



**PROMOTING LOCAL ECONOMIC DEVELOPMENT TO CREATE JOBS**

**REPORT OF THE HIGH-LEVEL BREAKFAST  
MEETING HELD AT AH HOTEL, ACCRA, ON  
FRIDAY, 9<sup>TH</sup> SEPTEMBER, 2022**



**INCLUDE**

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## Acronyms

Acronym	Meaning
1D1F	One District One Factory
DACF	District Assemblies Common Fund
DCACT	District Centre for Agriculture, Commerce and Technology
EXIMBANK	Export and Import Bank
GEA	Ghana Enterprises Agency
GEPA	Ghana Export Promotion Authority
ILGS	Institute of Local Government Studies
IMCCoD	Inter-Ministerial Coordinating Committee on Decentralisation
LED	Local Economic Development
LGs	Local Governments
MAG	Modernising Agriculture in Ghana
MLGDRD	Ministry of Local Government, Decentralisation and Rural Development
MMDAs	Metropolitan, Municipal and District Assemblies
MMDCEs	Metropolitan, Municipal and District Chief Executives
MoFA	Ministry of Food and Agriculture
NDPC	National Development Planning Commission
NEIP	National Entrepreneurship and Innovation Programme
NGLED	New Generation Local Economic Development
NIB	National Investment Bank
NYA	National Youth Authority
OHLGS	Office of Head of Local Government Service
PPMED	Policy, Planning, Monitoring and Evaluation Division

# **BREAKFAST MEETING ON PROMOTING LOCAL ECONOMIC DEVELOPMENT TO CREATE JOBS**

## **Executive Summary**

On Friday, 9<sup>th</sup> September 2022, the Institute of Local Government Studies (ILGS) in collaboration with the Ministry of Local Government, Decentralisation and Rural Development (MLGDRD) held a High-Level Breakfast Meeting on Local Economic Development (LED) at the AH Hotel in Accra. The meeting was held to discuss three emerging issues following the study conducted by ILGS on “Promoting Local Economic Development” and subsequent lessons from the “Nationwide Training on New Generation Local Economic Development”. The Dutch platform on Inclusive Development (INCLUDE) provided financial support to ILGS to undertake the study while the Inter-Ministerial Coordinating Committee on Decentralisation (IMCCoD) and Global Affairs, Canada provided financial support for the training programme.

The study revealed that the “enabling environment” concept that underpins municipal governments’ approach to local economic development (LED) had become very much a cliché or a veil behind which very little is done to promote economic products to create jobs and income growth at the local level. Based on the findings of the study, from April to May 2022, the MLGDRD in collaboration with the Modernization of Agriculture in Ghana (MAG) Secretariat and the ILGS conducted training on new generation LED. About 1300 LG officers from the 261 MMDAs participated in the training.

It was against the backdrop of the study’s findings as well as lessons from the training that a small group of the sector’s policy makers and technocrats were invited to a Breakfast Meeting to discuss and take decisions on three emerging issues that have implications on LED policy, programmes and strategies.

The meeting took the following decisions:

- a) The 2020 LED policy be reviewed to take into consideration the recommendations arising from the study and the new generation approach which requires LGs to go beyond ‘enabling environment’ to capacitation and investment into direct productive sectors. The meeting also recommended that the MLGDRD coordinates all LED-related interventions and programmes that are implemented by many public institutions. In addition, the review of the policy should create a LED unit in the Trade and Industry department of MMDAs with staff to coordinate all LED initiatives at the district level. A committee of five persons to be led by the Deputy Minister Hon Collins Ntim was set up to review the 2020 LED policy taking into consideration the decisions taken.
- b) The ILGS is to organize LED Investment Fair to bring some of the MMDAs to showcase their LED products to development partners, private investors, social investors and public corporations and see if any of them can attract economic partnerships. The ILGS would contact the potential Partners and work towards organising the Fair in the second week of October.



- c) Funding the MMDAs LED strategic plans. Prof Awortwi was tasked to finalise the proposal to Global Affairs Canada and submit it to the Deputy Minister for Local Government, Decentralisation and Rural Development for further processes.

# **BREAKFAST MEETING ON**

## **PROMOTING LOCAL ECONOMIC DEVELOPMENT TO CREATE JOBS**

### **1.0 Introduction**

#### **1.1. Context**

In line with Ghana's long-standing decentralisation and local governance policies and laws; Metropolitan, Municipal and District Assemblies (MMDAs) are mandated to harness the economic potentials of localities to create jobs and reduce poverty [Section 12(1)(b) of the Local Governance Act, 2016 (Act 936)]. However, in practice over the years, the focus on decentralisation and local governance had been on bringing government and services closer to the people with less attention to LED and job creation. The marginalisation of LED and job creation at the MMDA level comes at the back of an ideological shift that "it is not the business of the government to do business or create jobs". The 'enabling environment' concept that was introduced in the 1990s pushed MMDAs to the backseat of promoting productive sectors with the expectation that private enterprises will take the front seat and create jobs.

In 2020, the MLGDRD developed the national LED policy. The goal of the policy was "to promote a conducive environment at the MMDA level for sustained local business growth, creation of decent employment opportunities and economic empowerment for all Ghanaians." To achieve this goal, the policy sets 8 objectives and 5 implementation strategies and tasked MMDAs to consciously work with the sector's departments and agencies, development partners, the private sector and relevant local groups and associations to promote LED and improve income levels of the people.

Prior to 2020; the MLGDRD had designed a similar LED policy in 2013 but few of its objectives were achieved because of: (i) operational challenges including a weak understanding of LED and its potential benefits to MMDAs, (ii) inadequate clarity about the leadership of the policy, steering and implementation; and (iii) poor consultation and difficulty in fostering public-private partnership at the district assembly level.

A study conducted by the ILGS on LED initiatives by MMDAs reveals that the "enabling environment" concept had become very much a cliché or a veil behind which many MMDAs do little beyond organization of training workshops and business forums. At best a few acquire land banks but they rarely invest or attract private investment to them. Despite MMDAs spending between 5-10% of their total revenue on LED, product development and job creation are conspicuously absent. The study argues that the situation can be reversed if MMDAs adopt a more proactive and pragmatic approach by leading, coordinating and capacitating enterprises to develop competitive local products and effectively promote their branding and marketing for the local and international market.

From April to May 2022, the Ministry of Local Government, Decentralisation and Rural Development (MLGDRD) in collaboration with the Modernization of Agriculture in Ghana (MAG) Secretariat and the ILGS conducted training on new generation LED. About 1300 officers made

up of Metropolitan, Municipal and District Chief Executives (MMDCEs), Development Planning Officers, Coordinating Directors, Physical Planning Officers, Agriculture Officers, Business Advisory Centre Officers, and Finance Officers from the 261 MMDAs participated in the training.

The new generation LED training was to help change the mindset and attitude of LG officers to think as entrepreneurs and to change the erroneous perception that LGs are inherently poor at promoting productive sectors. It was to promote a change from understanding the MMDAs simply as bureaucratic, regulatory and enforcement bodies towards a more economic and developmental vision.

During the training, all the 261 MMDAs presented their LED products, the strategies for creating an average of 2000 jobs per district, and rough estimates of the budget needed. Each of the MMDAs received comments from their peers and experts. Since the NGLED training, 216 out of 261 MMDAs revised and submitted their LED strategic action plans taking into consideration their districts' comparative and competitive advantages. The LED products that the MMDAs developed could be clustered into six:

- Food crop production and processing;
- Poultry and animal production;
- Fish farming;
- Small scale agro-industries and textiles;
- Tourism
- Services

The MMDAs are looking for strategic development partners for support to implement their LED products and offer them to the local and international market, and further create jobs and income growth.

It was against this background that a small group of the sector's policymakers and technocrats were invited to a Breakfast Meeting to discuss the new generation LED (NGLED) approach and its implications on LED policy, programmes and strategies, and the localization of the national agenda for job creation.

## **1.2. Issues tabled for discussions**

Three issues were tabled for consideration:

1. The ILGS believes that while some of the elements of NGLED can be located in the 8 policy objectives, it may be ideal that the NGLED programme and organizational management and strategies were made more explicit in the policy document especially now that almost all the MMDAs had submitted their LED plans.
2. The ILGS with the support of INCLUDE (a Dutch platform on inclusive development) wants to organize LED investment fair with the objective of bringing 25 of the MMDAs to present their LED plans to development partners, private investors, social investors and public corporations and see if any of them can attract economic partnerships.
3. Two hundred and twelve (212) out of the 261MMDAs had submitted their LED strategic plans. The ILGS has put the plans together in a form of a project proposal to create 0.5million jobs. It was the objective of the proposal that the MLGDRD would request a

grant of GHC600,000,000 (CAD88.9million) from the Global Affairs, Canada to implement the 6 programmes in the proposal.

### **1.3. Attendance**

Participants present at the meeting were:

1. Hon. Collins Ntim (Deputy Minister of LGDRD) - Chairperson
2. Hon. O.B Amoah (Deputy Minister of LGDRD)
3. Ms. Marian Kpakpah (Chief Director, MLGDRD)
4. Mr. Dennis Aboagye (Executive Secretary, IMCCoD)
5. Dr. Mensah Abrampah (Director General, NDPC)
6. Ms. Lilian Baeka (representing the Head of OHLGS)
7. Prof. Nicholas Awortwi (Director, ILGS)
8. Ms. Irene Owusu (Deputy Director, MLGDRD)
9. Mr. David Osei Wusu (Registrar, ILGS) - Moderator

The following staff of the ILGS were also present to provide the relevant support to the organisation of the programme:

1. Mr. Kwasi Larnyoh (Head, ILGS LED Centre) – Rapporteur
2. Ms. Edith Duodu-Sakyiama (Public Relations Officer)
3. Mr. Michael Letsa (IT Assistant) – IT Support
4. Mr. Ishmael Derek Yeboah (Finance Officer)

## 2.0. Activities

### 2.1 Opening

The Chairperson for the event, Hon. Collins Ntim opened the meeting on behalf of the sector minister, Hon. Dan Botwe. He indicated that the Hon. Minister was happy about the meeting and that he was looking forward to its outcomes for further uptake. Hon Ntim continued by stating that, the issue of job creation is of utmost importance to the Ministry. Also, there is the recognition that the future of jobs is not in the offices but it lies with the actors on the ground to propel development. The Deputy Minister hinted that the Ministry was making efforts to get the current LED policy reviewed to reflect the role expected of MMDAs in job creation. He commended the ILGS for organising the Breakfast Meeting which he described as very crucial and timely.



*Hon. Collins Ntim, Deputy Minister of LG, Decentralisation and Rural Development delivering the opening statement*



*Hon. O. B Amoah, explaining a point*

### 2.2 Presentation

Prof. Nicholas Awortwi made a presentation on the topic **“Promoting Local Economic Development to Create Jobs: Lessons from the Nationwide Training on New Generation Local Economic Development and Emerging Issues”**.

Prof Awortwi highlighted that with the New Generation LED, several things have to change including:

1. Change in ideology and strategy: Beyond the enabling environment, it's the business of LGs to do business that creates jobs and improves the incomes of the people.
2. Direct investment and support by LGs in productive economic sectors/activities:
  - ✓ LGs take the lead where there is no private sector interest
  - ✓ Partnering the private sector with capital, technology and access to the market (capacitation)
  - ✓ Creation of wage employment in productive sectors (labour-intensive productive sectors, construction, agriculture, etc.)
  - ✓ Separation of ownership of LG productive sectors from management (in the form of corporations/private sector management)

- ✓ Institutional arrangements for LED governance (Municipal Private Partnership using Economic Special Purpose Vehicle)
- 3. Mindset & attitudinal change: that government can be efficient as the private sector in the management of productive sectors (new public management)
  - ✓ Changing the understanding that MMDAs are just bureaucratic, regulatory and enforcement bodies for a developmental LG.



*Tomatoes and Rice – Berekum*



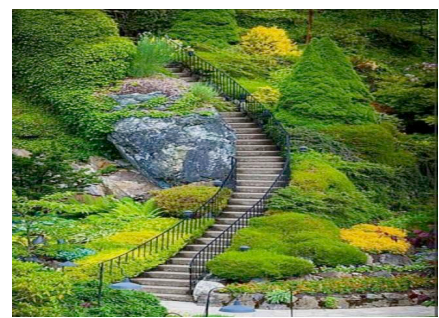
*Gari – Upper Manya Krobo*



*Pineapple juice and Plantain Chips – Afigya Kwabre North*



*Ancestral Slave River – Assin South*



*Oxygen City and 500 steps project – Ho*





*Fish farming – New Juaben South and Tarkwa Nsuaem*

Focusing on the Breakfast Meeting, Prof Awortwi submitted three issues for discussion:

1. Review of the 2020 LED Policy to incorporate the New Generation LED programmes:
2. Organize LED investment fair, bring 25 of the MMDAs to present their LED plans to Development Partners, private investors, social investors and public corporations and see if any of the investors will be interested in the economic products by the MMDAs.
3. Convince the MLGDRD to submit the NGLED Project proposal to Global Affairs Canada for a grant to succeed/sustain the gains of MAG



*Prof. Nicholas Awortwi – Taking notes during the discussions*



*Ms Marian Kpakpai – Making a contribution*

## **2.3 Discussions and key decisions**

After the presentation, the chairperson opened the floor for discussions on the three issues tabled by Prof. Awortwi.

### **2.3.1 Review of the 2020 LED Policy**

Concerning the review of the 2020 LED policy, the following key points were established:

- a) There is the need to link together and coordinate all LED-related interventions and programmes such as the YouthStart programme, GEA, NYA, NEIP, GEPA and

Development Authorities by all institutions. We have not been able to make an impact because we have failed to pool all these institutions and interventions together.

- b) MLGDRD should re-engineer the MMDAs to stimulate LED, that is, empower the local residents through easier access to funds for their businesses.
- c) Funding is key to LED so it is important to collaborate with institutions such as NIB, Social Investment Fund, and EXIMBANK. Also, explore 'diaspora' funding where the district falls on indigenes who are successful entrepreneurs in and outside the district to support. Explore DACF's economic funding option
- d) DCACT will be the oversight body for promoting LED
- e) Fast track the operationalisation of the Trade and Industry Departments at the district level
- f) Create a LED unit in the Trade and Industry department of MMDAs with staff to coordinate all LED initiatives at the district level. Staff of the unit should be drawn from other units and departments of the assembly such as Agriculture, Trade and Industry, etc.
- g) There is a need to project LED at the local level and not "hide" it under some other units.
- h) Consider improving infrastructure such as transportation and storage facilities to minimize post-harvest losses which is a major challenge for agriculture production

Following the discussions, a committee was set up to review the 2020 LED policy taking into consideration the decisions outlined above. The Committee consisted of the following personalities:

- 1. Hon. Collins Ntim (Deputy Minister of LGDRD)
- 2. Mr Dennis Aboagye (Executive Secretary, IMCCoD)
- 3. Prof. Nicholas Awortwi (Director, ILGS)
- 4. Mr. David Osei-Wusu (Registrar, ILGS)
- 5. PPMED from the MLGDRD
- 6. A representative from the OHLGS

The committee was given the following Terms of Reference to guide their work:

- 1. Enhancing the capacities of MMDAs from facilitation to capacitation (that is, there is the need to capacitate the MMDAs to effectively implement viable LED strategies);
- 2. Institutional arrangement to promote LED at the decentralised level; and
- 3. Address any other relevant matters concerning LED

### **2.3.2 LED Investment Fair**

The issue of ILGS organising an Investment Fair to seek partnership support for LED products developed by the MMDAs was approved. It was further decided that:

- a) the ILGS should contact Development Partners; and
- b) the Fair could take place in the second week of October.

### **2.3.3 Grant to Implement Project Proposal on MMDAs LED Strategic Plans**

This issue was discussed extensively after which Prof Awortwi was tasked to finalise the proposal to Global Affairs Canada and submit it to the Deputy Minister for Local Government, Decentralisation and Rural Development, Hon. Collins Ntim for further processes.





*Dr. Mensah Abrampah explaining a point*



*Mr. Dennis Aboagye explaining a point*

## **2.4 Meeting with Ghana Export Promotion Authority**

A team from the Ghana Export Promotion Authority (GEPA) led by the Chief Executive Officer, Dr Afua Asabea Asare, later joined the meeting. The CEO indicated that her outfit has outlined plans to engage MMDAs to implement a programme called “One District One Exportable Product”. She explained that the programme seeks to prioritise some key export products and support MMDAs to develop these products for the international market. Dr Asabea Asare further indicated that GEPA is willing to collaborate with ILGS and the MLGDRD to implement the programme since it is in line with what the Institute and the Ministry are already doing.

## **3. Conclusion**

The meeting brought to the fore the need for institutional collaboration for an effective implementation of LED strategies. It also revealed the need for policy review to reflect the new thinking on LED. It emerged from the discussions that, MMDAs need to be re-oriented and supported to depart from the current notion of “it is not the business of government to do business” to lead in the implementation of LED strategies that produce verifiable results (local products, jobs and income growth).