development Partners, the private sector, civil society, organized labour unions, traditional authorities, NGOs, CBOs, FBOs and citizens whose activities directly contribute to the attainment of the goals and objectives of local economic development.

Through interactive dialogue, the various roles and responsibilities of all stakeholders will be articulated and agreed. Cross – cutting themes, areas of collaboration and joint action will be identified. The communication process will also be used to refine joint monitoring and evaluation processes.

7.3 Channels and Tools of Communication

Basically, the MLGRD through the LED Secretariat will play a key role in the preparation of the LED policy document while the Information Services Department focuses on the dissemination of the document to the stakeholders at the national, regional and district levels. Different channels and tools will be employed. Some of the means of dissemination that can be used include the following:

- Organized community based public fora (forum or community meetings)
- Policy dialogues at regional and district levels;
- Advocacy through local news media (radio, newspapers, handbills, bulletin in the regions and districts);
- Use of community - owned information and communications systems such as drama, forums etc. to convey key aspects of the LED document by the stakeholders themselves and thereby stimulate further action, especially the monitoring of programmes implemented in their communities;
- Sharing experiences and best practices for meaningful development impact through the use of mechanisms such as the District Business Registers.

7.4 Policy Dissemination

Policy dissemination is crucial for sensitisation. Mechanisms for dissemination will include circulation of the policy to the assemblies and organization of dissemination workshops at the local level.

8. The LED Policy Action Plan

Five – year Action Plans (2014 – 2018) for National and MMDAs have been developed to facilitate the operationalisation of the LED policy. The Action Plans will be consistent with medium term development plans or provision for alignment made under each of the action areas, there are four (4)

aspects:

- a) the policy measures: these are the policy measures identified under each of the ten (10) policy objectives in the main policy framework
- b) key activities: these are the minimum tasks to be undertaken in that particular action area to realize the identified policy measures and eventually, the policy objective. The plan recognizes that there are other, earlier, related initiatives being undertaken under various programmes and projects in the local government sector and in other sector and partner relations with the Assemblies. Those identified here are intended to complement those ongoing activities as well initiate other relevant interventions.
- c) the time frame for the Action Plan is five years. Year 1 (January 2014 to December 2014); Year 2 (January 2015 to December 2015), Year 3 (January 2016 to December 2016), Year 4 (January 2017 to December 2017) and Year 5 (January 2018 to December 2018)
- d) responsible Agencies: The organizations with primary or lead responsibility for ensuring implementation of these activities are presented in this column. The secondary stakeholders will be drawn from the parties in implementation framework outlined in the policy document.

8.1 National Action Plan

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
Improve institutional arrangements and legislative framework for LED	Create harmonized, coordinated and integrated framework address local economic gaps	Review of legal and regulatory issues related to LED	Enactment of new laws and review of legal and regulatory regimes affecting LED	X					MLGRD/MoF/NDPC/ILGS Lead Agency: NDPC
		Facilitate the formulation of a national local economic development framework to guide MMDAs	Undertake a review of initiatives, studies and lessons learned on LED and local level Public Private Partnerships in Ghana	X					MLGRD/MoF/NDPC/ILGS Lead Agency: MLGRD
			Establish the Local Government Finance Authority (LGFA)	X					MLGRD/MoF Lead Agency: MoF
			Create awareness on Public-Private Partnerships (PPP) framework to promote LED	X					MLGRD/MoF/MoTI/MOFA/MESTI/Min of Tourism/NDPC/ILGS Lead Agency: NDPC
			Create awareness and educate MDAs/MMDAs and general public on MFMI, LED and PPP policies	X	X				MLGRD/MoF Lead Agency: MoF

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
			Strengthen MMDAs financial management capacity and capital mobilization capabilities	X	X				MoF/MLGRD/NDPC/ILGS Lead Agency: MoF
			Sensitize MMDAs on the LED Guidelines and PPP Framework	X	X				MLGRD/MoF/NDPC/ILGS Lead Agency: ILGS
			Develop technical guidelines and manuals of procedures for capital mobilization	X					MLGRD/MoF/NDPC/ILGS Lead Agency: ILGS
Promote LED initiatives with emphasis on innovation and human development	Create wealth and reduce poverty	Promote the strengthening and capacity building of trade associations and co-operatives	Organize individual entrepreneurs into associations Develop entrepreneurial skills Strengthen co-operatives	X	X	X	X	X	MESW/Dept. of Co-operatives/NBSSI/BA C/REP Lead Agency: MELR
Provide urban and rural infrastructure to enhance quality service delivery	Improve infrastructure and quality service delivery at the local level	Promote the improvement of infrastructure through direct government and private sector participation	Provide social and economic infrastructure	X	X	X	X	X	NDPC/MLGRD/MRH/MOFA/MoC/MDAs/MMDAs Lead Agency: MLGRD

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
Improve institutional arrangement and legislative framework for LED	Create harmonized, coordinated and integrated framework to address local economic gaps	Promote the development and implementation of local level strategies for local level economic development.	Set up regional LED coordinating teams		X	X			MLGRD/MMDAs Lead Agency:
								MMDAs	
Strengthen local economic competitiveness and LED governance	Strengthen local economic competitiveness and participation		Formulate local strategies for LED		X	X			MLGRD/MoF/ MoTI/MOFA/MESTI/ MoT/NDPC/ILGS Lead Agency: MLGRD
								MLGRD/MMDAs/ NDPC Lead Agency: NDPC	
			Integrate LED strategies into district development activities		X	X			LED Secretariat Lead Agency: LED Secretariat
			Implement activities in MMDAs		X	X			MLGRD/MMDAs Lead Agency: MMDAs
		Encourage Assemblies to deepen consultations and publicize fee fixing resolutions on a timely basis	Ensure community participation in fee fixing consultations	X	X				MLGRD/LGS/ILGS Lead Agency: MLGRD
			Develop guidelines for ensuring participation and conducting consultations based on the experiences of successful assemblies	X	X				

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
			Encourage Assemblies to budget or make appropriate provision for consultations and implement these.	X	X	X	X		MLGRD/ILGS Lead Agency: MLGRD
Identify and harness existing and potential natural, human and financial resources for LED	Mobilising local resources for job creation and investment.	Facilitate the development of guidelines for public-private partnership at the local level.	Develop local guidelines for PPP	X					MLGRD/MoF/NDPC/ ILGS Lead Agency: MoF
			Sensitize stakeholders on guidelines	X					MLGRD/NDPC/ILGS Lead Agency: ILGS
			Formulate local level PPP strategies for the development of SMEs	X					MLGRD/MoF/ MoTI/MOFA/MESTI/ MoT/NDPC/ILGS Lead Agency: NDPC
			Implement PPP strategies		X	X	X		MLGRD/ MoTI/MOFA/MESTI/ MoT /MMDAs Lead Agency: MMDAs
Identify and harness existing and potential, natural human and financial resources	Mobilise local resources for job creation and innovation	Encourage Assemblies of pro-actively collaborate with key local level agencies	Identify capacity requirements of relevant decentralized agencies such as the		X				MLGRD/LGSS: /ILGS Lead Agency: LGSS

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
for LED			Departments of Community Development, Cooperatives and the BACs)						
			Identify mechanisms for local level collaboration with small business associations (SBAs) and econpomnic groupings	X					MLGRD/MoTI/MOFA/MESTI/ MoT/ILGS Lead Agency: NBSSI
Strengthen local economic competitiveness and LED governance	Strengthen local economic competitiveness and participation		Organize orientation for Led teams on collaborative and participatory practices	X					MLGRD/LED Secretariat /ILGS Lead Agency: ILGS
Identify and harness existing and potential natural, human and financial resources for LED	Mobilise local resources for job creation and innovation		Provide finanacial and other resource support to departments for monitoring and evaluation of LED activities (including Departments of Community Development, Cooperatives and NBSSI	X	X	X	X	X	MLGRD/MoF/ Secretariat Lead Agency: LED Secretariat

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
Build capacity of MMDAs to monitor environmental impacts of LED activities	Minimise adverse environmental impacts	Provide capacity building interventions for environmental monitoring	Organise capacity building to develop LED environmental impact assessment reports	X	X	X			MLGRD/MESTI/LGSS /MDAs/EPA Lead Agency: MESTI
Strengthen local economic competitiveness and LED governance	Strengthen local economic competitiveness and participation	Provide platforms for sharing information among Assemblies on good practices and lessons learned in LED and SME support.	Organize best practice forums on LED at the regional and national levels	X	X	X	X	X	MLGRD/LED Secretariat/RCCs/ILGS Lead Agency: LED Secretariat
			Organize post-forum LED skills building workshops	X		X	X	X	MLGRD/LED Secretariat /ILGS Lead Agency: ILGS

8.2 Metropolitan, Municipal and District Assemblies Action Plan

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
Improve institutional arrangement and legislative framework for LED	Create harmonized, coordinated and integrated framework to address local economic gaps	Development and implementation of local level strategies for local level economic development.	Sensitize MMDAs on the LED Guidelines and PPP Framework	X					RCCs/REDCs/ Regional Platform Teams Lead Agency: Regional Platform Teams
			Establish sub-committees on District Economic Development (DEDCs)	X					MMDAs General Assemblies Lead Agency: MMDAs
			Set up District LED Platform teams	X					Regional LED Platform Teams/MMDAs
Identify and harness existing and potential natural, human and financial resources for LED	Mobilise local resources for job creation and innovation		Capacity building for DEDCs/ District LED Platform teams	X					Lead Agency: Regional LED Platform Teams RCCs/REDCs/Regional Platform Teams Lead Agency: Regional Platform Teams
			Sensitisation and awareness creation on LED in districts	X					MMDAs/ISD Lead Agency: ISD
Provide urban and rural infrastructure to enhance quality	Improve infrastructure and quality		Provide human, financial, infrastructural and	X	X	X	X	X	Central Government/ MMDAs

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
service delivery	service delivery at the local level		other resource support for LED implementation Conduct Baseline Study on LED for future impact assessments	X					Lead Agency: MMDAs DEDGs/District Platform Teams
Strengthen local economic competitiveness and LED governance	Strengthen local economic competitiveness and participation		Formulate local strategies for LED	X					Lead Agency: District Platform Teams DEDGs/District Platform Teams, DPCU, Decentralised Depts.
Strengthen local economic competitiveness and LED governance	Strengthen local economic competitiveness and participation		Integrate LED strategies into district development plans as a central issue	X					Lead Agency: District Platform Teams MMDAs General Assemblies, DEDGs/District Platform Teams, DPCU, Decentralised Depts. Lead Agency: District Platform Teams

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
Identify and harness existing and potential natural, human and financial resource for LED	Mobilise local resources for job creation and innovation		Creation/Update of databases on local enterprises and economy	X	X	X	X	X	DEDCs/District Platform Teams, Decentralised Depts. Lead Agency: District Platform Teams
Enhance capacities of local Economic Actors and LED Institutions	Build capacities for sustainable economic growth		Strengthen MMDAs financial management and capital mobilization capabilities	X	X	X	X	X	DEDCs/Finance sub committees/District platform Teams, Decentralised Depts. Lead Agency: District Platform Teams
			Implement technical guidelines and manuals of procedures for capital mobilisation	X	X	X	X	X	DEDCs/Finance sub committees/District platform Teams, Decentralised Depts. Lead Agency: District Platform Teams

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
Strengthen local economic competitiveness and LED governance	Strengthen local economic competitiveness and participation		Implementation of LED strategies	X	X	X	X	X	DEDCs/District Platform Teams, Decentralised Depts. Lead Agency: District Platform Teams
Identify and harness existing and potential natural, human and financial resources for LED	Mobilise local resources for job creation and innovation		Development of strategic business development plans for priority sub-economic sectors	X					DEDCs/District Platform Teams, DPCUs/Decentralised Depts. Lead Agency: District Platform Teams
Promote LED initiatives with emphasis on innovation and human development	Create wealth and reduce poverty		Development /Strengthening of small business associations/co-operatives	X	X	X	X	X	NBSSI, BAC, Dept. of Co-operatives Lead Agency: BAC
Enhance capacities of Local Economic Actors and LED Institutions	Build capacities for sustainable economic growth		Capacity building for business enterprises	X	X	X	X	X	NBSSI, BAC, Dept. of Co-operatives Lead Agency: BAC

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
Identify and harness existing and potential natural, human and financial resources for LED	Mobilise local resources for job creation and innovation		Develop and promote funding sources for Led projects.	X	X	X	X	X	Central Govt./MMDAs Lead Agency: MMDAs
Strengthen local economic competitiveness and LED governance	Strengthen local economic competitiveness and participation		Ensure community participation in fee fixing consultations	X	X	X	X	X	Finance sub – Committee, DPCU, CSOs Lead Agency: Finance sub – Committee
			Develop guidelines for ensuring participation and conducting consultations based on the experiences of successful assemblies		X				District Platform Teams, Dept of Community Development, CSOs Lead Agency: Regional Platform Teams
			Encourage Assemblies to budget or make appropriate provision for consultations and implement these.		X	X	X	X	Finance sub – Committee, DPCU Lead Agency: Finance sub – Committee

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
Identify and harness existing and potential natural, human and financial resources for LED	Mobilise local resources for job creation and innovation	Development of guidelines and stakeholder sensitization on public-private partnerships at the local level.	Sensitise MMDAs on public-Private partnership arrangements		X				General Assemblies, District Platform Teams, DEDC Lead Agency: Regional Platform Teams
			Develop local guidelines for PPP		X				General Assemblies, District Platform Teams, DEDC Key Agency: District Platform Teams
			Sensitize stakeholders on guidelines		X	X			District Platform Teams, DEDC Key Agency: District Platform Teams
			Formulate local level PPP strategies for the development of SMEs		X				MMDAs, District Platform Teams, DEDC Key Agency: District Platform Teams

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
			Implement strategies		X	X	X		MMDAs, District Platform Teams, DEDC Key Agency: District Platform Teams
Identify and harness existing and potential natural, human and financial resources for LED	Mobilise local resources for job creation and innovation	Assemblies to pro-actively collaborate with key local level agencies	Identify capacities requirements of relevant decentralized agencies such as the Departments of Community Development, Cooperatives and the BACs)		X				MMDAs, District Platform Teams Key Agency: MMDAs
Strengthen local economic competitiveness and LED governance	Strengthen local economic competitiveness and participation		Identify mechanisms for local level collaboration with small business associations (SBAs) and economic groupings Organize orientation for LED teams on collaborative and participatory practices		X				NBSSI, BAC, Dept. of Co-operatives, CSOs Key Agency: BAC NBSSI, BAC, Dept. of Co-operatives, CSOs Key Agency: BAC

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
			Organize district level information sharing meetings on local economic development		X	X	X		DEDCs/District Platform Teams, ISD, CSOs Key Agency: District Platform Teams
Identify and harness existing and potential natural, human and financial resources for LED	Mobilise local resources for job creation and innovation		Provide financial and other resource support to departments for monitoring and evaluation of LED activities (including Departments of Community Development, Cooperatives and BACs)	X	X	X	X	X	MMDAs
Strengthen local economic competitiveness and LED governance	Strengthen local economic competitiveness and participation		Monitoring and evaluation of LED activities	X	X	X	X	X	DEDCs/District Platform Teams, ISD, CSOs Key Agency: District Platform Teams
Promote LED initiatives with emphasis on innovation and human development	Create wealth and reduce poverty	Promote inter-district trade and harmonize / resolve multiple taxes on same goods/ services	Organize annual district fairs on local economic development			X	X	X	RCCs/MMDAs, DEDCs/District Platform Teams, BAC/Department of Co-

Objectives	Thematic Areas	Policy Measures	Key Activities	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Responsible Agencies
									operatives, ISD, IRS, Private sector, Co-operatives Key Agency: District Platform Teams
		Provision of platforms for sharing information among MMDAs on good practices and lessons learned in LED and SME support.	Organizen best practice forums on LED at the district level		X	X	X	X	MMDAs, DEDCs/District Platform Teams, Private sector, Co-operatives, CSOs Key Agency: District Platform Teams
Enhance capacities of local economic Actors and LED Institutions	Build capacities for sustainable economic growth		Organize postforum LED skill building workshops		X	X	X	X	MMDAs, DEDCs/District Platform Teams, Private sector, Co-operatives, CSOs Key Agency: District Platform Teams