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An Examination of USAID Supported Project after shutdown in Lower Manya Krobo and Asuogyaman Districts, Eastern Region, Ghana

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Abstract

The cessation of the United States Agency for International Development (USAID) operations in July 2025 marks a major turning point in global development partnerships. Projections indicate up to 14 million preventable deaths by 2030, raising urgent questions about the sustainability of existing development frameworks. This study examines the implications of USAID's withdrawal through the Micro Enterprises Support Hub (MES-Hub) in Ghana's Lower Manya Krobo and Asuogyaman Districts, exploring whether it represents a setback or a catalyst for resilient development. Using a mixed-methods descriptive design, data were collected from 356 micro-entrepreneurs via standardized questionnaires and 20 in-depth stakeholder interviews. Quantitative data were analyzed using SPSS version 28, and qualitative themes extracted with NVivo. Findings revealed that 90% of entrepreneurs cited limited access to finance as their key challenge, while 70% expressed readiness to invest in support programs, challenging assumptions of aid dependence. Female entrepreneurs comprised 54% of respondents, with 73% aged 26–45. Additionally, 72% were aware of the USAID closure and expressed concern over future support structures essential for enterprise sustainability.

Statement of relevance

This research enhances the growing scholarly literature that examines the outcomes of significant transformations in the framework of international development. It furnishes empirical evidence regarding entrepreneur resilience, challenges prevailing assumptions about dependence on aid, and presents practical insights for the design of sustainable development interventions in a post-donor environment. The findings are relevant to policymakers, development professionals, researchers, and international bodies operating within the evolving landscape of development.

Introduction

The United States Agency for International Development (USAID), established on November 3, 1961, via Executive Order 10973, has historically functioned as the principal U.S. governmental entity responsible for executing international humanitarian and developmental endeavors. Its global reach and influence have been considerable. Data from 2023 positioned the U.S. as the foremost global provider of international assistance, contributing $72 billion, with 61% administered through USAID (Congressional Research Service, 2025). In 2024, USAID's activities encompassed expenditures exceeding $35 billion—representing 42% of global humanitarian aid distributed across 130 nations (UN, 2024). The allocation of these funds in 2024 was as follows: $9.9 billion for humanitarian relief, $9.5 billion for health programs, $6.9 billion for governance initiatives, $3.7 billion for administrative costs, $1.1 billion each for agriculture, education, and infrastructure, along with $0.9 billion for economic advancement and $1.2 billion for miscellaneous assistance programs (Congressional Research Service, 2025).

The closure of USAID in July 2025 has precipitated unprecedented disturbances throughout the international development arena. A significant study published in *The Lancet* (June 2025), which

analyzed two decades of USAID health interventions, projected potentially catastrophic mortality outcomes through 2030. The research showed that USAID interventions averted 91 million deaths between 2004 and 2024 in low- and middle-income countries. Elevated levels of USAID support were associated with a 15% reduction in overall mortality across all age cohorts, a 65% reduction in HIV/AIDS-related mortality, and a 51% reduction in deaths attributable to malaria. However, the philosophical question posed by Plato “necessity is the mother of invention “offers an alternative framework for examining this crisis. The central question is whether the agency's termination will engender substantial loss of life and impede decades of developmental progress, or if it will stimulate innovative approaches to resilience and sustainability that transcend traditional donor-dependent development paradigms.

As a beneficiary of USAID support, Ghana has gained from various development initiatives focused on healthcare, agriculture, education, and economic expansion. Within the Eastern Region, particularly in the Lower Manya Krobo and Asuogyaman Districts, USAID-supported programs have facilitated microenterprise growth via the Micro Enterprises Support Hub (MES-Hub), delivering essential services to owners of small businesses operating predominantly within informal sectors. According to the 2021 Ghana Statistical Service Population and Housing Census, Lower Manya Krobo Municipal has a population of 121,478 (56,662 males and 64,816 females) spread across 235 communities, while Asuogyaman District consists of 101,256 residents (48,723 males and 52,533 females) across 149 communities. These districts exemplify rural-urban transition zones where microenterprises constitute a pivotal element of the local economy, as confirmed by Abraham and Ohemeng's 2017 research indicating that 91% of the female workforce participates in the informal sectors.

Problem statement

The unexpected termination of USAID operations has resulted in a void in development assistance structures at both the global and local levels. While international attention has been directed towards the effects on the healthcare sector, the repercussions for economic development schemes, specifically those supporting microenterprises, have received limited consideration. Understanding the perceptions and adaptive responses of local entrepreneurs to this disruption is essential for devising sustainable development strategies in the post-USAID era. Moreover, this closure raises fundamental inquiries regarding the efficacy of aid, dependency, and long-term viability. A central question is whether the imposed withdrawal of external backing necessarily equates to a developmental setback, or if it might instead expedite transitions toward more robust, locally-driven development strategies that should have been prioritized previously.

Research Objectives

This study was structured around the following specific aims:

1. To catalog the consequences of the USAID shutdown across various developmental domains on a global scale.
2. To evaluate the impacts on ongoing projects, organizations, and the populations they serve.

3. To assess the immediate measures implemented by the Government of Ghana.
4. To identify the primary challenges confronting the MES-Hub following the cessation of USAID funding.

Literature Review

International development aid has undergone substantial evolution since the period following World War II, with bilateral aid organizations such as USAID becoming key elements of the global development framework. The Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008) emphasized principles of local control, alignment, harmonization, results-oriented management, and shared responsibility. Nevertheless, the complete application of these principles has remained elusive, with numerous developing nations continuing to demonstrate notable levels of reliance on external assistance. The scope of USAID's operations positioned it as a significant provider in various sectors and nations. Countries receiving over $200 million annually from USAID encompassed Ethiopia, the Democratic Republic of Congo (DRC), Colombia, South Africa, Palestine, Bangladesh, Kenya, Afghanistan, and Tanzania. For certain nations, such as Somalia, South Sudan, and the DRC, annual USAID assistance surpassed $400 million. Liberia experienced the most significant reduction in aid as a proportion of its economy, at 2.6%, underscoring the disproportionate vulnerability of smaller economies to aid withdrawal. The health sector has experienced the most comprehensively documented repercussions. A study published in *The Lancet* (June 2025) projects more than 14 million additional fatalities by 2030 if funding reductions persist approximately 2.4 million preventable deaths annually. This mortality burden disproportionately affects children under five, pregnant individuals, and those with communicable ailments. Immediate program disturbances include:

- Discontinuation of antiretroviral therapy (ART) programs serving millions of HIV/AIDS patients
- Termination of malaria prevention efforts, including insecticide-treated net distribution
- Interruption of maternal and child health provisions, including immunization programs
- Cessation of tuberculosis treatment and detection schemes
- Withdrawal from pandemic preparedness and disease surveillance systems

Nation-specific health consequences illustrate the severity of the crisis. In Kenya, over 3,500 health practitioners connected to USAID-funded programs were affected in the first quarter of 2025 alone, with the country confronting a $100 million financial deficit. In Ethiopia, there is currently no strategy by the government or partner institutions to offset labor expenditures resulting from United States funding cuts, including the positions of 97 community adherence case managers, 194 support staff, eight pharmacy technicians, and six laboratory technicians for HIV treatment provisions.

A report by the European Training Foundation (ETF) (March 2025) documented that the shutdown compromises the prospects of students, researchers, and educational institutions dependent on USAID backing. Specific impacts include:

- Sudden termination of numerous educational projects
- Discontinuation of technical and vocational training programs impacting workforce advancement
- Termination of scholarship schemes, abandoning students' mid-degree
- Dissolution of research collaborations with academic bodies
- Immediate cessation of ongoing research endeavors across U.S. state universities
- Job losses for graduate scholars and research personnel
- Disturbance of longitudinal investigations
- Termination of field research sites and data collection infrastructure

Countries experiencing considerable educational aid reductions include Ethiopia ($17 million toward basic education) and Somalia ($14 million toward basic education). Democracy support and governance initiatives have encountered substantial disruptions:

- Civil society organizations face resource gaps threatening organizational sustainability
- Democracy promotion programs terminated, particularly in unstable states
- Anti-corruption projects suspended
- Media freedom and electoral support programs ceased
- Multi-year grant agreements suspended during implementation
- Coordination systems with other donors collapsed

Emergency food assistance and agricultural development schemes serving millions of at-risk individuals have been disrupted, with cascading effects on nutrition and economic stability. In 2024, USAID allocated $1.1 billion to agriculture, supporting small-scale farmer programs, agricultural outreach services, and food security projects across multiple continents.

Beyond direct governmental and non-governmental organization programs, the shutdown has impacted private sector development efforts. Kenya's startup economy faces a $100 million financial gap, with initial projections indicating a 15% contraction within three years. Microenterprise support programs, entrepreneurship training endeavors, and access-to-financing schemes have been abruptly terminated across numerous countries. The crisis instigated by USAID's shutdown necessitates theoretical frameworks that transcend traditional donor-recipient paradigms. Resilience theory, originating from ecology and increasingly applied to social systems, provides valuable insights. Abimbola, Negin, Jan, and Martiniuk (2016) assert that donor-dependent programs inherently lack durability and that mandatory transitions toward local control, while initially challenging, establish more robust development pathways. These shifts offer a structure for understanding how development structures might evolve in USAID's absence, potentially generating more sustainable long-term results despite short-term disturbances.

The USAID shutdown has revived enduring discussions regarding aid efficacy and reliance. Critics of conventional aid models argue that decades of development assistance have fostered dependencies

that undermine local initiative and institutional potential. Proponents contend that aid has realized measurable enhancements in health, education, and poverty mitigation that would not have materialized otherwise. Aning-Agyei, Kendie, and Tenkorang (2022) challenge the notion that impoverished communities are unwilling or incapable of paying for assistance services. This presumption often leads to the belief that these communities should receive services without cost, potentially impeding sustainable growth and advancement. Their research implies greater capacity for self-funding than conventional understanding acknowledges. Microenterprises constitute a vital element of Ghana's economy, particularly in rural and peri-urban areas. These enterprises, typically defined as businesses employing fewer than five workers, dominate the informal sector and provide livelihoods for millions of Ghanaians. However, they encounter persistent challenges, including restricted access to financing, inadequate business management proficiency, deficient infrastructure, and limited market accessibility. Previous studies have documented that women constitute the majority of microenterprise operators in Ghana, with Abraham and Ohemeng (2017) finding that 91% of the female labor force engages in informal sector activities. These enterprises operate with minimal capital, limited formal education, and constrained access to formal financial services. USAID-funded programs have provided critical support to this sector through business development services, financial literacy training, market linkage facilitation, and access-to-financing initiatives. The abrupt withdrawal of these services necessitates understanding of entrepreneur priorities, adaptive capacities, and willingness to engage in sustainable, self-financed support mechanisms.

Methodology

The present investigation was conducted in the Lower Manya Krobo Municipality and the Asuogyaman District of the Eastern Region in Ghana. These specific locales were chosen due to their active involvement in programs funded by the United States Agency for International Development (USAID) through the Micro Enterprises Support Hub (MES-Hub). Furthermore, they are representative of typical rural-urban transition zones wherein microenterprises serve as primary sources of sustenance. Lower Manya Krobo Municipality, with a population of 121,478 individuals (56,662 males and 64,816 females) spread across 235 settlements, demonstrates a diversified economy encompassing agriculture, commerce, and small-scale manufacturing. Asuogyaman District, housing 101,256 residents (48,723 males and 52,533 females) across 149 settlements, exhibits comparable economic attributes, additionally highlighting fishing and riverside trade. A descriptive survey approach, integrating diverse methods, was employed to document and depict the reality as it existed during the study. This approach was deemed appropriate given the study's aims of recording entrepreneur attributes, evaluating challenges, and understanding viewpoints on sustainability following the USAID initiative. The integrated-methods strategy combined:

- Standardized questionnaires incorporating closed-ended inquiries, enabling statistical analysis of entrepreneur characteristics, obstacles, priorities, and willingness to allocate funds for resources.

- Comprehensive interviews with key informants to comprehend the contextual variables, subtle details, and explanatory reasoning underpinning the quantitative patterns.

The target demographic included all formally recorded microenterprise operators within Lower Manya Krobo and Asuogyaman Districts who had engaged in, or were qualified for, MES-Hub initiatives funded by USAID.

Yamane's formula was utilized to ascertain the suitable sample extent:

$n = N / (1 + N(e^2))$

Where:

- n = sample extent
- N = demographic extent
- e = margin of error (0.05)

At a 95% confidence interval, the formula yielded a sample extent of 385. Out of this figure, 356 completed responses were acquired, representing a 92.5% response proportion, with a deficit of 29 responses. Proportional distribution was applied to allocate the sample across the two districts, based on the business demographic. Lower Manya Krobo constituted 54% of respondents (192), while Asuogyaman contributed 46% (164). Within each district, systematic probabilistic sampling was applied to select participants from listings of registered microenterprises.

For qualitative information acquisition, 20 key informants were purposely selected, including:

- District administrative representatives (n=6)
- Trade association leaders (n=8)
- Experienced entrepreneurs with 10+ years of operation (n=6)

A thorough standardized questionnaire was developed, covering:

- Demographic information: age, gender, educational attainment
- Business attributes: type, age, asset size, employment
- Awareness and viewpoints: knowledge of USAID cessation, perceived consequences
- Challenges: ranked inventory of business constraints
- Resource needs: prioritized domains for assistance
- Willingness to allocate funds: attitudes toward self-financed resources
- Resource delivery preferences: favored modalities for receiving support

Inquiries were meticulously designed to ensure clarity, cultural appropriateness, and translatability into local languages where needed. A semi-structured interview protocol facilitated comprehensive

conversations with key informants, exploring:

- Historical setting of USAID programs in the districts
- Observed consequences of the cessation
- Community and organizational reactions
- Viewpoints on sustainability and resilience
- Recommendations for prospective interventions

Information Acquisition Process

Trained surveyors were deployed into settlements, marketplaces, and business regions to engage with entrepreneurs at their places of operation. This strategy, while consuming significant time, was crucial to:

- Cultivate rapport with respondents
- Enable clarification of inquiries
- Assure high-caliber responses
- Accommodate diverse literacy levels

Information acquisition transpired over a six-week duration between August and September 2025, two months subsequent to the USAID cessation, allowing sufficient time for preliminary consequences to emerge while recollections remained recent. Quantitative information was analyzed utilizing SPSS version 28 and Microsoft Excel. The analytical process encompassed:

1. Information cleansing and verification for completeness and coherence
2. Descriptive statistics incorporating frequencies, percentages, means, and standard deviations
3. Cross-tabulations to scrutinize correlations between variables
4. Chi-square assessments to evaluate statistical significance of associations

Outcomes were presented via tables, charts, and graphs to facilitate interpretation and dissemination. Qualitative information from interviews was analyzed utilizing NVivo software. The analytical process involved:

1. Transcription of interview recordings and field notes
2. Initial categorization to identify recurrent themes and patterns
3. Development of a categorization framework predicated on research objectives
4. Thematic analysis to group codes into broader themes
5. Integration of qualitative insights with quantitative findings

Direct citations were selected to exemplify key themes and provide contextual richness to numerical information.

Results and Discussion

Gender distribution

Table 1: *Gender Distribution of Respondents*

Gender	Frequency	Percentage
Female	192	54.0
Male	164	46.0
Total	356	100.0

Source: Field data, 2025

Table 1 presents the distribution of entrepreneurs by gender. Female business owners represent 54% (n=192) of the surveyed population, slightly exceeding the male of 46% (n=164). This observed gender distribution corresponds with the research of Abraham and Ohemeng (2017), who identified a prevalence of women in Ghana's informal economic activities. The higher proportion of female entrepreneurs carries significant implications for program planning, as women commonly encounter specific obstacles such as limited land access, mobility restrictions, and greater domestic obligations.

Age Distribution

Table 2: *Age Distribution of Respondents*

Age Range	Frequency	Percentage
18-25 years	43	12.0
26-35 years	135	38.0
36-45 years	125	35.0
46-55 years	39	11.0
56+ years	14	4.0
Total	356	100.0

Source: Field data, 2025

Table 2 presents the detailed age distribution. The age demographics indicated that 73% of the respondents (n=260) were within the central working age range of 26-45 years, indicative of entrepreneurs at their peak productivity. This concentration within the core working years suggests a cohort with substantial potential for future productivity, justifying resource allocation towards their skill enhancement.

Educational Attainment

Table 3: *Educational Attainment of Respondents*

Educational Level	Frequency	Percentage
No formal education	39	11.0
Primary education	100	28.0
Secondary education	139	39.0
Vocational training	53	15.0
Tertiary education	25	7.0
Total	356	100.0

Source: Field data, 2025

Table 3 shows the distribution of educational levels among respondents. Educational achievement was generally moderate, with only 7% (n=25) having completed higher education. The dominance of secondary education as the highest level attained (39%) indicates an adequate level of basic literacy and numeracy. However, it also suggests potential limitations in areas such as business administration, financial strategy, and the integration of technology if these individuals do not get capacity building training for their businesses. This educational background requires practical and accessible instructional strategies, rather than highly theoretical or technically complex interventions.

Business Types

Table 4: *Types of Businesses Operated by Respondents*

Business Type	Frequency	Percentage
Petty traders	110	31.0
Food vendors	82	23.0
Seamstresses/tailors	75	21.0
Others (farmers, carpenters, food processors, hairdressers, mechanics)	89	25.0
Total	356	100.0

Source: Field data, 2025

Table 4 presents the distribution of business types among respondents. The business environment reflected the typical heterogeneity observed in rural-urban microenterprise economies. This distribution

highlights the prominence of trading and service-oriented activities, with comparatively less representation in manufacturing or value-added industries.

Business Scale and Structure

Table 5: *Asset Value of Businesses*

Asset Value (GHS)	Frequency	Percentage
Below 50,000	185	52.0
50,000-150,000	103	29.0
150,000-300,000	46	13.0
Above 300,000	22	6.0
Total	356	100.0

Source: Field data, 2025

Table 5 presents the asset value distribution of respondents' businesses. A significant proportion, 81% (n=288), reported assets below GHS 150,000 (approximately USD 10,000), reinforcing the micro-scale nature of these enterprises.

Employment Creation

Table 6: *Employment Creation by Businesses*

Number of Employees	Frequency	Percentage
Self-employed (no employees)	100	28.0
1-5 employees	239	67.0
6-10 employees	14	4.0
10+ employees	3	1.0
Total	356	100.0

Source: Field data, 2025

Table 6 shows the employment creation patterns among the enterprises. While the majority of enterprises (67%) engage between 1-5 workers, the collective effect on employment is considerable. Assuming an average of 3 employees per enterprise within this range, the surveyed businesses collectively provide livelihoods for over 700 individuals beyond the business owners.

Business Age

Table 7: *Age of Businesses*

Business Age	Frequency	Percentage
Less than 1 year	32	9.0
1-3 years	100	28.0
4-6 years	110	31.0
7-9 years	28	8.0
10+ years	86	24.0
Total	356	100.0

Source: Field data, 2025

The ages of business varied as shown in Table 7. The concentration within the 4–6-year timeframe (31%) suggests a pivotal period where businesses have overcome initial startup challenges but have not yet achieved complete stability. The 24% operating for over 10 years illustrates that sustainable microenterprises are attainable despite difficult operational conditions. The existence of businesses thriving for over a decade (24% of sample) without consistent external support proves that sustainable microenterprises emerge even in challenging environments. This validates Abimbola et al.'s (2016) argument that mandatory transitions toward local control, though initially difficult, establish more robust development pathways.

Awareness of USAID Shutdown

Table 8a: *Awareness of USAID Shutdown*

Awareness Level	Frequency	Percentage
Aware	256	72.0
Not aware	100	28.0
Total	356	100.0

Source: Field data, 2025

Table 8 presents the awareness distribution and information sources. Awareness of the USAID shutdown, a substantial, 72% (n=256) of the respondent said they have heard about the closure.

Table 8b: Awareness of USAID Shutdown

Source	Percentage
Radio	43%
Television	28%
Community public address systems	18%
Interpersonal communication	11%

Within the aware group, primary information sources included radio (43%), television (28%), community public address systems (18%), and interpersonal communication (11%). The most informed respondents typically had access to electricity and electronic media. Awareness exhibited a positive correlation with proximity to regional capitals. The remaining 28% (n=100) who were unaware predominantly resided in communities lacking electricity and situated far from regional centers. Geographical isolation persists in creating informational disparities that disadvantage remote populations. A trader association leader voiced the sentiment among informed entrepreneurs: "This shutdown is going to deny us of the support we have waited for all these years for our businesses to improve." This statement reflects both the disappointment and the expectations of dependence fostered by long-standing external support programs.

Primary Challenges

Table 9: *Primary Challenges Faced by Microenterprises*

Challenge	Frequency	Percentage
Access to funding	320	90.0
Competition	174	49.0
Marketing skills gap	146	41.0
Business management deficiencies	125	35.0
Taxation and regulatory compliance	110	31.0
Record keeping difficulties	103	29.0
Poor infrastructure	78	22.0

Source: Field data, 2025
Multiple responses (n = 356).

Table 9 showing the distribution of challenges faced by microenterprises. Respondents identified multiple difficulties. Access to funding (90%, n=320) emerged as the overwhelming issue, prominent above all others. Entrepreneurs cited inability to secure conventional bank loans due to insufficient collateral, high interest rates (often exceeding 30% annually), limited savings for business growth,

insufficient working capital for inventory, and difficulty accessing emergency funds during crises. Competition (49%, n=174) was driven by low entry barriers in most sectors, proliferation of similar businesses in small markets, competition from cheaper imported goods, and limited product differentiation. Marketing skills gap (41%, n=146) reflected limitations in customer acquisition and retention strategies, product promotion and advertising, pricing strategies, and market research and analysis. Business management deficiencies (35%, n=125) existed in record keeping and financial management, inventory management, strategic planning, and employee management. The taxation concern (31%) is noteworthy, as it suggests entrepreneurs operate within formal or semi-formal systems where they encounter authorities, rather than operating entirely in shadow economies. Infrastructure challenges (22%), particularly poor roads affecting product transportation and limited electricity constraining operating hours disproportionately affected remote communities.

Support Priorities

Table 10: *Support Priorities for Microenterprises*

Support Priority	Frequency	Percentage	Mean	Std. Deviation
Finance and loans	302	85.0	3.85	0.36
Financial literacy training	196	55.0	3.55	0.50
Business management skills	192	54.0	3.54	0.52
Marketing support	192	54.0	3.54	0.51
Technology and digital skills	156	44.0	3.44	0.58
Market linkage facilitation	145	41.0	3.41	0.59

Source: Field data, 2025

When asked to prioritize required assistance, entrepreneurs identified multiple needs as shown in Table 10. Means calculated from a scale of: 1 = not important, 2 = somewhat important, 3 = important, 4 = very important. Predictably, given the challenge profile, access to capital and credit facilities emerged as the Finance and loans (85%, n=302). Specifically, entrepreneurs sought affordable loan products with flexible repayment terms, savings mechanisms to build working capital, emergency credit facilities, and asset financing for equipment and infrastructure. Financial literacy training (55%, n=196) demonstrates awareness that access to capital alone is insufficient without competence in financial management, including basic accounting and record keeping, savings and investment planning, loan management and debt avoidance, and financial goal setting. Nearly equivalent priority was assigned to business management skills (54%, n=192) and marketing support (54%, n=192). The distribution of priorities reveals a sophisticated understanding among entrepreneurs that business success requires multiple capabilities. The near-equal prioritization of financial literacy, business management, and marketing (all approximately 54-55%) alongside finance suggests that entrepreneurs recognize the multidimensional

nature of business sustainability. These finding challenges simplistic assumptions about microenterprise needs and points toward the necessity of integrated support programs that address financial, technical, and managerial capacities simultaneously.

Willingness to Pay for Services

Table 11: *Willingness to Pay for Support Services*

Response	Frequency	Percentage
Yes, willing to pay	249	70.0
No, not willing to pay	107	30.0
Total	356	100.0

Source: Field data, 2025

Regarding entrepreneurs' willingness to contribute financially toward support services. Table 11 presents the distribution of responses regarding willingness to pay. 70% (n=249) of respondents expressed willingness to allocate financial resources for assistance programs. This finding directly challenges prevalent assumptions concerning aid dependency and the notion that impoverished communities expect services without cost. The result aligns with Aning-Agyei, Kendie, and Tenkorang (2022), who argued that the assumption of unwillingness or inability to pay for services among poor communities often impedes sustainable development. Among those willing to pay, entrepreneurs indicated preferences for payment structures including small periodic fees (monthly or quarterly), pay-per-service models for specific training or consultancy, membership-based models providing ongoing access to resources, and tiered pricing based on business size or income levels. This willingness demonstrates significant potential for developing sustainable, self-financed support mechanisms in the post-USAID environment. The study illuminates the complex relationship between external support and local capacity. Rather than creating pure dependency, USAID programs appear to have generated awareness of business development needs and, for many entrepreneurs, sufficient income to contemplate self-investment. This suggests that well-designed aid can cultivate rather than undermine local agency, even if withdrawal creates transitional challenges.

The USAID shutdown in Ghana's microenterprise sector represents neither pure catastrophe nor unqualified opportunity, but rather a critical stage requiring strategic navigation. The crisis has exposed the fragility of donor-dependent development models while simultaneously revealing unexpected local capacities. Whether this inflection point yields enhanced resilience or prolonged setback depends largely on how stakeholders like the government, civil society, entrepreneurs themselves, and remaining development partners response to the capacities and vulnerabilities.

Preferred Service Delivery Modalities

Table 12: *Preferred Service Delivery Modalities*

Delivery Modality	Frequency	Percentage
In-person training workshops	245	69.0
One-on-one mentoring/coaching	198	56.0
Peer learning groups	167	47.0
Mobile technology platforms	134	38.0
Community resource centers	123	35.0
Online/digital platforms	89	25.0

Source: Field data, 2025

Table 12 presents the preferred service delivery modalities. Understanding how entrepreneurs prefer to receive support is crucial for designing effective interventions is very critical. From the table, preference for in-person training workshops (69%) and one-on-one mentoring (56%) reflects the value entrepreneurs place on direct, personalized interaction. This finding suggests that while digital solutions may offer scalability, they should complement rather than replace human-centered approaches, particularly given the educational profile and technology access limitations of many entrepreneurs. The relatively lower preference for online/digital platforms (25%) correlates with infrastructure challenges and limited digital literacy. However, the 38% interest in mobile technology platforms indicates opportunities for appropriately designed mobile-based interventions, given Ghana's relatively high mobile phone penetration even in rural areas.

The findings reveal a complex representation of microenterprise resilience and adaptation in the face of external support withdrawal. Several key patterns indicate a significant implication for post-USAID development strategies:

The 70% willingness to pay for services fundamentally challenges donor-dependent development models. Rather than creating permanent dependency, USAID-supported programs appear to have cultivated awareness of service value and generated sufficient income for entrepreneurs to contemplate self-investment. The multi-dimensional challenge and priority profiles indicate that effective support cannot be unidimensional. Financial access alone, without complementary capacity building, will yield suboptimal outcomes. Similarly, training without addressing capital constraints will limit impact. The female majority (54%) among entrepreneurs necessitates gender-responsive programming that addresses specific constraints women face, including time poverty due to domestic responsibilities, limited mobility, and restricted asset ownership. The geographical disparities in awareness (72% overall but significantly lower in remote areas) and infrastructure access suggest that one-size-fits-all approaches will fail. Effective interventions must be context-sensitive and locally adapted. The existence of businesses operating for 10+ years (24%) despite challenging conditions demonstrates that

sustainable microenterprises are achievable. These established entrepreneurs represent potential mentors and knowledge resources for newer businesses. These findings provide empirical support for resilience-based development approaches that emphasize local capacity, adaptive systems, and sustainable financing mechanisms rather than perpetual external dependence. The USAID shutdown, while disruptive in the short term, may catalyze necessary transitions toward more robust, locally-driven development pathways.

Conclusions and Implications

This study examined the ramifications of USAID's cessation through the lens of microenterprise development in Ghana's Lower Manya Krobo and Asuogyaman Districts. The research addressed a central paradox: whether the withdrawal of development assistance constitutes a setback or potential for to catalyze sustainability, resilient development systems. The empirical evidence reveals a nuanced reality that challenges simplistic narratives. On one hand, the shutdown has created genuine anxieties among 72% of aware entrepreneurs who have come to depend on external support structures. The overwhelming identification of access to finance (90%) as the primary constraint underscores the immediate vulnerability created by funding withdrawal. On the other hand, the 70% willingness to pay for services demonstrates unexpected capacity and agency that contradicts prevailing assumptions about aid dependency. The study's findings align with resilience theory's emphasis on adaptive capacity over resource dependency. Female entrepreneurs' dominance (54%) in the sector, combined with the concentration of businesses in the productive 4–6-year age range (31%), suggests a demographic foundation capable of adaptation given appropriate support structures. The multidimensional nature of expressed needs spanning finance, management, marketing, and technology indicates sophisticated awareness of business requirements beyond simple capital injection.

The findings of this study carry significant implications for development policy, program design, and local enterprise empowerment in post-aid contexts. The demonstrated willingness of 70% of entrepreneurs to pay for support services suggests a readiness for self-sustaining development models. Policymakers and development practitioners should therefore prioritize mechanisms that transfer ownership of support programs to local actors, enhancing sustainability beyond donor timelines. USAID’s withdrawal, while disruptive, presents an opportunity to redefine development partnerships around capacity-building, innovation, and local resource mobilization rather than direct funding streams. This shift aligns with resilience theory’s focus on adaptive systems capable of enduring shocks.

With female entrepreneurs constituting 54% of participants, gender-sensitive financial and training interventions are critical. Strengthening women-led enterprises could act as a stabilizing force in local economic ecosystems, ensuring continuity in microenterprise development. The pervasive funding constraints (90%) highlight the need for alternative financing ecosystems, including microcredit institutions, savings cooperatives, and digital finance platforms that bridge the gap left by USAID programs. Local governments and non-state actors should therefore integrate MES-Hub’s lessons into

broader national microenterprise strategies, ensuring that decentralized systems provide consistent technical and managerial support.

The strong awareness of multidimensional needs (finance, management, marketing, and technology) underscores the importance of comprehensive entrepreneurship development frameworks. Future interventions should focus on strengthening adaptive capacity rather than short-term relief. Empirically, the study contributes to resilience theory and post-aid development discourse by offering evidence that aid cessation can act as a catalyst for endogenous growth, contingent on institutional support and entrepreneurial agency.

Suggestions for further studies

Future research should undertake long-term tracking of microenterprises within the MES-Hub network to evaluate how businesses evolve after USAID's exit. This would reveal whether early adaptive behaviors translate into sustained resilience or regression. A comparative study across multiple districts or countries formerly supported by USAID could uncover contextual variations in post-aid adaptation. Such cross-regional analysis would help identify best practices transferable to other aid-withdrawal contexts.

Declarations

Acknowledgments: we thank all participants for their support during the data collection.

Conflict of interest: the authors state that there were no financial or commercial relationships that may be seen as having a conflict of interest while conducting the research.

Funding: this study did not receive any funding.

Data Availability: the corresponding author may make the data used in our study public upon reasonable request

Clinical trial number: not applicable

Ethics approval: This study was performed in full accordance with the ethical standards and adherence to the principles of ethical conduct in research involving human subjects. Ethical approval was received for the study with IRB reference number ID (UCCIRB/CANS/2025/25).

Accordance statement: The study was conducted under the guidelines provided by the University of Cape Coast's Institutional Review Board's (IRB).

Consent to Participate: Informed consent was obtained from all the participants.

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Author contribution

KE: Conceptualization; writing—original draft; writing - review & editing

MP: Supervision; writing—original draft, writing - review & editing

SKND: Supervision; writing—original draft, writing - review & editing

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