



KARAGA DISTRICT ASSEMBLY

LOCAL ECONOMIC DEVELOPMENT (LED) STRATEGIC PLAN FOR KARAGA



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**Compiled by DISTRICT
COORDINATING PLANNING UNIT**

LOCAL ECONOMY DEVELOPMENT STRATEGIC PLAN

1. INTRODUCTION

According to World Bank, Local economic development is about local people working together to achieve sustainable economic growth that brings economic benefits and quality of life improvements for all in the community. "Community" is here defined as a city, town, metropolitan area, or sub national region.

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

The LED process seeks to empower local participants in order to effectively utilize business enterprise, labour, capital and other local resources to achieve local priorities (e.g., **promote quality jobs, reduce poverty, stabilize the local economy generate revenue to provide better services**).

Local economic development (LED) is recognized as engine for local economic development . It is regarded as one of the ways for accelerating the decentralization effort of the country with respect to promoting local businesses, increasing revenue sources/base, creating jobs, offering employment opportunities, providing options in service delivery, ensuring rapid infrastructural development, reducing poverty levels and achieving the Sustainable Development Goals (SDGs).

LED may be understood to mean local actors working together to achieve sustainable social and economic growth that brings socio-economic benefits and improved quality of life for all in the locality (community, town, city, metropolitan area, or sub national region).

It enhances the establishment of partnership of the public, private and civil society economies to collaborate and effectively utilize business enterprise, labour, capital and other local resources to find solutions to improve the living conditions of the local people.

There are also some legal frameworks backing local Economy Development such as;

- **Articles 36 (1), (2)(b), 2(c) and (5) of the 1992 Republican Constitution of Ghana,**
36 (1) The State shall take all necessary action to ensure that the national economy is managed in such a manner as to maximize the rate of economic development and to secure the maximum welfare, freedom and happiness of every person in Ghana and to provide adequate means of livelihood and suitable employment and public assistance to the needy.

- **Section 10 (3) of the Local Government Act, 1993, Act 462**
10. (3) without prejudice to subsections (I) and (2) of this section a District Assembly shall
 - (b) formulate and execute plans, programs and strategies for the effective mobilization of the resources necessary for the overall development of the district;
 - (c) promote and support productive activity and social development in the district and remove any obstacles to initiative and development;

- **Sections 7 (1) and 11 (a) and (b) of the National Development Planning System Act, 1994, Act 480.**

- **7 (1) A District Planning Coordinating Unit, established under the Local Government Act, 1993 (Act 462) shall be responsible for:-**
 - Advising and providing a secretariat for the District Planning Authority in its planning, programming, monitoring, evaluating and coordinating functions;
 - Coordinating the planning activities of sectorial departments in the district responsible for economic production, social services, technical infrastructure, environmental management and other appropriate agencies connected with the planning process;

- **Extract from National Decentralization Policy Document: Local economic development**

Effective local economic development is critical to achieving the envisioned results of decentralization, including appreciable levels of internally generated revenues, options in service delivery, employment opportunities, reduced poverty levels and rapid infrastructural development. Majority of the DAs lack the tools and experience to develop a strategic framework for promoting small and medium enterprises and coherent economic development.

1.1 BACKGROUND OF KARAGA DISTRICT

Karaga District was established in August, 2004 by Legislative Instrument (L. I) 1787 of 2004. It was carved from the then Gusheigu-Karaga District and subsequently inaugurated in the same year with Karaga as its District capital.

Location and size of the District

The District is located in the north-eastern part of the Northern region and covers a land mass of approximately 3,119.3 km sq. The District shares boundaries with five districts in the Northern and North-East Regions, West and East mamprusi to the north, Savelugu and Nanton to the West

and Gusheigu to the south and East . Karaga the District Capital is 24km from Gushiegu and 94km from Tamale. The district is made up of 189 communities with 5 area councils namely, pishigu, Bagli-Zandua, Kuduli, Sakulo/Nambregu and Karaga being the capital

1.2 PHYSICAL AND NATURAL ENVIRONMENTAL CHARACTERISTICS

Topography and Drainage

The land is generally undulating with a number of numerous small streams draining it. The District is made up of smaller and larger valleys with the larger valley found at the periphery where the smaller valleys merge to form larger valleys.

The only river identified is the Nasia which flows between Nambregu and Bagli. The Nasia river and its tributaries divide the District into two(North and South) making the northern half inaccessible especially during the rainy season

Climate

In Karaga District, Rains begin in May and end in the latter part of October. August is the peak period and the district experiences series of floods and cut out of some communities during this period while the rest of the year is mainly dry. The average annual rainfall in the Karaga district is between 900- 1000mm per annum.

The temperature changes to warm, dry and hazy around February to April. It is cool, moist and rainy around May to September. Harmattan is experienced in the period from November to February hence the district is generally cool.

Vegetation

The vegetative cover is generally Guinea Savanna characterized with tall grasses interspersed with drought resistant trees such as shea and dawada. These trees are the major economic trees which generate income for the people in the District. The tall grasses are also used for roofing and other art works. The land is generally undulating with a number of valleys. The soil is generally of the sandy loam type except in the valleys where clay deposits are found. Major tree species include the sheanut, dawadawa, mango, Baoba, cotton silk etc. Also some of the crops cultivated include rice, soya, groundnut, maize, pepper, okro, garden eggs and other income earning crops form the economic and integral part of the livelihoods of the people of the Karaga district.

Soil

The District lies entirely on voltaian sand stone basin dominated by sandstones,shales, silt stones and minor lime stones. The Northern tip of the District is underlain by lower voltain, which consist of rocks,

dominated by shales and sandstone. The soils are mainly savanna ochrosols, ground waterlaterites formed over granite and voltain shales. Small areas of savanna ochrosols with some lithosoles and brunosols are verylow. The laterites are similar in acidity and nutrients level to the ochrosols, but are poorer in physical properties,with substantial amounts of concretionary gravel layers near top horizons and more suited for roads and other constructional works than supporting plant roots system. Despite gentle slopes the soil are highly vulnerable to sheet erosion and in some areas, gully erosion also occurs. This condition occurs because of the annual burning of the natural vegetation, leaving the soil exposed to the normally high intensity of rains at the beginning of the rainy season. When the siol is affected by the erosion and soil fertility reduced, it still has some potentialfor agricultureif their available nutrients are managed sensibly. The major crops cultivated in the District are rice, soya, maize, groundnuts, millet, babara beans, beans.

Land Tenure

The Chiefs own the lands in the district and individuals or groups of people can acquire parcels of it for construction or farming purposes. Land acquisition in the district is very easy and it is open to everybody without discrimination

1.3 DEMOGRAPHIC CHARACTERISTICS

The total population according to the 2021(PHC) Population and Housing Census, stands at is 92,719, Males constitute 7,505 of the population whilst that of females is 45,214 with an estimated growth rate of about (2.7%) per annum. Population density is approximately 50 inhabitants per square Kilometer. Females constitute about (51.71%) of the population whilst that of males also stand at (48.3%).

With the 2.7% growth rate per annum.

The District is made up of five area councils namely pishigu, karaga, Zandua/Bagli, Kuduli and Sakulo/Nambregu

1.4 ECONOMIC ASSESSMENT OF THE DISTRICT

Agricultural production is the main activity in the District and is practiced mainly on seasonal and subsistence level with small population engaged in irrigation farming in Karaga town using the Karaga Dam as the main source of water. This farming activities account for about (80%) of the district's labour- force, which reflects the agrarian nature of the economy. In both rural and urban areas of the district, most people cultivate food crops like maize, rice, groundnuts, yam amongst others.

Generally the standard of living in the district is low as compared to the National average as indicated in the District poverty mapping. The people earn very little and cannot save to build up capital for development. The average income per month for a household is about GH¢20.20.

Nationally, the Northern regions are classified as one of the poorest regions in Ghana. In the Northern Region, among the numerous poor districts, Karaga is not exceptions as majority of the people are peasant and subsistent farmers.

Economic Potentials

Karaga District has a lot of opportunities awaiting private investments; joint venture partnership between the private and the public sector. In the Agricultural sector, studies have shown that along the banks of the Nasia dam, irrigation farming is practiced and can take place throughout the year. The big dam (4km sq.) at bagli and nambregu stretch has a sizeable number of the population engaged in the cultivation of different crops ranging from Vegetables to cereals using the dam. Available records show that the Karaga District has a comparative advantage over the other districts in the northern region due to its numerous potentials in the Rice production. It is worth noting that rice produced from karaga made rice available in karaga and the regional capital, Tamale. The District is endowed with vast tract of pasture that supports livestock production. The District is blessed with a good breed of cows, sheep and goats. Another area of investment yet undeveloped is the poultry industry.

The District has Shea nut trees and other economic trees like Dawadawa trees. Other economic activities undertaken include inland fishing, rice and soya cultivations on commercial farms.

Given the unpredictable nature of the weather and unpredictable incomes from farming, many young people migrate down south known as (Kayaaye) for greener pastures. The females especially, migrate to Accra and Kumasi but are unable to get employment due to the lack of appropriate employment skills.

The economy of specific areas of interest (LED product)

On the shea production, from the western enclave of the district to the northern boundaries have the largest shea tree plantation of over 78% of unpicked annually. This presents the opportunity to pick and process the nuts to its economic benefits. Communities around yemokaraga, Nangunkk pang, nyingali and the land area around the overseas have the largest population of the shea tree. This can provide full time employment for the Pickers, Processors, Marketers, Aggregators, Fabricators and other key value chain actors.

Another area of interest in the district is the soya production, storage and marketing. In the Agricultural sector, studies have shown that along the banks of the Nasia, irrigation farming is practiced and can take place throughout the year. The big dam (4km sq.) at Nasia has a sizeable number of the population engaged in the cultivation of different crops ranging from vegetables to cereals using the irrigation dam. Available records show that the Karaga District has a comparative advantage over the other districts in the Northern region due to its numerous potentials in the all year round vegetable production.

Fortunately for Karaga district, it has large portions of productive lands being valleys which support the cultivation of rice of all varieties. Annually, about 310,000 tons of rice is produced in the district by the local farmers. This is about 40% of the district's potential the remaining 55% could be ventured in by Public Private Partnership (PPP) Arrangements and Private Investors to cultivate, process and market the rice to create needed economic opportunity for the masses in the district.

1.5 LED APPROACHES IN THE PAST AND THE CHANGES FORESEEN

The following institutions have provided equipment support to 11 communities and women groups to enhance profitability and productivity of the shea nut in the district in order to improve the living standard and economic status of the beneficiaries.

They include:

- a. The USAID in December 2020 provided shea picking equipment and sacks to 30 communities to improve their method of picking by avoiding reptiles
- b. The USAID sponsored RING Programme provided protective gear, empty sacks and collecting pans to members of the VSLA groups whose economic activity was related to shea nut picking and shea nut processing. This was to increase the volumes of nuts picked and processed.
- c. RING, a supported a 160 women group in karaga District to carry out irrigation farming.
- d. SNV of Netherlands supported the Tulinga women group with a facility to aid in the processing of rice for packaging.
- e. The Rural Enterprise Project (REP) has also invested heavily in the shea butter processing value chain. The support ranges from technical training in quality shea butter processing, business management training for shea butter processing, provision of training in 5S practices and Kaizen concepts for selected shea butter processing centres, market linkages for shea butter processors at various trade shows and exhibition events organized across the country and equipment support in the form of shea nut crushers and shea butter kneaders for more than 60 women in the district at Langogu
- f. The REP BAC supported several SMEs with bread equipments such as oven and its accessories.

The Ghana government through the NPA projects in 10 communities where high yielding boreholes were drilled and powered by solar, mechanized to irrigate the land area for vegetable production throughout the year. These land areas were properly fenced with wire mesh to ward off grazing animals. The purpose is to increase the productivity and profitability of the vegetable farmers and improve their nutrition and economic wellbeing.

Another Government of Ghana sponsored project aimed at improving the rice sector is the Rice Sector Project. The project target women farmers and supply them with seeds at no cost. This intervention has reduced the cost of farming rice and increased the output in farm size by the women rice farmers.

1.6 Vision of the District and implications for LED:

The Vision of Karaga District Assembly is “To produce and feed the people of Karaga and the surrounding District with local and nutritious diet.” This implies that, Karaga district is already into local economic development as it supports the people through sensitization, technical knowledge in the various fields, visits to the communities on monitoring to ascertain work on the ground and the way forward be it agricultural or its value chain activities in the district to better the lives of the people.

1.5 Tourism Potentials

A number of tourist attractions abound in the District which is largely untapped. These include;

- i. The Komoayili traditional dam
- ii. Tong stone ridge
- iii. The footprint of the late karaga chief at Tang

2.0 MAPPING OF DISTRICT ECONOMIC RESOURCES, INSTITUTIONS AND ACTORS FOR LED PRODUCTS

2.1 The available productive resources in the district that are in abundance and have not been used to its full potential but supports and propel the production, processing and marketing of the shea and its derivatives in connection with shea nut, soya production and rice farming include the following:

- i. Administrative leadership with greater interest, political will, commitment to economic development of the district
- ii. Available Human Resource (Women)
- iii. Available Technical Skills (Women)
- iv. BDS supports services available and Governmental and Non- governmental projects supporting this sector.
- v. Financial support services (well established and functional VSLAs and Bonzali Rural Bank- BRB)
- vi. Vast lands and forest of shea trees
- vii. Active trade Associations
- viii. Availability of ready market and buyers for all the produce that is shea butter, fresh vegetables and paddy and parboiled rice.
- ix. Available Technical support services from the Agricultural Extension Services Agents.
- x. Available Agri- Inputs and chemicals
- xi. Vast and uncultivated valleys suitable for rice cultivation
- xii. Over 62% of the male youth are available as source of labour to the most profitable vegetable production in the district
- xiii. Fairly good road network linking all the communities in the district

- xiv. All these resources occurring natural in the district are controlled either by family heads or local chiefs who willingly allow access and usage by the indigenes these resources.

2.2 Enterprises/businesses working in the economic sector of the district

2.3 Institutions

The under listed institutions are available in the District to support LED Activities District Agric Department and MoFA at the Regional level

- i. BAC
- ii. Rural Banks
- iii. District Assembly
- iv. Traditional council
- v. Trade Associations
- vi. CAMFED
- vii. FEED the FUTURE
- viii. GRATIS Foundation, Tamale
- ix. Dabokpa Training Institute
- x. Tamale Technical University

S/N	NAME OF INSTITUTION	ROLES/ RESPONSIBILITY	LOCATION
1.	District Assembly	Coordination, Supervision of all government developmental projects and services at the district level for all the sectors of the economy, enacting and enforcing relevant by- laws for a functioning society.	Karaga
	MoFA	Provide technical support to farmers. Provide advisory and support services through their agents, catalyzing the formation of agri-business ventures. Implement national policies at the local level in line with the	Karaga

		government of the day programme of action.	
	CAMFED	Promote and support women enterprises and women entrepreneurial ventures.	Karaga
	MSR/FEED THE FUTURE	Provide grants to farmers and management training	Karaga
	NUSSAG	Provide technical, management and funding to entrepreneurs	Karaga
	RING2	Technical support to women group	Karaga
	SAFETYNET	Support SMEs who are disable, youth and women in business with fund for expabsion	Karaga
	Dabokpa Training Institute	Provide technical and technological solutions to both government and industry.	Tamale
	ASSI	Promoting establishment and growth of women enterprises using the LBAs	Karaga
	SNV of Netherlands	Supports women enterprises in establishment of facilities	Karaga
	Trade Associations	Provide a platform for dialoguing, advocating, lobbying and negotiating duty bearers and resource controllers in the interest and direction of the Trade Associations.	Karaga
	Rural Bank	Provide financial resources/ services at a fee. Promote the establishment of private sector ventures.	Karaga
	Traditional council	They are the custodians of the natural resources including land, rivers, dams, forest, naturally occurring in the district. They decide the use and allocate these resources.	Karaga
	BAC	Provide quality and relevant business development services to the enterprenueners in the district	Karaga

2.4 Availability of services or utilities

2.5 **Land availability**- Vast lands abound in the district both in the towns and in the hinterlands.

2.6 **Water**- almost 90% of the communities are provided either bore hole or dam to support both their domestic and external uses

2.7 **Telephone**- Telephone services are available with masts but sometimes the reception is poor and needs upgrading.

2.8 **Transportation**- With mobility, Karaga district is 94km to the regional capital with a relatively good road network even though still under construction.

2.9 **Financial & Banking**: (including banks, other lenders, venture capital, local area capital, micro-credit programmes, etc.- A number of financial services are available in the district including the Bonzali Rural Bank , Tizaa Rural Bank and many VSLA groups in the communities.

2.10 Human resources availability and skills for LED products

- Workforces is available for LED products as many of the youth, men and women in and outside the district engage in one or more of the locally produced products.
- The workforce is very skillful as some of the produce are exported directly and others processed.
- Refresher trainings and innovative ways of doing things are required to add value to LED products.

2.11 Prioritization: Choosing economic priority for LED products

The LED products chosen for Karaga district are based on a number of factors which include the following: Viability of the resources(both human and capital resource, technical and financial viability, easily accessible and all year round production.

3.0 DEVELOPING ‘COMMUNITY WITH SPECIFIED DEMAND DERIVING PRODUCTS’

- **Strategic LED Plans for Karaga District**

No	item	Product/Service A	Product/Service B	Product/Service C
1	LED product Name	Shea nut	Rice cultivation	Production of soya

2	Area (Location)	District wide	District wide	District wide
3.	Goal of the project	To produce the quality shea pomade, lotion, hair pomade and cooking oil as a way of improving life of the people, create wealth, alleviate poverty through job creation by using local resources like shea nut	To increase the quality production of rice to improve the nutritious value of the children of karaga District by way of making life of the people improved, create wealth, alleviate poverty through job creation by using local resources like rice cultivation	Production of soya products such as soya kibab, flour and milk using the youth and women to entire transformation of the people of Karaga, create jobs among the teaming youth.
4.	Short description of the project (Current Situation & Prospects)	Shea butter is the lead in the Northern zone in all the value chain activities on the Shea processing value chain for the economic benefit of the people of the district, investors and users 8,000 tons of Shea butter production and its products value addition by 2023.	Produce quality and affordable rice to meet the demand of the people of the district by increasing the acreage by 60% in the year 2023.	Soya is more nutritious which when made available and affordable among the growing children will improve their health status that will go a long way to reduce undue implication of infantile diarrheal
5.	Output indicator	Quality of Shea butter production increased	400 Rice farmers income increased in every year	Cultivate and package soya in a transparent materials for better market
6.	Objectives	To improve quality ,quantity ,packaging Shea butter production by 30% by the end of 2023 in line with international standard.	To increase production level of Rice farmers by 2023	To promote the patronage of soya products making soya mre demanding commodity in Karaga District
7.	Strategies	Invest in high and modernized yielding varieties	Utilize all available rice valleys for higher yield	Take the soya farmers through business formalization to enable

				them export their products
8.	Activities/Stakeholder(s) responsible	Shea nut pickers and hunters, commercial and peasant farmers, processors, processors of the nuts, D.A, Export council FDA, BAC, GSA, NGOs in that sector, etc	Farmers, herdsmen, Association of exporters, D.A, DADU, TA, Export council FDA, BAC, GSA, NGOs in that sector, etc	Farmers, herdsmen, Association of exporters, D.A, DADU, TA, Export council, FDA, BAC, GSA, NGOs in that sector, Banks and Financial institutions, MPs etc
9.	Realistic timeframe	December 2023	December 2023	December 2023
10.	Indicative budget & sources of funding	300,000.00 DACF & potential donors	800,000.00 DACF & potential donors	400,000.00 DACF & potential donors
11.	Value Chain Analysis			
12.	Expected Number of jobs: Direct & Indirect	200 direct and 400 indirect jobs created within a period of 2 years	400 new jobs created in rice value chain in two years period	150 jobs for the women and youth ny December 2023
13.	Expected average income			

4.0 INSTITUTIONAL AND GOVERNANCE ARRANGEMENTS FOR IMPLEMENTING LED PRODUCTS

The LED Product team leader is the Business Advisor. The group of stakeholders to assist in the smooth running of the LED project includes the Traditional Authorities as they are the custodians of the land, the District Agriculture Department, BAC, Trade Associations, and NGOs in the various sectors.

4.1 Establish a political support at the Assembly for LED products.

The LED Project has the support of REP and GEA

. It has the backing of the MLGRD, MoFA, NBSSI and the NRCC as well. The communities are already into some kind of locally made products and farming with aid from NGOs in those sectors.

It is the hope of the district that at the national level the MP for the area would strive to

network and influence the implementation of the project.

4.2 Establish District-Private Partnership (DPP) and clearly indicate the roles of key partners

- a. BAC
- b. MoFA
- c. Rural Banks
- d. District Assembly
- e. Traditional council
- f. Trade Associations
- g. CAMFED
- h. ASSI
- i. Dabokpa Training Institute
- j. Tamale Technical University
- k. NUSSAG

All these institutions contribute in diverse ways in the development of the country hence their contribution to the LED Project cannot be underestimated. All these institutions have important role to play in the value addition chain.