

GULF OF GUINEA NORTHERN REGIONS SOCIAL COHESION (SOCO) PROJECT

Local Economic Development for Women and Youth in Northern Ghana Policy Brief

Title: Unlocking Northern Ghana's Local Economies: Scaling Local Economic Development for Women and Youth



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Executive Summary

Northern Ghana's economies are stuck in low-productivity activities, even as the country seeks faster, more inclusive growth. Women and youth are the backbone of local markets; nearly 40% of women and 41% of youth in the study areas are farmers, with many others in petty trading, yet they are locked out of finance, skills, infrastructure, and markets. This is not just a social problem; it is a drag on national growth, poverty reduction, and social cohesion.

New national instruments, such as the 2024 Local Economic Development (LED) Policy, the Social Protection Act (2025), the National Gender and Youth Policies, and SOCO-supported initiatives, provide a platform for change. The SOCO LED study was conducted in 2024 across 48 MMDAs in six northern and Oti regions, based on surveys and interviews with 205 respondents, shows that agriculture and

micro and small enterprises account for 85% of perceived LED potential, but are held back by binding constraints: lack of funding (36 - 37%), limited skills (22 - 27%), and weak local infrastructure (around 20 - 22%).

This Policy Brief argues for a shift from fragmented, project-based support to a coordinated LED model that bundles finance, skills, and infrastructure around women- and youth-led agribusiness and micro-enterprises, with district assemblies at the core and SOCO as a catalytic platform. If implemented, this approach can convert underutilised labour into productive employment, raise household incomes, reduce vulnerability to climate and conflict shocks, and advance Ghana's twin goals of poverty reduction and shared prosperity in its most lagging regions.



1. The Development Challenge

Northern Ghana¹, covering Northern, Upper West, Upper East, Savannah, North East and Oti regions, has long lagged behind the rest of the country in economic development. The local economy is still dominated by rainfed, low-input agriculture and small-scale trade, leaving women and youth concentrated in low-productivity, low-return activities. These regions face overlapping pressures: spill-over conflicts from the Sahel, climate vulnerability, entrenched poverty, social exclusion, weak local governance, and the scarring effects of COVID-19 on local livelihoods. When women and youth do not have adequate productive jobs and a stake in local markets, poverty and inequality persist, social tensions rise, and migration becomes one of the few “economic strategies” available.

The cost of inaction is threefold:

1. **Growth loss is inevitable** because labour remains trapped in subsistence farming and informal trade instead of moving into higher-value agro-processing and small enterprises.
2. **Fiscal and social costs are a burden**, and thus, social protection must continue to carry households that could otherwise be self-reliant if given capital, skills, and market access.
3. **Fragility risks are heightened** by the combination of cross-border insecurity, youth underemployment, and persistent local grievances, all of which undermine stability and social cohesion.

The counterfactual, by contrast, is that targeted LED that unlocks women’s and youth’s productivity in agriculture and micro-enterprises can transform Northern Ghana from a structural “laggard” into a driver of rural growth and resilience.

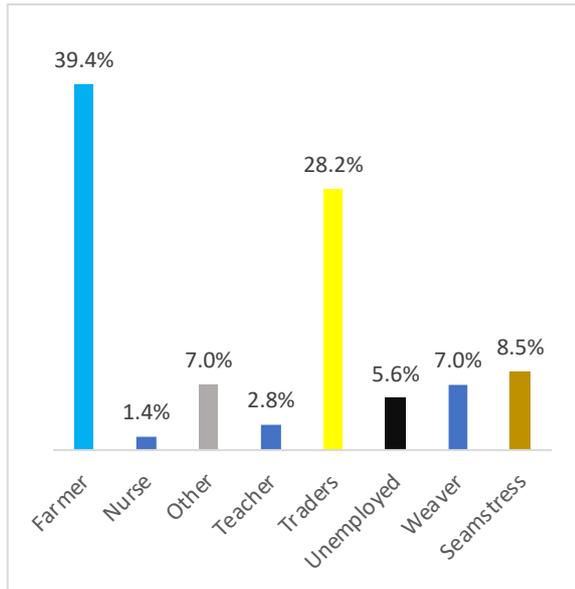
2. Key Findings from the SOCO LED Study

1. **Women and youth are concentrated in low-productivity activities**, as evidenced by the study results: among women respondents, 39.4% are farmers and 28.2% are traders; among youth, 41.2% are farmers and 15.7% are traders, with 12.7% unemployed. Women and youth in agriculture are heavily reliant on simple rainfed subsistence farming, making these groups highly vulnerable to climate shocks and seasonal income fluctuations.

¹ Contextually defined as the SOCO Project Implementation regions (Northern, Upper West, Upper East, Savannah, North East and Oti regions)

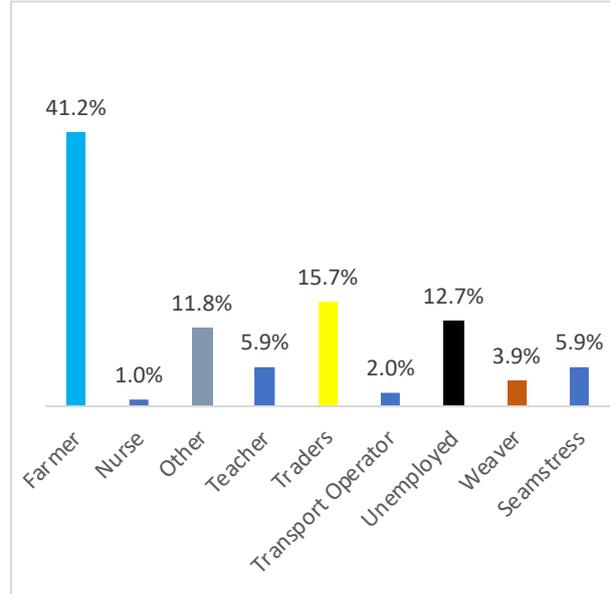


Figure 1: Occupation of women by Sector



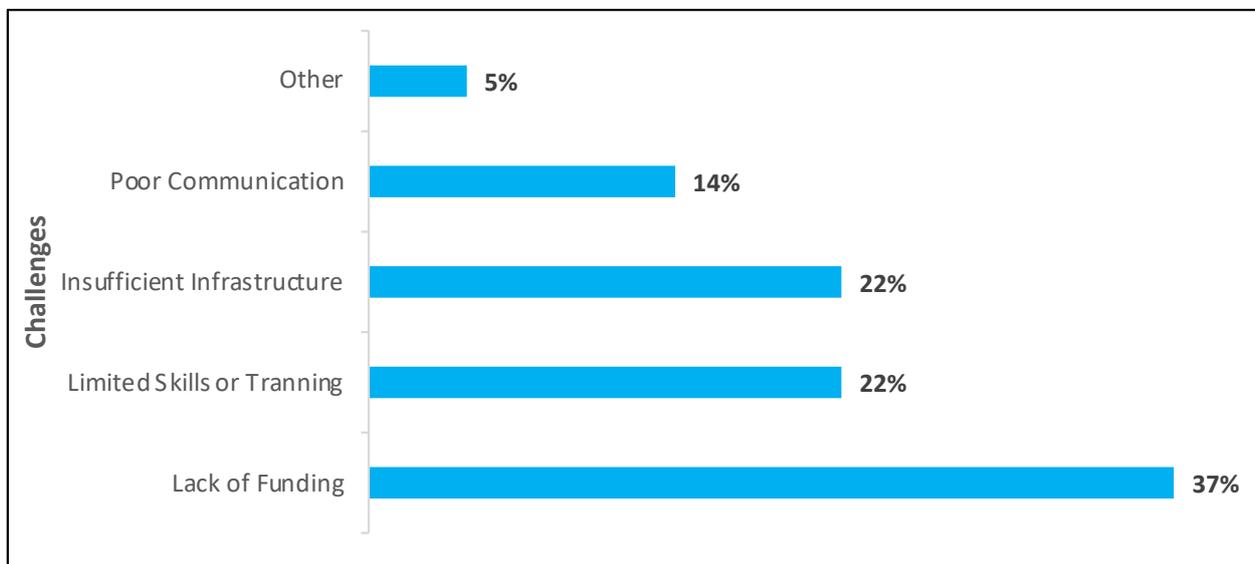
Source: SOCO Project Local Economic Development Study, 2024

Figure 2: Occupation of youth by Sector



2. **There are significant binding constraints in the areas of finance, skills, and infrastructure among women and youth.** For women, the top barrier is a “lack of funding” (37%), followed by limited skills/training (22%) and insufficient infrastructure (22%).

Figure 3: Barriers to Women’s participation in LED

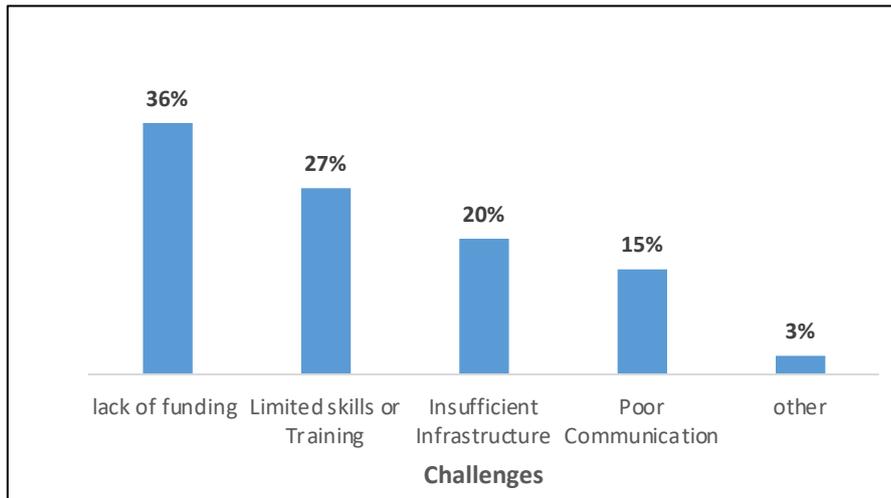


Source: SOCO Project Local Economic Development Study, 2024

Among the youth, 36% cite “lack of funding”, 27% cite limited skills/training, 20% cite insufficient infrastructure, and 15% cite poor communication and information networks.



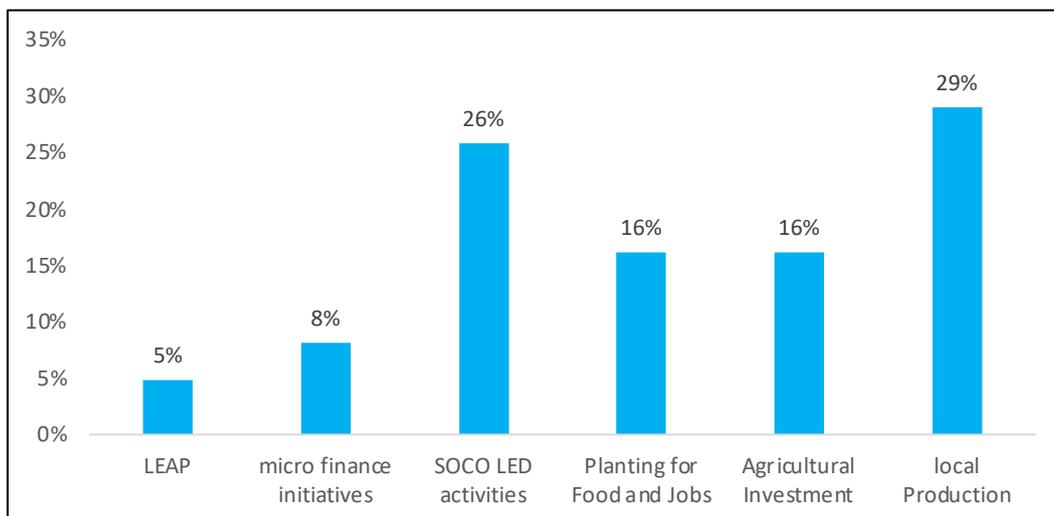
Figure 4: Barriers to youth participation in LED



Source: SOCO Project Local Economic Development Study, 2024

3. **Existing interventions are promising, but fragmented.** Local production initiatives (e.g., soap, cassava, groundnut, shea butter) account for ~29% of women and youth-focused interventions, supporting basic value addition and small-scale manufacturing. SOCO LED activities account for ~26% of interventions and emphasise local solutions, community ownership, and partnerships with local leaders, NGOs, and private actors. Other programmes, such as the Planting for Food and Jobs, agricultural investments (16%), microfinance schemes, and LEAP, provide inputs, training, and financial support but are often standalone, time-bound, and not fully integrated into district LED strategies.

Figure 5: Distribution of LED-related initiatives for women and youth

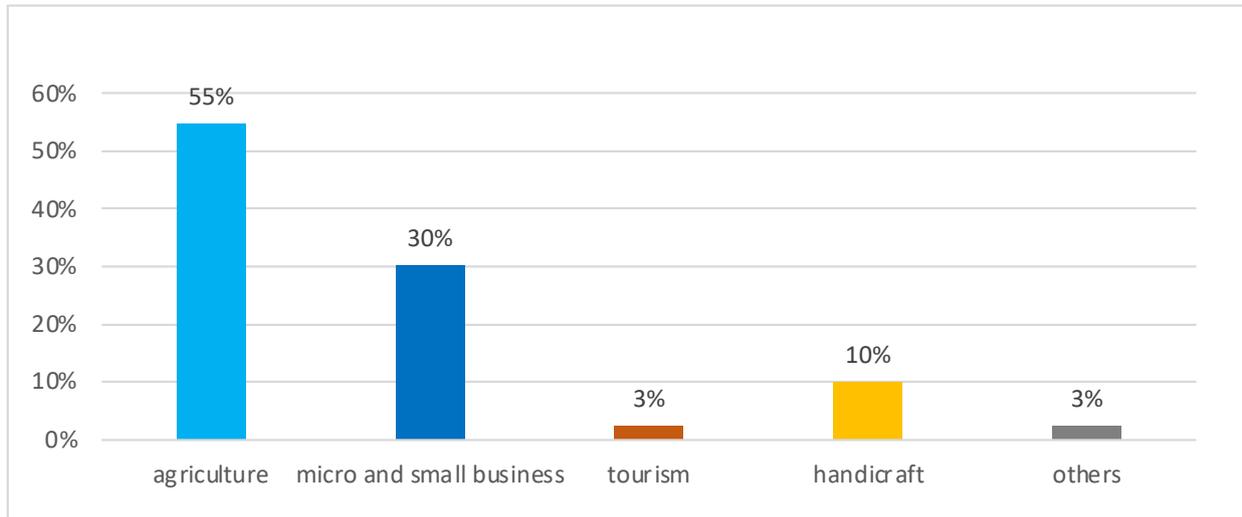


Source: SOCO Project Local Economic Development Study, 2024



4. **Clear economic potential in agriculture and micro-enterprises exists but requires deliberate investments to make them beneficial to women and youth, and communities in general.** Respondents identify agriculture (including agro-processing) as having the most substantial LED potential (55%), followed by micro and small enterprises (30%), with tourism and handicrafts as emerging niches.

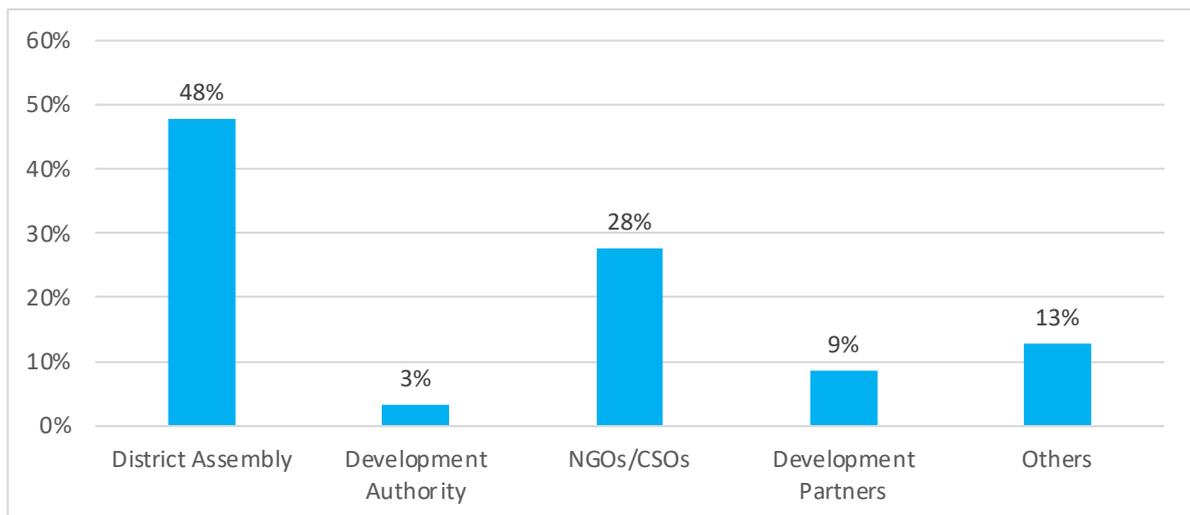
Figure 6: Perceived LED potential by Sector.



Source: SOCO Project Local Economic Development Study, 2024

5. **District Assemblies are pivotal, by mandate and function, to deliver successful LED interventions, but need capacity and resources.** Metropolitan, Municipal, and District Assemblies (MMDAs) deliver nearly half (48%) of local development projects, with NGOs/CSOs contributing 28% and development partners 9%; the remainder is delivered by local businesses and cooperatives.

Figure 7: Share of LED implementation by type of institution



Source: SOCO Project Local Economic Development Study, 2024



The Local Governance Act (2016), the 2024 LED Policy, the Social Protection Act (2025), and the Affirmative Action Act (2024) create a strong legal basis for inclusive LED, but implementation is uneven and under-resourced.

3. Policy Options

3.1. Scenario A: The Status Quo (Fragmented and underfunded LED interventions)

Under this scenario, the status quo persists (the existing conditions remain; do nothing), with LED interventions in Northern Ghana continuing as a patchwork of projects led by district assemblies, NGOs, and development partners, without a coherent framework for financing and scaling what works.

Key features:

- Women and youth remain concentrated in low-return farming and petty trade, constrained by finance, skills, and infrastructure gaps.
- Programmes such as PFJ, microfinance schemes, and local production projects remain small-scale and isolated, with limited spillovers or sustained job creation.
- District Assemblies continue to implement LED on a project-by-project basis, constrained by limited own revenues and unpredictable external funding.

The apparent consequences will be high poverty and vulnerability in Northern Ghana; public spending yields low productivity gains; and social protection must continue compensating for structural exclusion rather than backing productive transformation.

3.2. Scenario B: Incremental Change (Scaling Existing Programmes without integration)

In this scenario, the Government and partners modestly scale up existing successful initiatives (e.g., more PFJ inputs, expanded microfinance, more training sessions for women and youth) but do not fully align them under a district-led LED strategy.

Key features:

- More women and youth gain access to inputs, training, and small loans; some local production clusters (cassava, groundnut, shea) expand.
- However, interventions remain supply-driven and fragmented across ministries and development partners. District Assemblies play an administrative rather than a strategic role.



- Binding constraints such as poor rural infrastructure, weak market linkages, and limited business development services remain largely unaddressed.

Adopting this approach in the medium term will lead to incremental gains in incomes and employment, but little structural change. The growth and poverty reduction payoffs are positive but modest, and Northern Ghana risks remaining lagging regions.

3.3. Scenario C: Recommended Innovation (A Coordinated LED Platform for Women and Youth)

This scenario proposes a coordinated LED model that explicitly uses the 2024 LED Policy and the SOCO platform to bundle finance, skills, and infrastructure around high-potential sectors (agriculture/agro-processing and micro/small enterprises), with district assemblies as the backbone.

Key features:

- District Assemblies, guided by the LED Policy and Local Governance Act, develop and incorporate in their Medium-Term Plans (2026 – 2029) multi-year LED plans that prioritise women and youth-led agribusiness and micro-enterprises in value chains such as cassava, groundnut, and shea.
- Women and youth receive coordinated support, affordable finance (micro-loans and grants), applied skills and entrepreneurship training, and targeted infrastructure (feeder roads, storage, processing centres, marketplaces).
- Model the SOCO Project to act as a regional platform to align government programmes (PFJ, social protection, youth employment), donor projects, and private sector investments, reducing duplication and ensuring scale.

Systematically implemented, this scenario has the potential to increase the share of women and youth shifting into higher-productivity activities, creating a stronger local tax base, reducing pressure on social protection budgets, and strengthening resilience and social cohesion in a fragile border region.

4. Recommendations

The following recommendations are made for policy.

- The Ministry of Finance, in partnership with development partners, should establish a performance-based LED financing window to channel grants and concessional resources to district assemblies in the 48 SOCO MMDAs for women- and youth-focused LED projects aligned with the 2024 LED Policy. Financing should prioritise bundled investments in agro-processing, local production initiatives, and high-potential micro and small enterprises (55% agriculture, 30% MSEs).



The disbursement criteria should reward districts that demonstrate strong local participation, especially of women and youth, and measurable gains in jobs and incomes.

- The Ministry of Local Government, Chieftaincy and Religious Affairs and the National Development Planning Commission (NDPC) should mandate and support LED platforms in each SOCO district that bring together district assemblies, traditional authorities, women's and youth groups, NGOs/CSOs, and private actors. These platforms should oversee LED planning, coordinate interventions (PFJ, social protection, microfinance, SOCO LED activities), and jointly monitor results for women and youth. NDPC should strengthen the measurement of LED performance indicators disaggregated by sex and age into district performance assessments, aligning with the LED Policy and the Social Protection Act (2025).
- The Ministry of Food and Agriculture, the Ministry of Trade, Agribusiness and Industry, and the Ministry of Gender, Children and Social Protection, in collaboration with the SOCO Project and NGOs/CSOs, should scale integrated packages that address the three main constraints: funding, skills, and infrastructure, for women and youth. Expand vocational and technical training, business mentorship, and financial literacy programmes targeted at women and youth in farming and trade. Invest in community-level agro-processing equipment, storage, and market infrastructure to enhance value addition and reduce post-harvest losses in cassava, groundnut, and shea value chains. And finally, use the SOCO as a vehicle to pilot and refine these packages in high-potential districts, then scale through national programmes.

5. Conclusion

Investing now in coordinated local economic development for women and youth in Northern Ghana will turn today's underused labour into tomorrow's engine of rural growth, fiscal resilience, and social cohesion. The choice is clear: either continue paying the rising bill of entrenched poverty and fragility, or back a focused LED agenda that delivers tangible returns in jobs, incomes, and shared prosperity for Ghana's most vulnerable regions.

