



Escape Poverty (EP)-Africa

"Creating Opportunities for People to Escape Poverty"

Identification of best practices and mechanisms in the field of entrepreneurship development and access to finance in the context of Prestea-Huni Valley Municipality and Wassa East District of the Western Region of Ghana



Business Development Services Training, Western Region, Ghana, June 2018 (Photo Credit: Escape Poverty)

Prepared for: World University Service of Canada

August 2018

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List of Acronyms

WUSC	World University Service of Canada
WAGES	West Africa Governance and Economic Sustainability in Extractive Areas
CECI	Centre for International Studies and Cooperation
BDS	Business Development Services
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
BAC	Business Advisory Centre
CSOs	Civil Society Organizations
SMEs	Small and Medium Scale Enterprises
MSMEs	Micro, Small, and Medium Scale Enterprises
MoFA	Ministry of Food and Agriculture
PHMA	Prestea Huni-Valley Municipal Area
WED	Wassa East District
MDF	Minerals Development Fund
FGD	Focus Group Discussion
SHACCU	Shama Cooperative Credit Union
REDF	Rural Enterprise Development Fund

Executive Summary

The World University Services of Canada (WUSC) and the Centre for International Studies and Cooperation (CECI) is currently implementing the West Africa Governance and Economic Sustainability in Extractive Areas - (WAGES) Project in three West African countries including Ghana. The project aims at ensuring the participation of local communities – and especially the integration of women and youth – in the governance of natural resources, entrepreneurship and the development of the targeted areas. In Ghana, this project is being implemented in the Prestea Huni-Valley Municipality and Wassa East District. The WAGES project supports entrepreneurship training for women and youth and business associations and cooperatives with the aim of helping improve local entrepreneurs' access to business development and entrepreneur support services, especially for youth and women as well as increasing entrepreneurs' access to financing for the development of their business (launch, consolidation, growth). This study was thus carried out to identify best practices and mechanisms in the field of entrepreneurship development and access to finance in the intervention areas.

The study adopted a mixed method approach in carrying out this assignment. An economic survey of entrepreneurs was carried out, surveying 200 entrepreneurs on access to business development services and financing and financial services. Four (4) focus group discussions were held, two (2) for women and two (2) for youth entrepreneurs in the intervention area. Six (6) key consultative meetings were held with service providers on the supply side of business development and financial services to women and youth entrepreneurs in the intervention areas. The data collected was analyzed using descriptive statistics, inferential statistics and thematic analyses.

The study found that several business development services are available in the districts. These range from services under market access, infrastructure, policy and advocacy, input supply, training and technical assistance, technology and product development, and alternative financing mechanisms. However, aside from training and technical assistance and infrastructure, most of these services are largely not available for most women and youth entrepreneurs. It was found, though, that most entrepreneurs need these services. Yet, they are currently not accessing these business development services. A wide gap was found to exist between the need for BDS services and the current access to BDS services by women and youth entrepreneurs. It was found that the Business Advisory Centres in both districts are the main BDS providers together with WUSC through its WAGES Project. Other institutions such as Fiaseman Rural Bank, Golden Star Resources (a mining company in collaboration with GIZ and other local CSOs), and Goldfields Darmang provide training and technical assistance to women and youth entrepreneurs. However, there are no specialized programmes targeting only women and youths.

It was found that women and youth entrepreneurs face several challenges in accessing business development services in the intervention area. The challenges were the same for all entrepreneurs irrespective of gender and age category. The major challenge is the low capacity of the BAC – as the main BDS provider – to provide needed services due to inadequate personnel, logistics and funding. The staff of the BAC also need more training in community mobilization and innovative delivery strategies and emergent services. Low levels of education among entrepreneurs also affect access to BDS services in the intervention area. Many entrepreneurs do not see the need for services with no

short-term benefits. Another major challenge is the lack of access to financing which adversely affects the financial ability of entrepreneurs to access business development services.

In terms of financing and financial services, it was found that entrepreneurs need several types of financing and financial services. Several types of financing and financial services were also found to be available in the districts. These include savings account, current account, mobile money services, bank loans, loans from family and friends, loans from business partners, credit purchasing, government financial support, donor grants and others. However, it was found that apart from savings account and mobile money services, current access to these types of financing and financial service is poor. Yet, many financial and non-financial institutions exist in these districts, providing these facilities, especially loan facilities. It was found that women and youth form the majority of the clients of these institutions. Loan facilities for entrepreneurs (largely for women and youth) existing in the intervention area include susu loans, start-up loans, SME loans, farmer-based/agribusiness loans and group loans. Only one institution (Fiaseman Rural Bank) provides start-up loans to entrepreneurs in the intervention area. Nonetheless, Lower Pra Rural Bank provides micro saving and credit scheme solely for women in the Wassa East District. Also, the government provides facilities such as the Matching Grant and Rural Enterprise Development Fund for MSMEs through rural banks but many MSMEs do not meet the criteria for accessing these facilities. The government also provides input credit to farmers through the National Youth Agricultural Support Scheme administered by the Ministry of Food and Agriculture whereas the BAC is facilitating the formation of Village Savings and Loans Association to provide micro-loans to group members at 10% interest rate per a quarter of a year. Moreover, mining companies are providing financial support to entrepreneurs in mine affected areas throughout the intervention area. Women were found to have more access to loan facilities than men because financial institutions find women to be more creditworthy than the men.

Entrepreneurs regard access to financing as the biggest challenge to business launch, consolidation and growth. Though financing opportunities are available in the form of loans, these are not affordable. Whereas entrepreneurs can afford no more than 15% interest rate per annum, financial institutions are not willing to offer loans at less than between 25% and 30% interest rate per annum. Also, most loans are provided in short payment cycles and these become liabilities to entrepreneurs. Further, most businesses are not able to meet the requirements of banks and other facilities such as the Matching Grant and the Rural Enterprises Development Fund due primarily to lack of business registration and lack of access to guarantors. Loan defaults by group members in group loans also demotivate women entrepreneurs from accessing loan facilities. The study did not find any sociocultural barriers to access to finance in the intervention area. Also, challenges to access to finance was the same for all entrepreneurs irrespective of age and gender though female entrepreneurs had more access to finance than their male counterparts.

Based on the above findings, the study recommends BAC be strengthened in human capacity, logistics and funding to be able to operate effectively. Further an SME Development Fund needs to be set up with funds from the Minerals Development Fund (MDF) to enable the BAC carry out its mandate effectively. The BAC also needs to be localized, while sensitization programs need to be organized to educate the entrepreneurs about business development services. The BAC will also need to coordinate all BDS activities in the intervention area. With regards to access to financing, the study

recommends that businesses are supported to register, credit management trainings provided and MSME associations invigorated to prepare the grounds for the establishment of a revolving fund. Following this, a revolving fund needs to be established for various associations, managed by a credible financial institution in collaboration with the BACs, to provide affordable loan facilities to individual entrepreneurs through their associations.

1.0 Introductory Background

1.1 Background to the Study

The West Africa Governance and Economic Sustainability in Extractive Areas (WAGES) Project aims to ensure the participation of local communities – and especially the integration of women and youth – in the governance of natural resources, entrepreneurship and the development of the targeted areas. The project is being implemented in three countries (Burkina Faso, Ghana and Guinea) by the WUSC-CECI Consortium, which is funded by Global Affairs Canada. In Ghana the Project is being implemented in the Prestea Huni-Valley Municipality (PHM) and Wassa East District (WED). In terms of economic development, the project is based on two strategies: on the one hand, increasing the local content in the mines (mainly jobs and local procurement) and, on the other hand, diversifying the local economy so that it does not depend solely on an industry whose life cycle is limited. The project conducted an initial study of the socio-economic conditions, an agribusiness subsector and value chain analysis, as well as an assessment of local procurement of mining companies and other private sector in the two implementing areas – PHM and WED. In order to achieve its outcomes, the WAGES project supports entrepreneurship training for women and youth and business associations and cooperatives. The project aims to help improve local entrepreneurs' access to business development and entrepreneur support services, especially for youth and women.

The project also aims to increase entrepreneurs' access to financing for the development of their business (launch, consolidation, growth). It is in this context that the project wishes to identify best practices and mechanisms in the field of entrepreneurship development and access to finance, particularly in the context of Prestea Huni-Valley Municipality and Wassa East District.

1.2 Purpose and Objectives of the study

The goal or purpose of the study is to identify best practices and mechanisms in the field of entrepreneurship development and corporate finance in the intervention area of the WAGES program in Ghana (i.e. Wassa East District and Prestea-Huni Valley Municipal Area).

The objectives of the study can be categorized into two. These include entrepreneurship and financing. The objectives under entrepreneurship include the following:

- To make an inventory of available business development and entrepreneurs support services in the intervention area;
- To analyze the adequacy of needs and current service offering to youth and women, identify the causes of shortcomings; and
- To suggest strategies that will equitably promote the access of women, young women and young men to these services in the intervention areas.

Objectives under financing include the following:

- To analyze the factors that restrict women and youth's access to financing and other financial tools and services;
- To identify the needs of women and youth, in terms of financing and financial tools / services;
- To make an inventory – based on a gendered analysis of the offering of financing and financial tools / services available to women and youth entrepreneurs (start-ups), Collective enterprises

- (associations, cooperatives) and existing SMEs likely to create jobs for youth and women, while analyzing the gaps between the needs, the identified causes and the current service offering;
- To suggest tested and adapted financial access strategies and mechanisms for young women, young men and women and existing businesses, considering the possible financial contributions of private investors (mining companies and others).

1.3 Structure of the report

This report is divided into five (5) main parts. These include an introductory part (Part 2) which provides a brief background to the study and the purpose and objectives of the study. It also provides an overview of the structure of the report. Part 2 also describes the approach to the study and the methods employed in data collection, data analyses and reporting. It also provides a brief profile of the surveyed SMEs in the intervention area. Part 3 presents the study findings on access to business development services by women and youth entrepreneurs in the intervention area. Part 4 presents the findings of the study in regards to access to finance for women and youth entrepreneurs. Finally, Part 5 presents a summary of findings, and provide an analysis of strategies and mechanisms to improve access to BDS, and to promote equitable access to financing by women and youth entrepreneurs.

2.0 Study Methodology

2.1 Methodology

- Design

The study adopted a mixed-methods approach – employing both quantitative and qualitative techniques. The survey and case study methods were adopted for data collection and analyses. An economic survey was used to take an inventory of business development and entrepreneurship support services in the intervention area as well as to gather data from the women, young men and young women entrepreneurs on access to business development, entrepreneurship and financial services. Focused group discussions and key informant interviews were used to gather qualitative data to gain more insights into the nuances and factors promoting or inhibiting their access to business development services and financing.

- Sampling

The team embarked on a familiarization visit to the WAGES project office in Daboase to obtain reliable databases of SMEs in the intervention areas. The visit was also used to identify the various institutions to interview and the composition of the focus groups to interact with. The databases from each of the intervention areas was used as sampling frames to select the primary sampling units (SMEs). The consultant used simple random sampling to sample 200 entrepreneurs from 16 communities in the intervention area for the economic survey. An online tool – Random Selection Generator – was used in sampling the entrepreneurs. The consultant selected 100 entrepreneurs from each of the districts. Table 1 provides details of the sample according to districts and communities.

Table 1. Distribution of sampled entrepreneurs

District	Community	Number of entrepreneurs surveyed
Prestea Huni-Valley Municipal Area	Huni-Valley	13
	Amoanda	1
	Bepoh	1
	Bogoso	39
	Prestea	37
	Awudua	2
	Himan	6
	Huniso	1
Wassa East District	Aboaboso	4
	Akyempim	9
	Prato	5
	Atieku	17
	Atobiase	14
	Sekyere Heman	6
	Dompim	12
	Daboase	33
Total		200

- Data collection

Data was collected from multiple sources. A desk study was carried out to review relevant documents on access to business development services and financing. This provided a deeper understanding of what to assess and aided the development of appropriate indicators and reliable instruments for data collection. After this review, the consultant developed reliable instruments for data collection including a detailed survey questionnaire (see Annex 3), an interview guide for BDS providers, an interview guide for financial institutions, an interview guide for mining companies, a focus group discussion (FGD) checklist for women entrepreneurs, and FGD checklist for youth entrepreneurs.

Following this, 20 enumerators were trained to conduct the survey in the intervention area. The training and survey started on 7th August and ended on 11th August. The survey achieved a 100% response rate. Four FGDs were conducted, two in each district, to gather valuable qualitative data from women and youth entrepreneurs. Further, six (6) consultative meetings were held with service providers (2 heads of Business Advisory Centre; 1 head of a commercial bank; 1 head of a rural bank; 1 head of SME department of a rural bank; and 1 head of a microfinance institution).

- Data analysis and reporting

Three main analytical techniques were used to analyse and interpret the data. Much of the survey data was analysed using descriptive statistics such as frequencies, percentages and means. Bar charts and line graphs as well as cross-tabulations were used to represent much of the data. A binary logit model was used to assess the factors influencing access to loan facilities in the intervention areas. The Statistical Package for Social Scientists (IBM SPSS version 20) was used for the quantitative analyses. Thematic

analysis was used to interpret the qualitative data gathered from the key informant interviews and the focus group discussions. This offered the opportunity to provide detailed, balanced and insightful information to support the quantitative results. Particularly, the qualitative data proved very much useful in the identification of factors affecting access to BDS and financing since the nature of the quantitative data was not suitable for more inferential analyses.

- Quality Assurance

The team put various measures in place to ensure reliable, quality and valid data. In-depth study of the relevant documents aided in the development of reliable evaluation tools. The team also used experienced enumerators, properly trained them and supervised them to ensure that valid data was collected. The WUSC team supervised the enumerators to ensure that they recorded the exact responses from farmers. The data was properly coded, entered and edited to obtain a clean and accurate database.

- Data validation

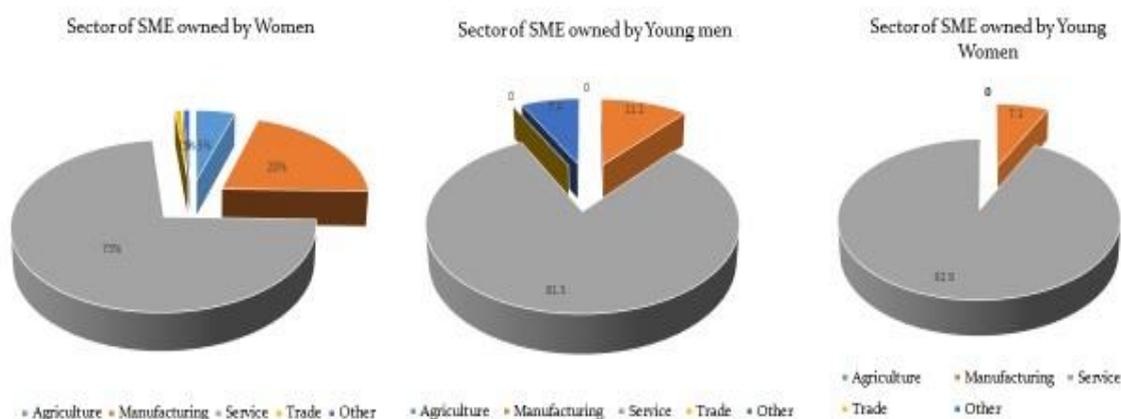
A data validation workshop was held on the 17th of August to present the preliminary findings of the study to key stakeholders and respondents. The workshop was also used to validate the field data and to invite feedback from participants. In fact, the workshop proved invaluable.

2.2 Profile of MSMEs in the intervention Area

- Composition, age and experience

As already indicated, 200 entrepreneurs were surveyed in the study. Out of this, 67% were women (including 35% young women and 32% adult women) and 33% were men (including 14% young men and 19% adult men). It was found that the MSME sector is dominated by women. Due to the nature of the assignment, only the findings on women, young men and young women are presented. The average ages (in years) were 37.4, 31.1 and 30.1 for women, young men and young women respectively. As expected, women (10.2) had more experience (in terms of years) in their various areas of businesses than young men (7.6) and young women (7.4). Most of the businesses were also found to be in the service sector, providing services to clients in the intervention area. The pie charts below (Figure 1) depict the sectoral distributions of enterprises owned by women, young men and young women. A substantial proportion of women (20%) were also in the manufacturing sector. However, few young women were into manufacturing.

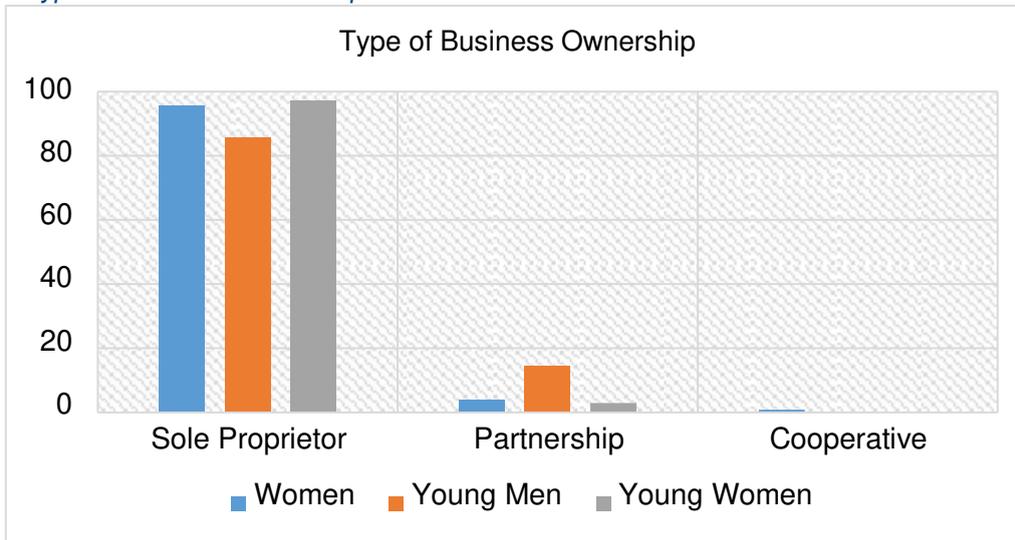
Figure 1: Sectors of enterprises according to focus groups



- Business ownership and registration

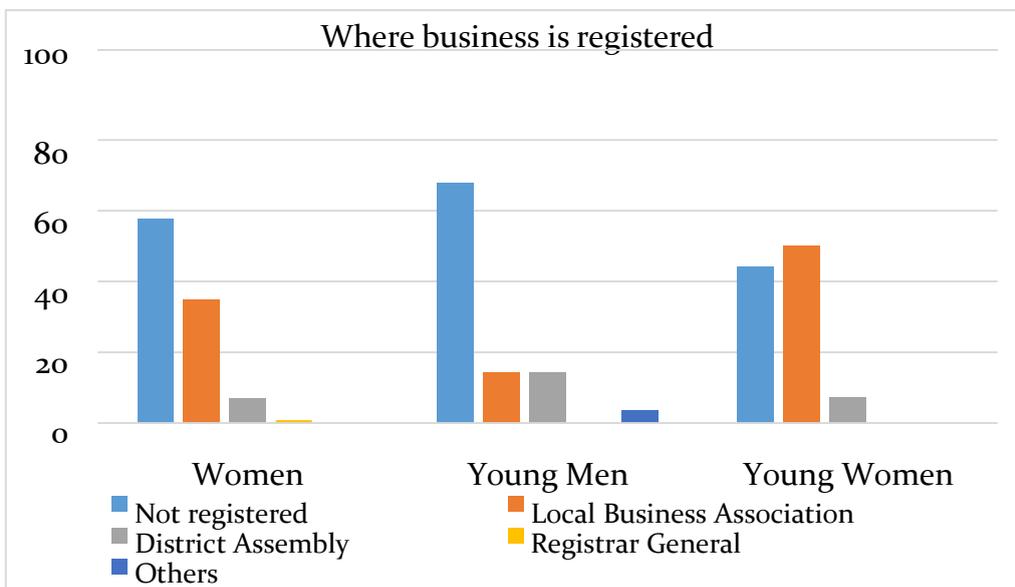
Most of the entrepreneurs are sole proprietors. Yet, young women (97.1%) topped in terms of sole proprietorship. More young men (14.3%) were in partnerships than women and young women. This is presented in Figure 2.

Figure 2: Types of business ownership



Also, the survey revealed that most of the entrepreneurs have not registered their businesses (Figure 3). Young men are the least to register their businesses whereas more young women (50%) have registered their businesses with local business associations. About 35% of women have also registered their businesses with local business associations. More young men (14.3%) have registered their businesses with their respective district assemblies than women (6.8%) and young women (7.1%). It was found that businesses in the intervention area have not registered with the Registrar General's Department. Only 0.8% of businesses (all women) have registered with the Department.

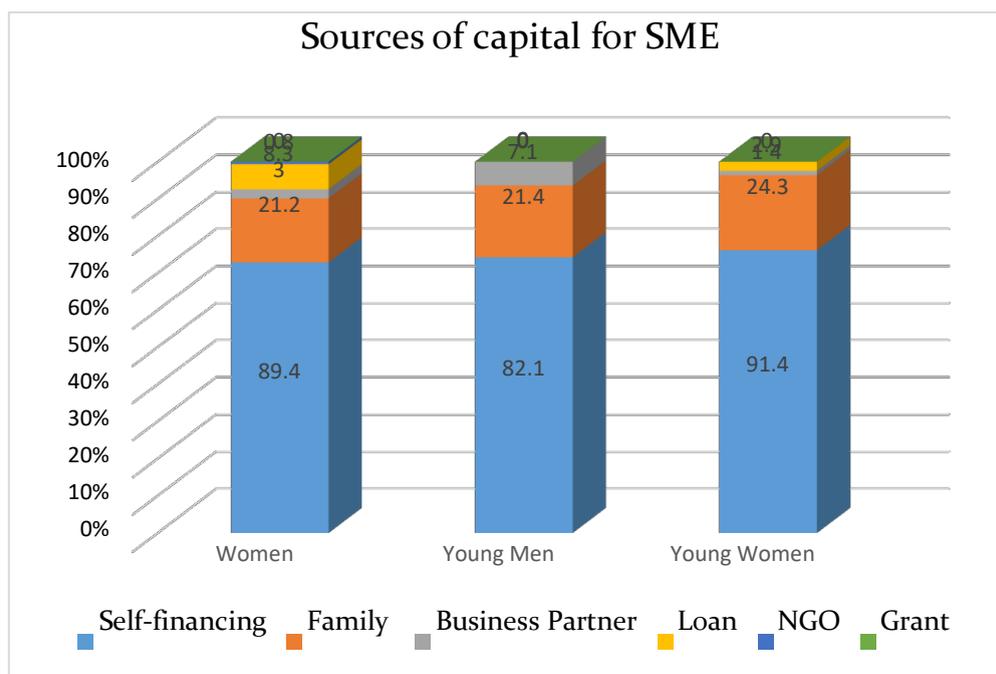
Figure 3: Registration of businesses in the intervention area.



- Sources of capital for business

The survey revealed that MSMEs in the municipality are self-financing (Figure 4). More than 80% of all entrepreneurs finance their businesses from their own pockets. In particular, women entrepreneurs are self-financing compared to young men. Also, about 22% of entrepreneurs finance their businesses from support received from family members. More young women financed their businesses from family support than women and young men.

Figure 4: Sources of capital for enterprises



It was found that almost all entrepreneurs do not have supply contracts with mining companies. Only 7.1% of SMEs owned by young men have contracts with mining companies.

3.0 Entrepreneurs' access to business development and entrepreneurial services

The list of business development services produced by the ILO was adopted for the study. Table 2 provides a list of these services.

Table 2: List of business development services assessed

Category of BDS	Specific Services
Market access	Market research
	Market information
	Trade fairs
	Product exhibitions
	Advertising
	Packaging
	Marketing trips and meeting
	Subcontracting and outsourcing
Infrastructure	Storage and warehousing

	Transport and delivery
	Business incubators
	Telecommunications

	Internet access
	Computer access
	Secretarial services
Policy and advocacy	Training in policy advocacy
	Analysis of policy constraints and opportunities
	Direct advocacy on behalf of SMEs
	Sponsorship of conferences
	Policy studies
Input supply	Linking MSMEs to input suppliers
	Improving suppliers' capacity to deliver quality inputs
	Facilitating establishment of bulk buying groups
	Information on input supply sources
Training and technical assistance	Mentoring
	Feasibility studies
	Business plans
	Franchising
	Management training
	Counselling / advisory services
	Legal services
	Financial and tax advice
	Accountancy and bookkeeping
	Technical training
Technology and product development	Technology transfer /commercialization
	Linking SMEs and technology suppliers
	Facilitating technology procurement
	Quality assurance programmes
	Design services
Alternative financing mechanisms	Factoring companies providing capital for confirmed orders
	Equity financing
	Facilitating supplier credit
	Equipment leasing and rental

3.1 The BDS needs of entrepreneurs in the intervention area

Entrepreneurs in the intervention area are in need of several business development services for the growth and development of their enterprises. The proportions of businesses in need of the various BDS are presented in Figure 5. Figure 5 shows that the majority of the women and youth entrepreneurs (57.3%) need market access services for their businesses. Advertising services topped among the market services with about 83.3% of women, 75.0% of young men and 90.0% of young women indicating that they need advertising services for their enterprises. The majority of women and youth entrepreneurs also need market research, market information and marketing trips and meetings. About half of women and youth entrepreneurs also need trade fairs and product exhibitions to boost their businesses.

Under infrastructure, most entrepreneurs indicated that they need telecommunication services for their businesses. About 82.6% of women, 78.6% of young men and 85.7% of young women are in need of telecommunication services for their businesses. Following telecommunication is internet access. More



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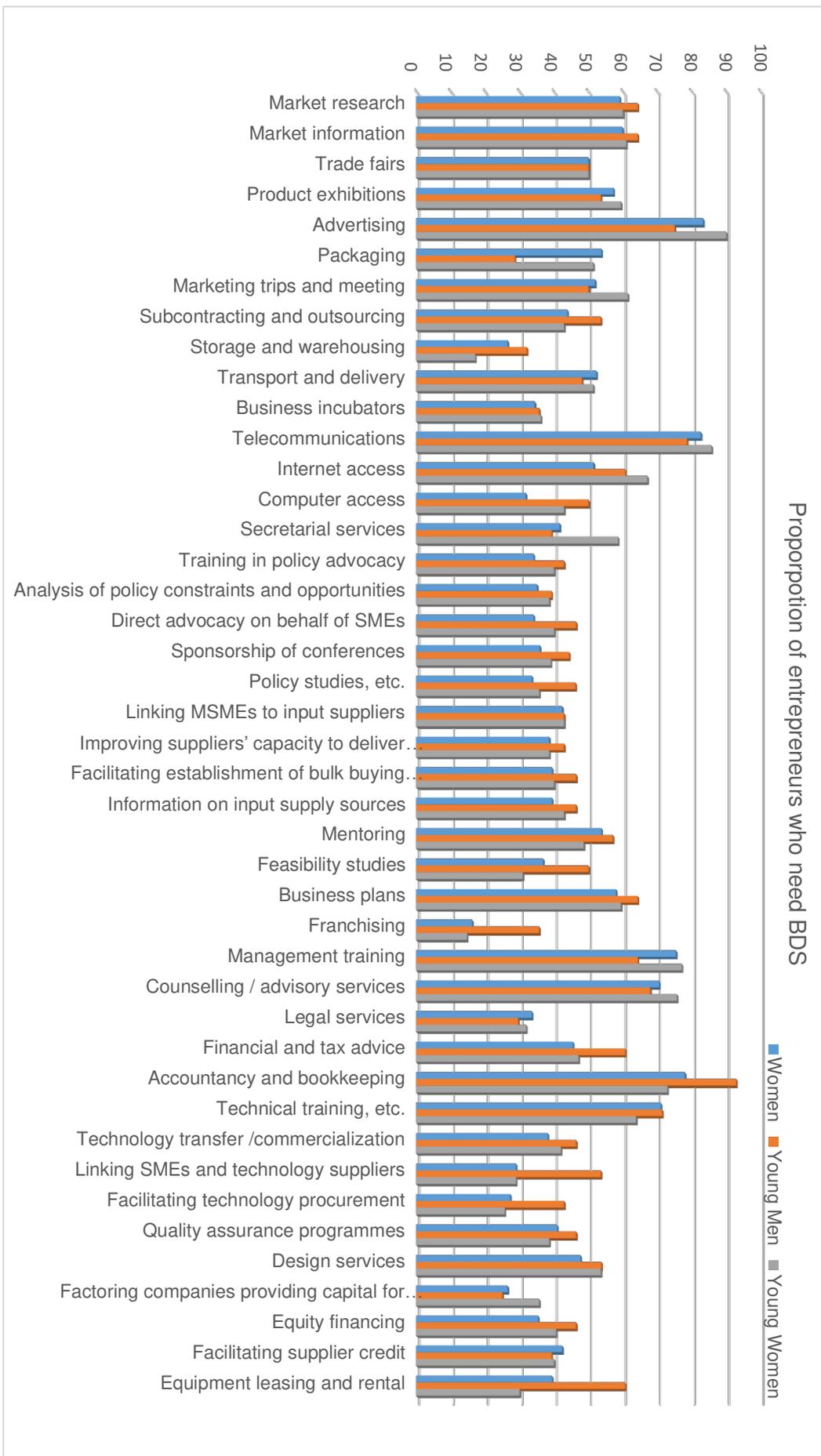
WUSC + EUMC

than 50% of all entrepreneurs indicated their need for internet services. These include women (51.5%), young men (60.7%) and young women (67.1%).





Figure 5: Proportion of entrepreneurs who need BDS, according to focus groups



Other infrastructural services needed by substantial proportions of women and youth entrepreneurs include transport and delivery, secretarial services and computer access.

Services under training and technical assistance were also needed by the majority of women and youth entrepreneurs in the intervention area. On average, about 55.2% of women and youth entrepreneurs need these services. Specifically, 78.0% of women entrepreneurs, 92.9% of young men entrepreneurs, and 72.9% of young women entrepreneurs need training on accountancy and bookkeeping. Also, 75.4% of women entrepreneurs, 64.3% of young men entrepreneurs, and 77.1% of young women entrepreneurs need business management training. Further, 70.5% of women, 67.9% of young men, and 75.7% of young women need counselling and advisory services whereas 71.0% of women, 71.4% of young men and 63.8% of young women need technical training. Other services needed by the majority of entrepreneurs are mentoring, training on and assistance in business plan preparation and financial and tax advice. Services such as franchising and legal services were not particularly needed by many entrepreneurs. These are depicted in Figure 5.

Business development services under policy and advocacy, input supply, technology development and alternative financing mechanisms were not needed by much entrepreneurs as the first three categories. For instance, only an average of 7.4% of entrepreneurs indicated that they need services under policy and advocacy whereas only 6.4% of all entrepreneurs indicated their need for input supply services. Also, need for services under technology and product development was low except for design services which recorded 28.5% for women, 13.0% for young men and 35.9% for young women. However, more young men needed quality assurance programmes than women and young women. Further entrepreneurs' need for alternative financing mechanisms were low except for equity financing and equipment leasing and rental. Also, whereas an appreciable proportion of women (16.3%) and young women (22.2%) need services that facilitate supplier credit, none of the young men needed this service.

It can thus be concluded that more entrepreneurs perceive that they need BDS in marketing, infrastructure and training and technical assistance than they need in policy and advocacy, input supply, technology and product development, and alternative financing mechanisms. This notwithstanding, there is an indication from the survey that entrepreneurs are not aware of the need for and benefit of the latter category of BDS to their businesses and this may account for the view that they do not need such services.

3.2 Availability of BDS to Entrepreneurs in the intervention areas

The availability of the above listed business development services in the intervention area was assessed from the perspectives of entrepreneurs. It emerged that most entrepreneurs are not aware of the availability of these services in their districts. The details of their responses are presented in Table 3.

Table 3: Availability of BDS according to focus group

Category of BDS	Specific Services	Available in the district (%)		
		Women	Young Men	Young Women
Market access	Market research	6.6	7.7	7.9
	Market information	11.6	16.0	15.9

	Trade fairs	4.2	0.0	4.8
	Product exhibitions	6.8	0.0	10.0
	Advertising	46.4	60.0	51.5
	Packaging	20.8	8.3	21.3
	Marketing trips and meeting	12.4	8.3	15.4
	Subcontracting and outsourcing	15.6	20.0	18.5
Infrastructure	Storage and warehousing	2.5	8.7	0.0
	Transport and delivery	21.7	25.0	19.4
	Business incubators	5.1	0.0	8.3
	Telecommunications	83.5	85.2	92.5
	Internet access	55.2	63.0	64.6
	Computer access	43.9	45.8	49.2
Policy and advocacy	Secretarial services	46.1	37.0	58.0
	Training in policy advocacy	8.8	17.9	10.4
	Analysis of policy constraints and opportunities	4.1	8.0	4.6
	Direct advocacy on behalf of SMEs	4.1	4.0	6.3
	Sponsorship of conferences	4.1	12.0	3.1
	Policy studies, etc.	6.6	8.3	9.2
Input supply	Linking MSMEs to input suppliers	7.4	8.3	6.3
	Improving suppliers' capacity to deliver quality inputs	3.3	0.0	3.1
	Facilitating establishment of bulk buying groups	3.3	12.0	3.1
	Information on input supply sources	9.8	12.0	7.8
Training and technical assistance	Mentoring	20.7	21.7	20.0
	Feasibility studies	5.0	8.3	4.8
	Business plans	20.3	16.7	21.5
	Franchising	4.1	4.5	3.1
	Management training	43.1	26.9	48.5
	Counselling / advisory services	33.3	46.2	40.3
	Legal services	8.0	8.7	7.5
	Financial and tax advice	19.0	12.0	19.4
	Accountancy and bookkeeping	40.3	40.0	44.6
Technical training, etc.	37.6	42.3	37.9	
Technology and product development	Technology transfer /commercialization	5.6	8.7	4.6
	Linking SMEs and technology suppliers	4.0	4.3	3.1
	Facilitating technology procurement	2.5	0.0	1.6
	Quality assurance programmes	9.8	16.0	9.4
	Design services	28.5	13.0	35.9
Alternative financing mechanisms	Factoring companies providing capital for confirmed orders	2.5	4.2	3.2
	Equity financing	26.2	24.0	38.1
	Facilitating supplier credit	16.3	0.0	22.2
	Equipment leasing and rental	25.8	33.3	28.1

Infrastructural services were identified as available in the intervention area by more entrepreneurs than any other category of BDS. About 87% of the entrepreneurs indicated that telecommunication services

for businesses are available in the districts. Also, more than 60% of the entrepreneurs (women, young men and young women) revealed that internet services exist in their districts. Other services that identified substantial proportions of entrepreneurs as existing in their districts include advertising, computer access, secretarial services, management training, counselling/advisory services, accountancy and bookkeeping, technical training, mentoring, training on business plans, design services, equity financing, equipment leasing and rental, packaging, subcontracting and outsourcing and transport and delivery. The breakdown of responses according to the target groups (women, young men and young women) is provided in Table 3. To a larger extent, these are the services that are readily available in the districts and are known to entrepreneurs. It can therefore be said that BDS availability in the districts is poor, thereby affecting business growth and development in the area.

The main BDS providers in the districts.

There are few BDS providers in the districts. The main BDS service provider in the district include the Business Advisory Centre (BAC), the World University Services of Canada (WUSC) through its WAGES project, Fiaseman Rural Bank, mining companies, and other training organizations.

The Business Advisory Services (BAC)

The BAC is the public institution in charge of promoting economic activities and local enterprise development in the districts. It builds the capacities of local entrepreneurs through training, mentoring, counselling and advisory services. The services of the BAC are mostly general and not targeted to particular focus groups such as women, young men and young women. However, most of the clients of the BAC are women and young women due to the gender composition of MSMEs in the districts. Specific services for business start-up by the BAC include Start Your Business trainings and Business Information Seminars targeting apprentices. The BAC also organizes Basic Training Programs and Entrepreneurship Programs for business launch. There is also an Advanced Training Program for business growth and development, covering areas such as entrepreneurship, marketing and finance. The BACs also offer counselling and advisory services to businesses in their catchment areas.

It must be emphasized here that the BAC is saddled with many challenges in its role as the umbrella institution for the provision and coordination of BDS in the districts. These include limited human, logistic and financial capacities; inadequate refresher trainings; and limited community entry skills. BACs in the intervention area do not have the required personnel to satisfactorily execute their mandates. On average, the BACs have two staff, including the head. This limits the ability of the Centre to reach out to more clients. Further, the BACs have limited office space and limited access to vehicles and other logistics. In particular, the limited access to vehicles has deprived many entrepreneurs living in remote areas of the districts of vital business development services provided by the BACs. Also, the BACs need sufficient funds to be able to carry out its mandate more effectively and efficiently.

The BACs also need refresher trainings on emergent innovations in business start-up, launch, and growth and development to enable it meet the specific needs of up-coming entrepreneurs. Lastly, the BACs need training on community development to promote effective mobilization of entrepreneurs. It was found that most of the community mobilization strategies employed by the BACs tend to be misconstrued by entrepreneurs thereby leading to low participation in trainings. There is also a growing mistrust of the BACs due to problems caused by inappropriate mobilization strategies. Now

entrepreneurs are boycotting activities of the BACs because their expectations (as promised by the BACs) are not met. These challenges have combined to affect BDS provision in the intervention area.

World University Services of Canada (WUSC)

WUSC, in partnership with the Centre for International Studies and Cooperation (CECI) has been providing business development services to women and youth entrepreneurs in the Prestea Huni-Valley Municipality and Wassa East District. Most of these services are in the form of trainings for business growth and development. WUSC has been providing trainings in several key areas in business and financial management to women and youth entrepreneurs in the intervention area. Many women and youth entrepreneurs have been trained in entrepreneurship skills, cash flow management, gender issues, customer management and satisfaction, marketing, environmental and health issues, business management, procurement, goal setting and planning, financial management, contracts, and group formation. These trainings are geared towards helping individual entrepreneurs to grow and develop their enterprises to take advantage of opportunities presented by mining and other extractive activities in the intervention area.

Fiaseman Rural Bank Limited

The Fiaseman Rural Bank has developed an MSME development programme to meet the financial and entrepreneurial services of MSMEs in its operational area. The bank is currently operating in both districts in the intervention area. It covers almost all accessible areas in the Prestea Huni Valley Municipality and the north-western part of the Wassa East District. The BDS provided by the bank include capacity needs assessment; financial training, technical and managerial skills training; coaching and mentoring; business registration, certification and renewal with the Registrar General Department; preparation of business plan, land title and property right registration; promotion of value chain development; and creation and improvement of markets. The only challenges to accessing these services include limited financial capacities of entrepreneurs to access these services and the limited spatial coverage. Entrepreneurs in the southern and south-eastern parts of the Wassa East District are not able to access these services due to transportation barriers.

Mining companies

Mining companies in the two districts – namely Golden Star Resources and Goldfields – do provide entrepreneurial services to entrepreneurs in mine-affected communities. Goldfields Damang, in collaboration with GIZ, provides agricultural support to crop farmers in their catchment communities. The support is targeted at practicing crop farmers. The program identifies gaps in the activities of the farmers, provides technical trainings, provides extension advisory services and links the farmers to reliable market thereby making them operate their farms as businesses. Further, Golden Star Resources provides technical and vocational skills training through its Golden Star Skill Training and Employability Program. This program focuses on building practical skills of the youth and women in multiple training areas, including carpentry, masonry, cell phone repairs, bead-making, commercial cookery, and electrical wiring. The beneficiaries are given start-up tools after completion. The company collaborates with the Growth Integrated Development Programme in the implementation of these activities. The only limitation to BDS provided by mining companies is that they are only confined to entrepreneurs in mine-affected communities.

Other service providers

Few service providers exist in the districts, providing various technical training services to entrepreneurs. Below is a list of BDS providers recognized and trained by the Rural Enterprises Project in both districts.

Table 4: List of trained BDS providers in the intervention area

PHMA	Name of Business	Program Sector	General Business Area	Expertise
	Agathar Anachans*	Agro Industrial	Baking and Confectionary	Baking and Confectionary
	Sampson Owadie*	Agro Industrial	Soap Making	General Soap Making
	Ernestina N. Hanoi*	Agro Industrial	Soap Making	General Soap Making
	Diana Twumasi-Ankrah*	Agro Industrial	Soap Making	General Soap Making
	Beatrix Quarshie-Brown*	Agro Processing	Agro Processing	Agro Processing
	Francis K. Nyobge*	Agro Processing	Oil Palm Processing	Oil Palm Processing
	Frederick Ansah*	Farm Based	Beekeeping	Beekeeping, Small ruminants production
	Kakakou Memorial Enterprise	Farm Based	Poultry production	Poultry, Pig production
	EFF-ESS Company Limited	Management Development Skills	Business Management	Small Business Management
	Ghanaiswa Professional Services	Management Development Skills	Business Management	Small Business Management
	Daniel Kofi Amoah*	Traditional Craft	Batik and Tie-Dye	Batik and Tie-Dye
WED	Beatrice Etrue*	Agro Industrial	Baking and Confectionary	Baking and Confectionary
	Mariama Afran*	Agro Industrial	Baking and Confectionary	Baking and Confectionary
	Bellvin Unique Ventures	Agro Industrial	Baking and Confectionary	Baking and Confectionary
	Dina Araba Aidoo*	Agro Industrial	Soap Making	General Soap Making
	Rebecca Appiah*	Agro Industrial	Soap Making	General Soap Making
	Juliana Ankomak-Appiah*	Agro Industrial	Soap Making	General Soap Making
	Kingsford Okai-(Rain Enterprises)	Farm Based Management Development Skills	Grasscutter rearing, Rabbit rearing	Grasscutter Rearing and Rabbit

Aboadze Rural Agric Tech.Centre	Farm Based	Snail rearing, Mushroom production	Agric & Forest Products (Snail, Mushroom)
Tesa Janitorial Services	Management Development Skills	Business Management	Small Business Management
Step Up Training and Consultancy Services Ltd.	Management Development Skills	Business Management	Small Business Management
Stephen Krampah Cudjoe	Others	Fashion / Designing	Fashion and Designing
Dilys Mercy Cudjoe*	Others	Fashion / Designing	Fashion and Designing
Benjamin Ottobah*	Traditional Craft	Bamboo Craft	Bamboo and Ratan Processing

* These service providers are registered as individual providers

A comparison of the list of service providers to the list of BDS services listed in Table 3 indicates that there is a deficit of BDS provision in the district. Most of the service providers are in the area of technical training and business development training. In fact, it appears that BDS provision in the intervention area, to a large extent, is not formalized. Most of the service providers in Table 4 are individuals not business entities and this makes them unreliable. This results in lack of coordination and inefficiencies in service delivery. Thus, entrepreneurs cannot reap the maximum benefits from these business development services thereby leading to their low adoption. A summary of all BDS providers in the intervention area is presented in Annex 4.

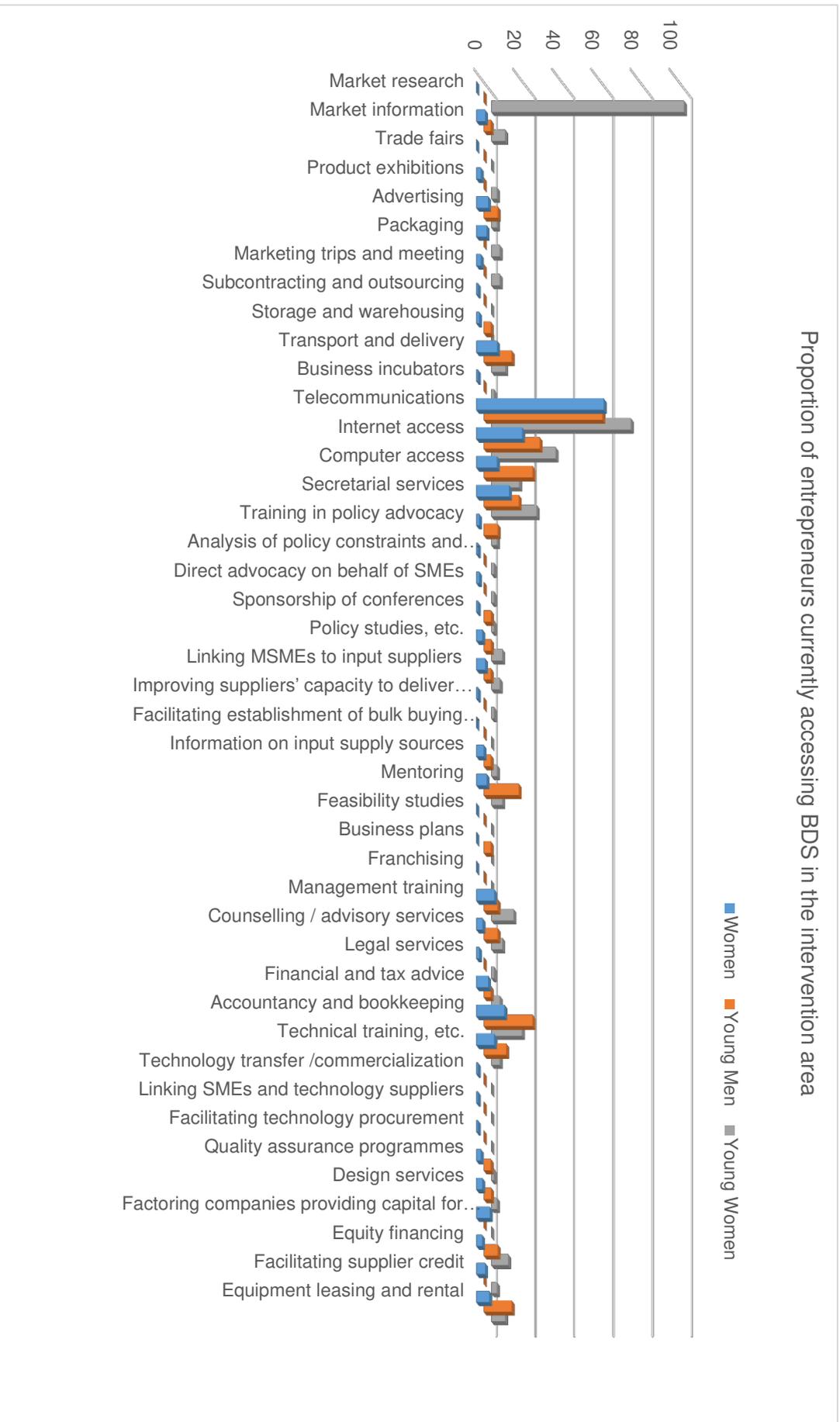
3.3 Access to BDS by Entrepreneurs

Access to BDS services were found to be poor across all categories of business development services considered in this study (refer to Figure 6). On average, only 10.0% of entrepreneurs can access BDS in the intervention area. Averagely, only 5.7% of women, 6.7% of young men and 8.4% of young women can access business development services. Young men have the least access to services under market access with only 1.3% of young men currently accessing services under access compared to 2.7% for women and 15.0% for young women. About 98.6% of young women can access market research whereas none of the women and young men are able access market research. Also only 4.5% of women, 3.6% of young men, and 2.9% of young women can access advertising services in the intervention area.

Entrepreneurs are currently accessing services under infrastructure than any other category of business development services considered. On average, 20.5% entrepreneurs are currently accessing these services. About 18.4% of women, 21.4% of young men, 21.5% of young women are currently accessing services under infrastructure. Telecommunications have the higher access than any other service. The analyses revealed that 65.2% of women, 60.7% of men and 71.4% of young women are currently accessing telecommunication services in the districts.



Figure 6: Proportion of entrepreneurs who are accessing currently BDS, according to focus groups



Internet access follows telecommunications with 23.5% of women, 28.65 of young men and 32.9% of young women currently accessing this service. Other services with appreciable proportions of access are secretarial services, computer access, and transport and delivery.¹

Entrepreneurs can be said to have some level of access to some services under training and technical assistance such as mentoring, management training, accountancy and bookkeeping and technical training. More young men (25.0%) are currently accessing accountancy and book keeping services than women (14.4%) and young women (15.7%). Also, more young men (17.9%) are currently accessing mentoring services than women (5.3%) and young women (5.7%). However, none of the entrepreneurs is currently accessing services on feasibility studies and franchising. Also, there is poor access to training and assistance in business plan preparation.

There is, generally, a poor access to services under policy and advocacy, input supply, technology and product development, and alternative financing mechanisms. However, some entrepreneurs are currently accessing training in policy advocacy (1.5% of women, 7.1% of young men, and 2.9% of young men), sponsorship of conferences (0.8% of women, 3.7% of young men and 1.4% of young women), and policy studies (3.1% of women, 3.7% of young men, and 5.7% of young women). Also, some entrepreneurs are assessing services such as linking MSMEs to input suppliers and information on input supply sources. Other services currently being accessed by entrepreneurs are quality assurance programmes, design services, equity financing, and equipment financing which has 6.6% of women, 14.3% of young men, and 7.1% of young women currently accessing.

In fact, access to BDS is poor in the intervention area and the next section will analyze the gaps in BDS access by comparing the current access to entrepreneurs needs for these services.

3.4 Gaps in access to BDS in the intervention area

The study found a wide gap between the needs of women and youth entrepreneurs and their current access. The analyses in this section will be grouped under the focus groups – women, young men and young women.

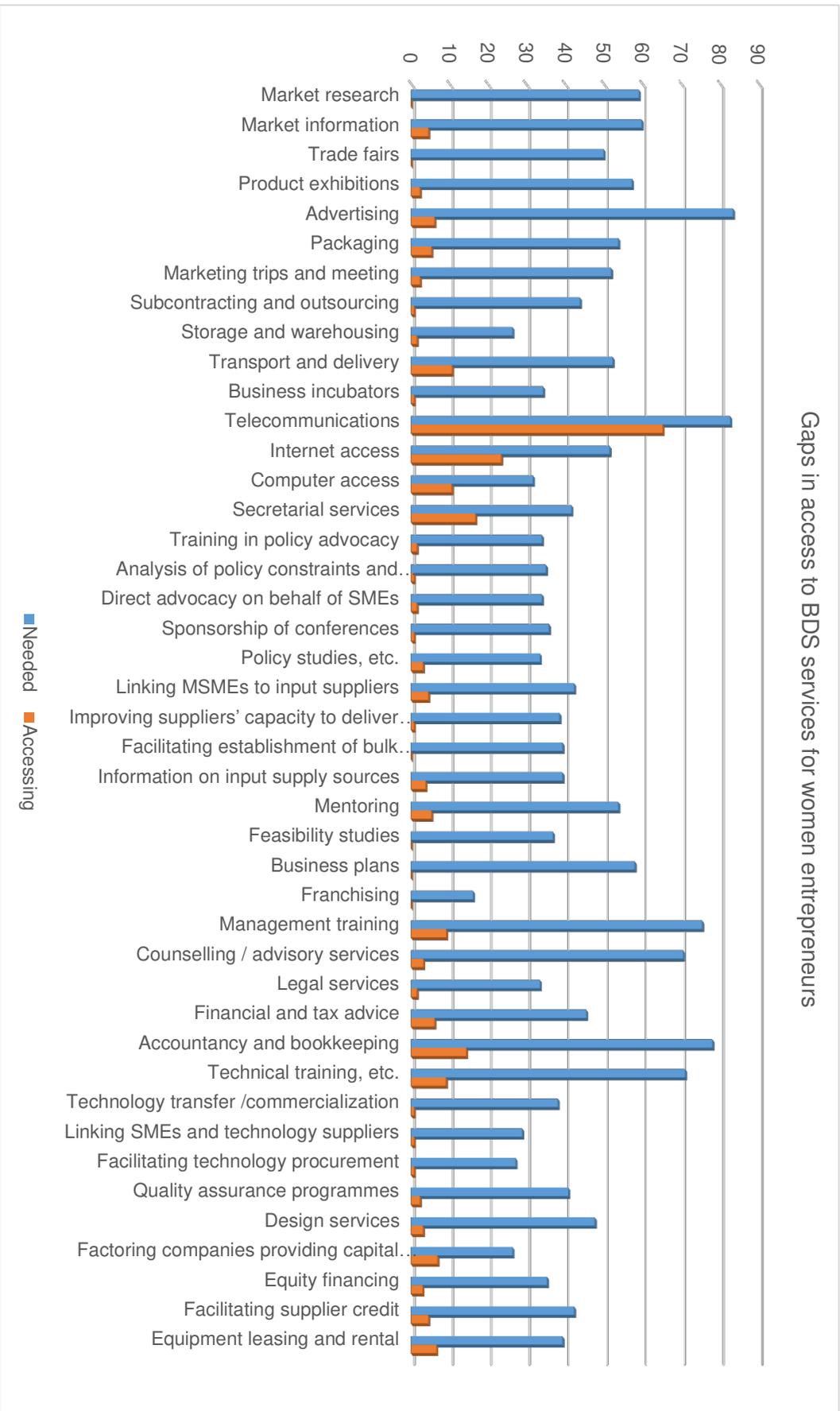
3.4.1 Gaps in access to BDS services for women entrepreneurs

The majority of women entrepreneurs are currently not accessing many Business Development Services though these are needed by their businesses (see Figure 7). The most accessed business development service is telecommunication for which about 65.2% of entrepreneurs out of the 82.6% who need it are currently able to access. There is therefore a gap of about 17.5% to be filled.

¹ Refer to Annex 1 for a table on further assessment of these BDS in the intervention area. The criteria used in this further assessment are degree of accessibility, affordability, adequacy and satisfaction.



Figure 7: Gaps in access to BDS for women entrepreneurs (%)



Apart from telecommunications, less than half of women entrepreneurs who need various services are able to access them. Particularly, women entrepreneurs are currently not assess many services under market access, policy and advocacy, input supply, training and technical assistance, technology and product development and alternative financing mechanisms. In short, the BDS needs of women entrepreneurs in the intervention areas are not being met and this is adversely affecting business growth and development.

3.4.2 Gaps in access to BDS services for young men entrepreneurs

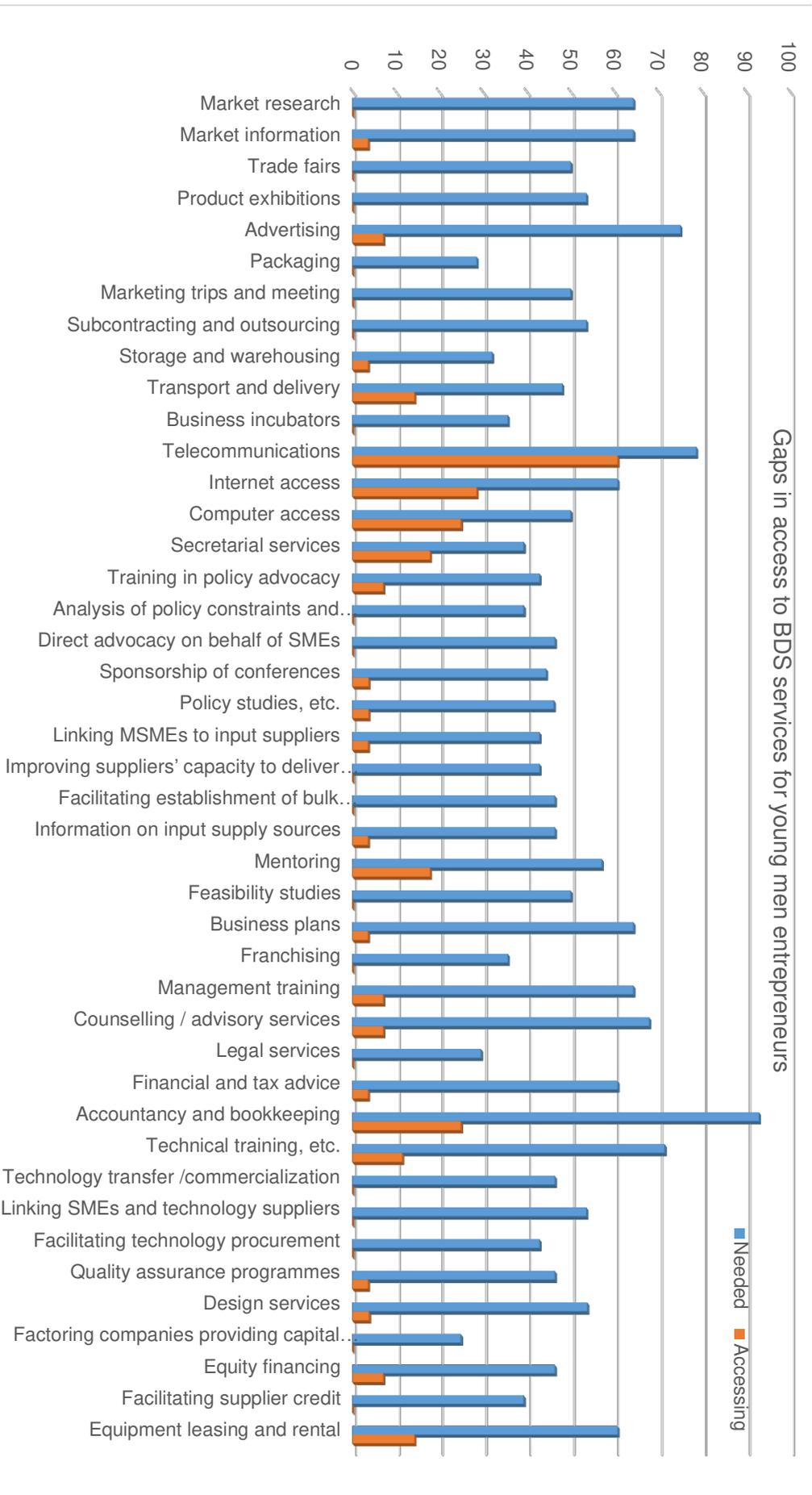
Similar to women entrepreneurs, the BDS needs of young men are not met in the intervention area (see Figure 8). Though 78.6% of young men need telecommunication services, only 60.7% of them are currently able to access this service. This is the highest among all the services. Also, almost half of the need for internet access is current met. This is followed by computer access, training on accountancy and bookkeeping, mentoring, and secretarial services. Most of the young men who need various services are not able to access them due to reasons to be discussed later in this report. Much needed services such as market research, market information, advertising, trade fairs, product exhibitions, marketing trips and meetings, transport and delivery, mentoring, training on business plans, feasibility studies, management training, counselling and advisory services, financial and tax advice, technical training, design services and equipment leasing and rental are not currently being accessed by young men. This affects business profitability and growth.

3.4.3 Gaps in access to BDS services for young women entrepreneurs

Generally, young women face the same access problems as young men and women. However, young women currently access market research more than they need. Figure 9 reveals that though only 60% young women indicated that they need market research, 98.6% of young women are currently accessing market research. There is therefore a surplus of 38.6%. Also, only few (14.3%) of the young women who are in need of telecommunication services are currently not accessing them. About half of those who need internet access and secretarial services are also currently accessing it. However, young women do not have access to many needed business development services such as market information, advertising, packaging, marketing trips and meeting, transport and delivery, training and assistance in business plan preparation, management training, accountancy and bookkeeping, technical training, and design services.



Figure 8: Gaps in access to BDS for young men entrepreneurs (%)



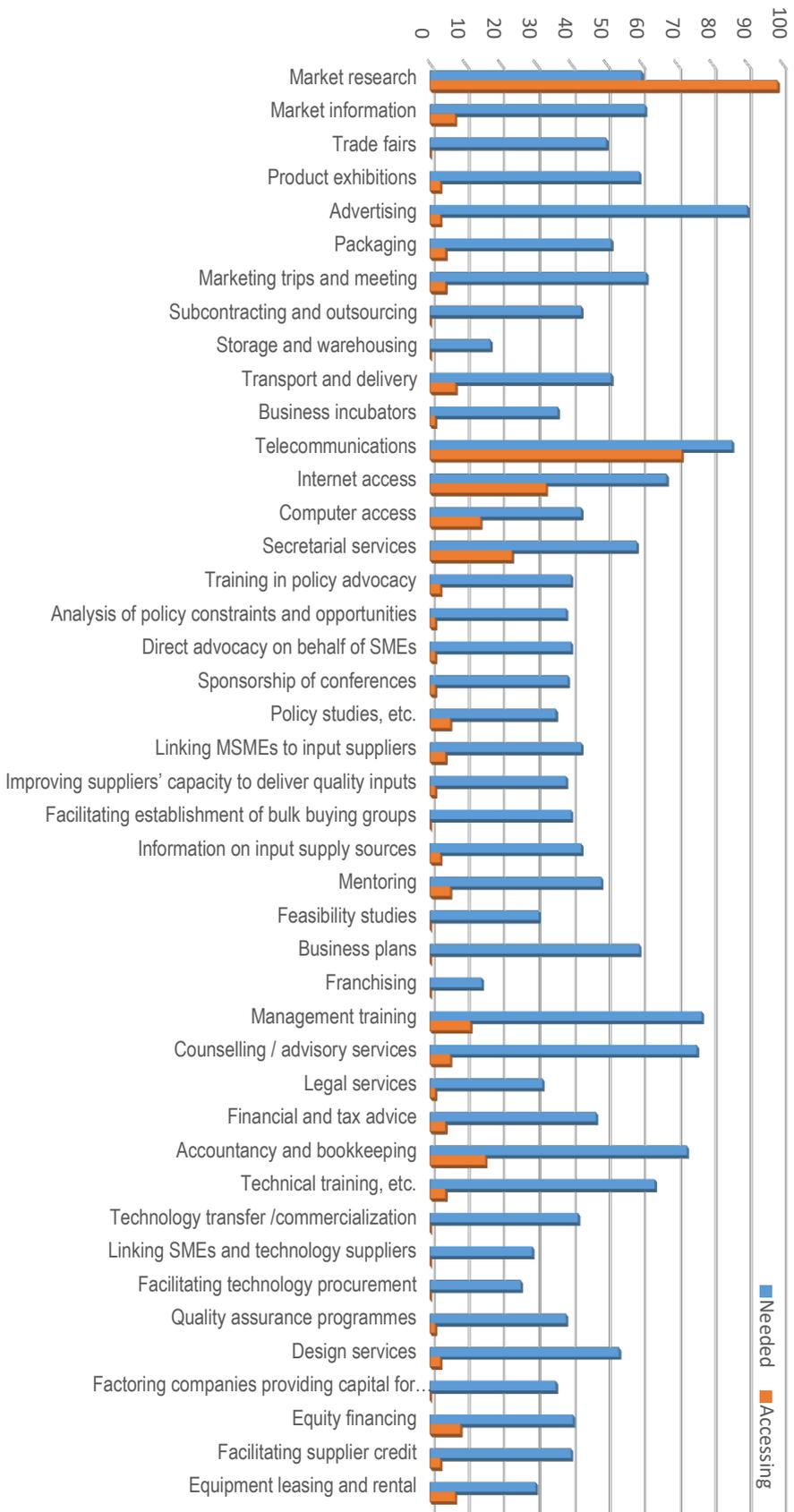


Escape Poverty (EP)-Africa
 "Training Opportunities for People to Escape Poverty"



WUSC EUMC

Figure 9: Gaps in access to BDS for young women entrepreneurs (%)



3.5 Causes of shortcomings in access to BDS by Entrepreneurs

A number of factors were identified as affecting the access to business development services by entrepreneurs. The key factors include unavailability of key BDS providers, uncoordinated BDS provision, low level of education among entrepreneurs, lack of access to financing, and mistrust of the BAC among entrepreneurs. These challenges were the same for women, young men and young women.

Many of the business development services are not accessed because there are no providers in the district. There is the lack of BDS providers in the intervention area. As revealed in the analysis on the main BDS providers in the district, many of the current providers cluster around the provision of technical and managerial training for Micro, Small and Medium Enterprises. Business Development Services relating to market access, input supply, policy and advocacy, technology and product development and alternative financing mechanisms are scarcely offered by formalised institutions. Because of this problem, there is limited awareness on many business development services. This subsequently affects entrepreneurs' ability to access business development services in the intervention area.

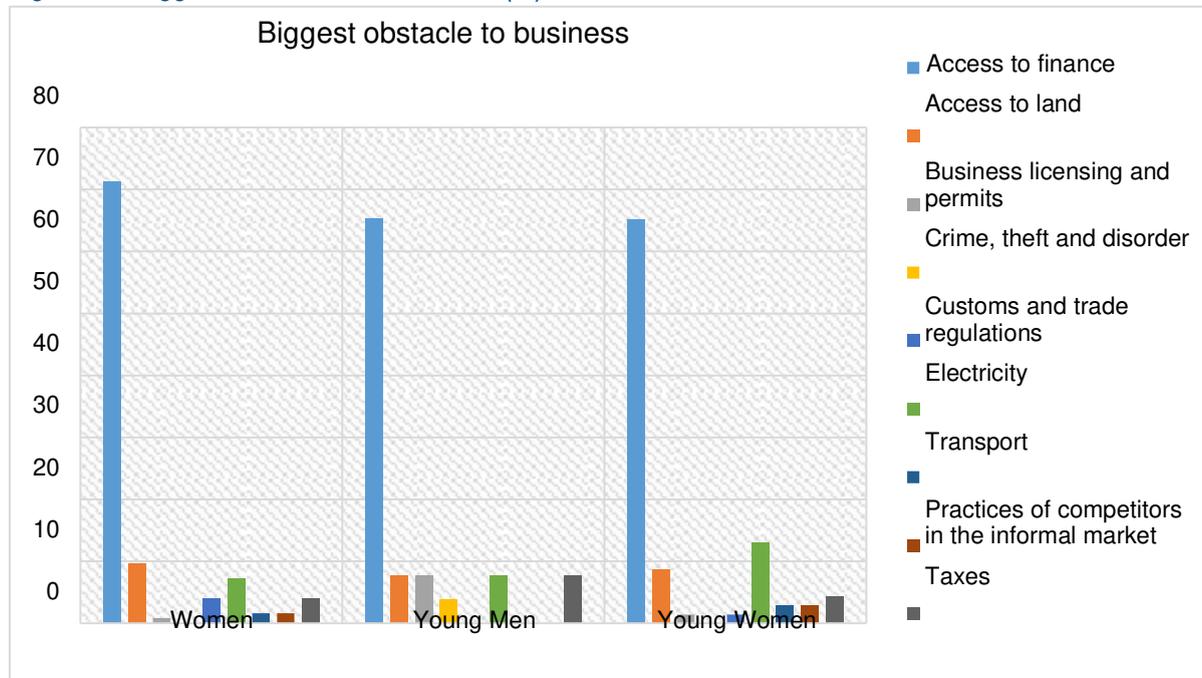
Closely related to the above is the lack of coordination among BDS providers. Most of the BDS providers operate independently of the BAC – the umbrella BDS provider in the intervention areas. Only WUSC collaborates with the BAC in its BDS delivery to entrepreneurs. The remaining providers operate with little or no collaboration with the BAC. For instance, banks and mining companies do not usually partner with the BAC in their BDS activities. This lack of coordination affects access and adoption because the BAC is not able to keep an accurate database of existing BDS providers to be able to inform entrepreneurs where and how to access them. Consequently, awareness about existing business development services among entrepreneurs is low. Entrepreneurs are also not able to fully reap the benefits of business development services due to this disjointed and ad hoc provision of services.

Formal education levels are low among entrepreneurs in the intervention areas and this hampers BDS access and adoption. About 9.5% of entrepreneurs have had no formal education whereas 19.6% and 56.8% have only had primary and junior high education respectively. As such, they cannot readily appreciate the need for some key business development services. They usually participate in trainings but do not apply the knowledge and skills gained from such trainings. Also, they do not make efforts to access business development services since they do perceive them as not bringing any immediate benefits to their businesses. Besides the lack of formal education, there is limited informal and non-formal education on BDS in the intervention area. For this reason, many entrepreneurs are not aware of less popular services such as policy and advocacy, technology and product development and alternative financing mechanisms.

The survey also revealed a general mistrust towards the BAC. Entrepreneurs in the intervention area do not trust the BAC due to failures on the part of the BAC to fulfil some promises it made to entrepreneurs during mobilisation for trainings. This mistrust has affected participation at meetings and training workshops. Many entrepreneurs (especially in the Prestea Huni Valley Municipality) now boycott the activities of the BAC due to this deep-seated mistrust.

Another key challenge to accessing BDS in the intervention area is lack of access to finance. Most of the business development services are not offered free of charge. These entrepreneurs cannot bear charges associated with BDS services because of the lack of access to finance. In fact, the analyses revealed that lack of access to finance is the biggest obstacle to MSMEs in the intervention area. This is depicted in Figure 10 below.

Figure 10: Biggest obstacle to businesses (%)



This lack of access to finance was also identified by many interviewees and participants of the Focus Group Discussions as the main factor inhibiting entrepreneurs' access to business development services. Even those who are aware of services and their sources cannot access them due to financial difficulties.

4.0 Entrepreneurs' Access to financing and financial tools

A number of financing and financial services were considered in this study. These services are presented in Table 5 below.

Table 5: List of types of financing and financial services assessed

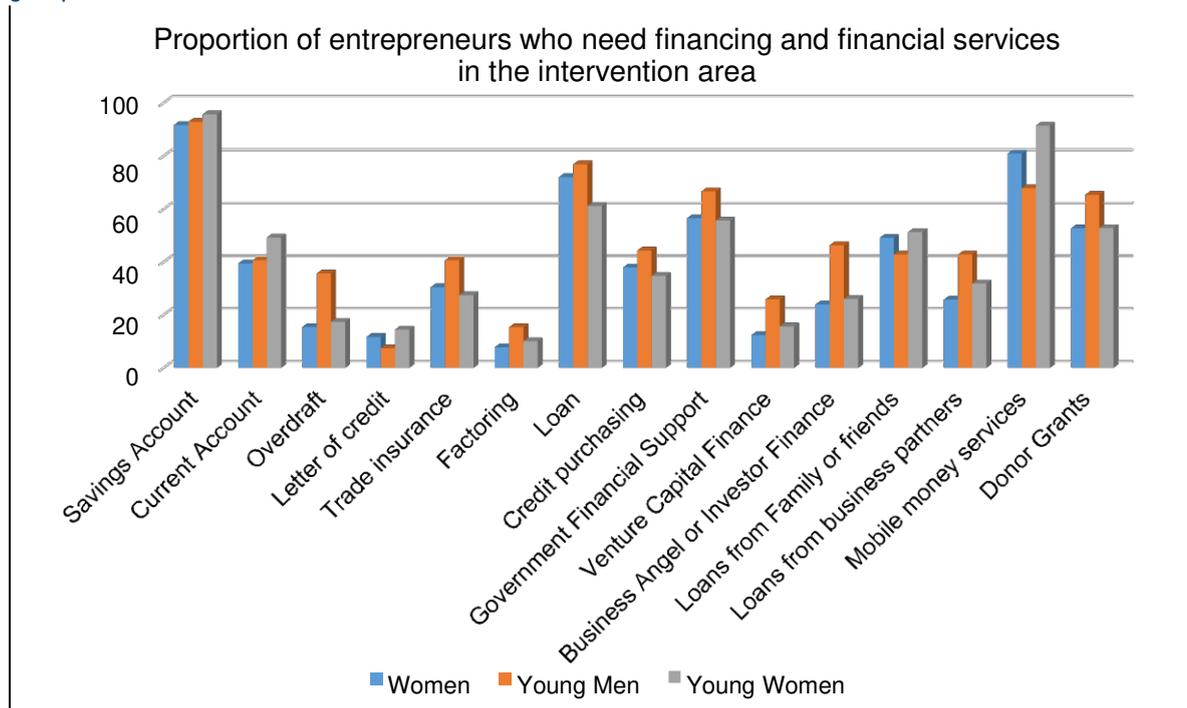
Category of Services	Specific Services
Banking finance	Savings Account
	Current Account
	Overdraft
	Letter of credit
	Trade insurance
	Factoring
	Loan
Non-banking finance	Credit purchasing
	Government Financial Support
	Venture Capital Finance
	Business Angel or Investor Finance

	Loans/equity from Family or friends
	Loans/equity from business partners
	Mobile money services
	Donor Grants

4.1 *Entrepreneurs' need for financing and financial services*

The survey revealed that entrepreneurs are in need of financing and financial services in the intervention area (Figure 11). About 93.4% of all entrepreneurs (women, young men and young women) are in need of savings account for their businesses. Most of the young women entrepreneurs (95.7%) indicated that they need savings account for their businesses. These were followed by 92.9% of young men. Also, about 91.7% of women entrepreneurs revealed that they need savings account. However more than half of the entrepreneurs indicated that they do not need current account. Only 43.2% of the entrepreneurs revealed that they need current accounts for their businesses. This is worrying since current accounts are needed by entrepreneurs to access certain types of loan facilities from banks. About 39.5% of women indicated that they need current accounts for their businesses. Also, 40.7% of young men also indicated their need for current accounts, whereas almost half of young women (49.3%) indicated that they need current account. The need for overdraft facilities was also low among entrepreneurs. Only 15.5% of women and 17.4% of young women entrepreneurs revealed that they need overdraft facilities. The proportion doubles for young men (35.7%). The need for letter of credit was low among entrepreneurs due to the lack of contracts with mining companies where such facilities may be needed. Only about 11.2% of entrepreneurs (with only 7.4% of young men) indicated their need for such credit facilities. Likewise, entrepreneurs indicated that they do not need factoring services. Trade insurance is needed by 32.9% of entrepreneurs. About 40.7% of young men indicated they need trade insurance for their businesses. This is encouraging since trade insurance is less popular among MSMEs in Ghana. Bank loans are needed by the majority of entrepreneurs. About 70.1% of all entrepreneurs need bank loans. These include 72.1% of women, 76.9% of young men and 61.2% of young women. In fact, in terms of financing, entrepreneurs need bank loans more than any other type of financing considered. For this reasons, a further analysis of the need for bank loans will be presented later in this section.

Figure 11: Proportion of entrepreneurs who need financing and financial services according to focus groups



It was found that entrepreneurs need non-bank financing and financial services (Figure 11). In terms of financing, more entrepreneurs need government financial support than any other non-bank financing. About 60.0% of all entrepreneurs indicated their need for government financial support. More young men (66.7%) need this kind of support than women (56.6%) and young women (55.7%). Following government financial support is donor grants. On average, 57.0% of entrepreneurs indicated their need for donor grants to finance their businesses. Young men topped the list, with about 65.4% expressing their need for this facility. Entrepreneurs also indicated their need for loans from family and friends (47.8% on average); credit purchasing (39.1% on average); and loans from business partners (33.5% on average). In all, more young men entrepreneurs need these facilities than women and young women. Some entrepreneurs also expressed their need for venture capital finance and business angels to finance their businesses. Mobile money services were also needed by entrepreneurs. On average, 80.1% of entrepreneurs indicated that they need mobile money services for their business. This is because such services come in handy compared with other bank and non-bank transfer tools.

4.2 The need for bank loans among entrepreneurs

As already revealed, more than 70% of entrepreneurs indicated their need for bank loans. Out of these, more young men needed loans than women and young women. The FDGs and key informant interviews (KIIs) revealed that women are more creditworthy and thus do not face much difficulties in accessing loans than their men counterparts. Expectedly, therefore, more men would have their loan needs unmet than women. This may go to explain the disparities in the need for loans among men and women.

Table 6 shows that on average, entrepreneurs need GHc 3590.54 external funding in the next 12 months to enable them expand their businesses. Young men needed more external funding than young women and women. Out of this need for external funding, 90.8% are anticipated to come from bank loans – that is if they do apply for loans in the next 12 months. If entrepreneurs do apply for loans, bank loans would be 98.4% of the amount of external funding needed by women. However, this reduces to 88.7% and 86.2% for young men and young women respectively. Also, all entrepreneurs would request for payment terms not more than 2 years if they do apply for loans. This implies loan facilities in the intervention areas should target medium-term payment cycles to meet the demands of women and youth entrepreneurs. Women and youth entrepreneurs are also not ready to accept any interest rate exceeding a maximum of 14%. Even women and young women will only accept interest rates between 12% and 13%. Further, entrepreneurs indicated that they will be able to afford monthly payments of GhC 221.00 when servicing bank loans. This monthly payment ranges from GhC 159.00 for young women, GhC 225.00 for women, and GhC 279.00 for young men. This translates into GhC 40.00, GhC 57, and GhC 70 per week for young women, women and young men respectively. These need to be taken into account in the design of inclusive decentralized financing systems for women and youth entrepreneurs in the intervention area.

Table 6: Details of loan facilities to be accessed by focus groups

	Women	Young Men	Young Women	Average
Amount of external funding needed in next 12 months (GHc)	3086.67	4757.69	2927.27	3590.54
Amount of loan to request (Ghc)	3037.70	4222.22	2523.85	3261.26
Payment term to request (years)	1.7	1.6	1.6	1.6
Annual interest rate to accept (%)	12.37	13.6	12.7	12.9
Maximum monthly payment amount to afford (Ghc)	224.96	279.20	159.05	221.07

4.3 Availability of financing and financial services in the intervention areas

Unlike business development services, many entrepreneurs indicated the availability of financing and financial services in the intervention area. Most entrepreneurs indicated the availability of savings account (91.9%), bank loans (69.7%) and mobile money services (86.6%) in their respective districts. These responses were fairly distributed among the focus groups. About 61.1% of entrepreneurs also revealed that current accounts are available in the districts. Substantial proportions of entrepreneurs also indicated the availability of services such as overdraft facilities (46.7%), loans from family and friends (43.1%), loans from business partners (31.1%) and credit purchasing (30.0%). Few entrepreneurs indicated that factoring, business angels and venture capital finance are available in the intervention area. The details of responses on availability according to the focus groups are presented in Table 7.

Table 7. Availability of financing and financial services according to focus groups

Category of Services	Specific Services	Available in the district (%)		
		Women	Young Men	Young Women
Banking finance	Savings Account	93.0	85.2	97.5

	Current Account	57.6	61.5	64.2
	Overdraft	42.7	51.9	45.5
	Letter of credit	20.5	28.0	26.6
	Trade insurance	19.8	28.0	28.1
	Factoring	12.4	8.3	17.2
	Loan	73.4	57.7	77.6
Non-banking finance	Credit purchasing	33.1	29.6	27.3
	Government Financial Support	24.4	29.6	24.2
	Venture Capital Finance	8.2	15.4	13.6
	Business Angel or Investor Finance	5.6	7.7	7.4
	Loans from Family or friends	42.9	40.7	45.6
	Loans from business partners	21.6	48.1	23.5
	Mobile money services	87.4	76.9	95.6
Donor Grants	17.6	24.0	18.8	

4.3.1 Decentralized Financial Systems in the Intervention area

There are commercial banks, rural banks, microfinance institutions and other non-bank financial institutions in the intervention area. There are commercial banks such as the GCB Bank and GN Bank in the Prestea Huni Valley Municipality. The municipality also has two rural banks, namely Fiaseman Rural Bank and Amenfiman Rural Bank. There are also Opportunity International Savings and Loans and Ghamfo Savings and Loans, and microfinance institutions such as MicroCredit and *Okyeso Nyame*. GN Bank is the only commercial bank in the Wassa East District. Lower Pra Rural Bank, Fiaseman Rural Bank and Akatakyiman Rural Bank are the rural banks operating in the district. There are credit unions and susu groups such as SHACCU (Shama Cooperative Credit Union) and *Brebre Naye* operating in the district. The following are the main financial facilities and facilities offered to all entrepreneurs (including women and youth) by these bank and non-bank institutions:

- Savings account
- Current account
- Letters of credit
- Susu account
- Loans
- Overdraft
- Microfinance

The institutions in the intervention area offer several types of loans to entrepreneurs, most of them being women and youth. These include susu loans, start-up loans, SME loans, farmer-based/agribusiness loans and group loans. Susu loans are given to entrepreneurs who open a susu (micro savings) account with the object of accessing a loan facility within the shortest possible time using the savings as a guarantee fund. This facility is operated by almost all banks, savings and loan companies, and microfinance institutions in the intervention area. A specific example of susu loans is the Prestige Susu Loan by MicroCredit – producing fast track credit access to entrepreneurs (especially women) in the Prestea Huni Valley Municipality. There is also the start-up loan which provides financing for business start-ups. This is a special facility offered by Fiaseman Rural Bank in the intervention area. It is special because most loan facilities only target existing enterprises, always bypassing the financing needs of start-ups. The facility, called *Obra Ahyese*, provides start-up input credits to entrepreneurs to

commence their businesses. The input credit provided by the bank forms 40% of the total financing needed by the entrepreneur for commencing business.

Empowering women for local economic development: the Women in Development facility by Lower Pra Rural Bank



In 1992, the Lower Pra Rural Bank partnered with Freedom From Hunger (FFH), an NGO, to establish the Women in Development Project as a micro credit and savings scheme for a group of women entrepreneurs in its operational areas.

The project combines provision of credit with education programs in operational areas to empower rural women to combat poverty, hunger and malnutrition through economic activities.

Interested women come together to form credit and savings associations to be able access the loans and engage in economic ventures. This facility is operational in the Wassa East District.

Most financial institutions also provide SME loans for existing businesses. It helps inject working capital into existing businesses to facilitate their growth and development. Specialised examples in the intervention area includes *Wofro Duapa Na Yepiawo* by Fiaseman Rural Bank and Multi Credit Adepa Loan. *Wofro Duapa Na Yepiawo* provides loan facilities up to 40% of the fixed assets of the enterprise where applicable. Some banks also provide loans for

farmers and agribusiness. This is called farmer-based/agribusiness loan. A specific example of this loan is the *Obaatanpa* loan by Fiaseman Rural Bank. *Obaatanpa* supports farmers with input credits to venture invest in vegetable production, fish farming, livestock production, oil palm processing and others on commercial basis. Farmers are required to belong to farmers association before they can access the facility and the payment cycle is made to commensurate with the respective farming cycles. Most institutions also provide group loans to a group of entrepreneurs in the districts. Specialised loans under this category includes *Wonsom Wonsom Ye Ne Nimpa* by Fiaseman Rural Bank and Women in Development by Lower Pra Rural Bank. The purpose of *Wonsom Wonsom Ye Ne Nimpa* is to promote the purchase of group assets, to be jointly owned by the group, or individual entrepreneurs. The assets are co-owned by the bank and the borrower until final payment.

It should be noted that many of these loans are not accessible to farmers due to issues with affordability, security and physical accessibility. These reasons will be discussed in this report. However, before discussing these challenges, the following section will discuss entrepreneurs' access to needed financing and financial services.

4.3.2 Financing by or facilitated by the Government of Ghana

The Government of Ghana (through its Rural Enterprise Development Programme) provides Matching Grants and the Rural Enterprise Development Fund (REDF) for MSMEs in rural districts in Ghana. These facilities are administered through rural banks and the BACs. The rural banks provide loan facilities to entrepreneurs at affordable rates. The Matching Grant is given to entrepreneurs to purchase assets for their businesses. The entrepreneur provides 10% of the total asset cost, 30% is provided as

grant and the remaining 60% is provided as a loan facility by the bank. However, the REDF is given to entrepreneurs as working capital to be injected into their businesses. These REDF is given to entrepreneurs who meet both the requirements of the fund as well as that of the bank. Currently, none of the entrepreneurs in the Wassa East is accessing either the Matching Grant or the REDF due to challenges with finding a host bank. However, 3 youths and 2 women are currently accessing the Matching Grant through Fiaseman Rural Bank in the Prestea Huni Valley Municipality.

The Government of Ghana also provides input credit to farmers through the National Youth Agricultural Support Scheme. This scheme is administered by the Ministry of Food and Agriculture in the intervention area. Further, the BAC is facilitating Village Savings and Loans Association in the intervention area where micro-traders form associations, make savings and then lend micro loans to members at 10% per every three months cycle. This provides ready access to micro-loans to micro enterprises in the intervention area. However, it is not reliable because the interest rate per annum is relatively high (40% compared to the 30% offered by rural banks and microfinance institutions), and loans disbursed are very small, only fit for the activities of micro enterprises. The BAC also offers financial intermediation for SMEs who access their services in the intervention area.

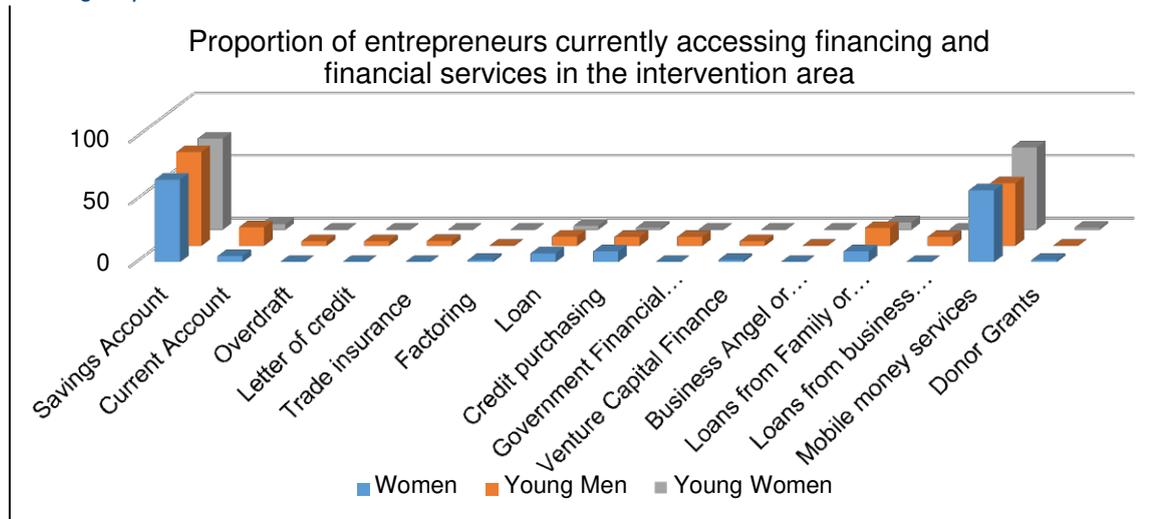
4.3.3 Financial support from mining companies

Mining companies such as Golden Star Resources and Darmang Goldfields provide financial support to entrepreneurs in their catchment areas. For instance, Golden Star Resources has liaised with Fiaseman Rural Bank to provide affordable loans to SMEs in mine-affected areas in the Wassa East District. This facility is called the Akyempin-Ateiku micro-savings and credit. Golden Star has also collaborated with Growth Integrated Development Programme to provide financial support to farmers in its mine-affected communities. Similarly, Goldfields facilitated the establishment of credit unions to provide affordable loans to SMEs in mine-affected communities in Darmang and surrounding communities in the Prestea Huni Valley Municipality. It should be noted, however, that these facilities are not open to all entrepreneurs in the intervention area – only those in mine affected communities can access them. Annex 4 presents a summary of providers of financing and financial services in the intervention area.

4.4 Access to financing and financial services

Access to financing and financial services is very poor in the intervention area. In fact, only an average of 5.7% of entrepreneurs are currently accessing bank loans in the intervention area. Details for each of the focus groups is depicted in Figure 12. The proportion of entrepreneurs accessing loans from family and friends (9.5%) exceed those currently accessing loans from banks. Young men are currently accessing loans than young women and women. This is due to high loan payment default among men as compared to women. In fact, young men currently hold 4.5 loans on average as compared to 2.2 and 0.5 among women and young women respectively. This is due, primarily, to loan default among male borrowers as compared to female borrowers. Also, more loan applications are approved (2.8 for women; 4.5 for young men; and 1.3 for young women) than rejected (0.8 for women; 0.0 for young men; and 0.2 for young women). This shows that receipt of loan is not a problem for those who are able to meet the requirements.

Figure 12: Proportion of entrepreneurs currently accessing financing and financial services according to focus groups



Access to credit purchasing is also very poor in the intervention area. On average, only 8.5% of women, 7.1% of young men, and 1.4% of young women are currently accessing credit purchasing. However, about 43.3% and 32.0% of material inputs of MSMEs owned by women and young women were respectively purchased on credit. Facilities such as overdraft, letter of credit, trade insurance, factoring, venture capital, business angel and loans from partners are currently accessed by very few entrepreneurs in the intervention area. However, about 7.1% of young men are respectively accessing government financial support, and loans from business partners.

Financial services such as savings account and mobile money services are currently being accessed by the majority of entrepreneurs in the intervention area. About 71.1% of entrepreneurs are currently operating savings account in the intervention area. Also about 57.7% of entrepreneurs are currently using mobile money services. The operation of current accounts among entrepreneurs is low. This is more likely to affect access to certain loan facilities.²

4.5 Gaps in access to financing and financial services

A wide gap was found to exist between entrepreneurs' need for financing and financial services on the one hand and their current access to these financing and services on the other hand. Following is an analysis of gaps according to focus groups.

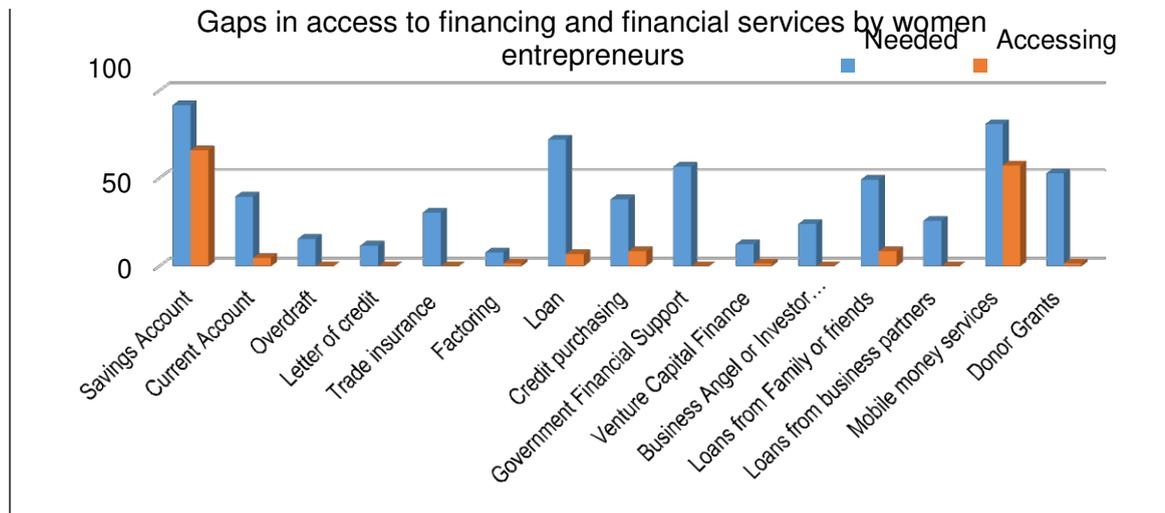
Gaps in access to financing and financial services for women

Women entrepreneurs' need for financing and financial services far exceeds their current access (Figure 13). Of the 91.7% of women who need savings account, only 65.9% of these are currently operating savings accounts, leaving a gap of 25.8% of women entrepreneurs. Also, 4.7% of women are currently accessing current accounts out of the 39.5%. This leaves a gap of 34.8% of women who currently need current account but are not operating one. Also, 65.2% of women currently need bank loans for their businesses but are not accessing loan facilities. Similarly, none of the women

² Refer to Annex 2 for a table on further assessment of these financing and financial services in the intervention area. The criteria used in this further assessment are degree of accessibility, affordability, adequacy and satisfaction

entrepreneurs who need government financial support is accessing it. The same applies to overdraft, letter of credit, trade insurance, business angel and loan from business partners. Also, only 1.6% of women are currently accessing donor grants compared to the 52.85% of women who need government financial support.

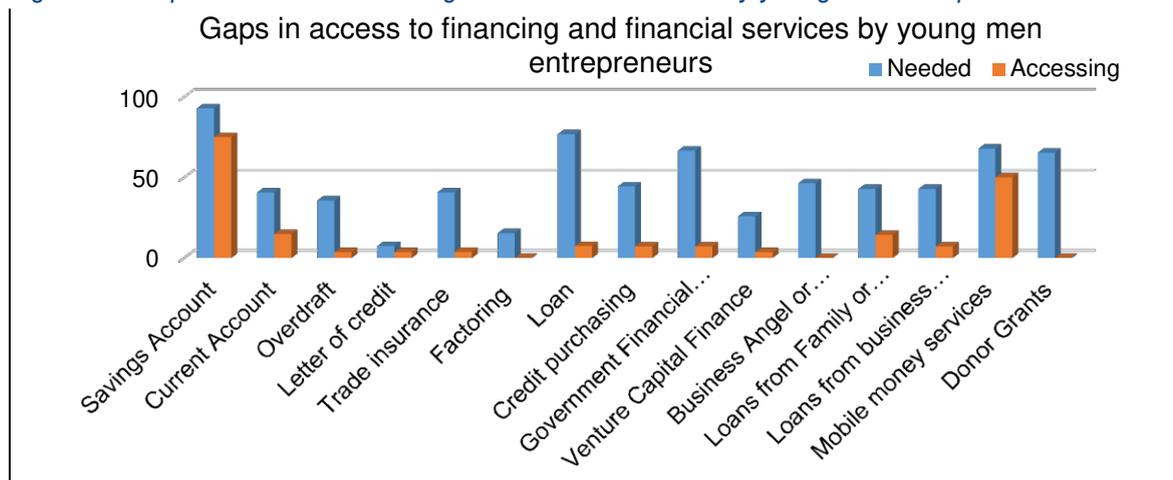
Figure 13. Gaps in access to financing and financial services by women entrepreneurs



Gaps in access to financing and financial services for young men

Similar to women entrepreneurs, a wide gap exists in the need of young men and their current access to financing and financial services (Figure 14). About 75% of young men are currently operating savings account compared to about 92.9% who need savings account for their businesses. Also, though 40.7% of young men indicated that they need current account for their businesses, only 14.8% are currently operating current accounts. There is therefore a gap of 25.9% of young men entrepreneurs who currently need current accounts but are not operating one. Similar to savings account, young men were found to be using mobile money services for their business, with only 17.9% access gap. However, there is a wide gap between current access to financing and the needs of young men. For instance though 76.9% of young men need bank loans, only 7.4% of them are currently accessing bank loans. Also only 7.1% of young men are currently accessing government financial support though 66.7% of them need these financial supports. Further, none of the 65.4% of young men who need donor grants is currently accessing such grants. Wide gaps also exist in access to overdraft, trade insurance, credit purchasing and business angel. These gaps affect the growth of MSMEs in the intervention area.

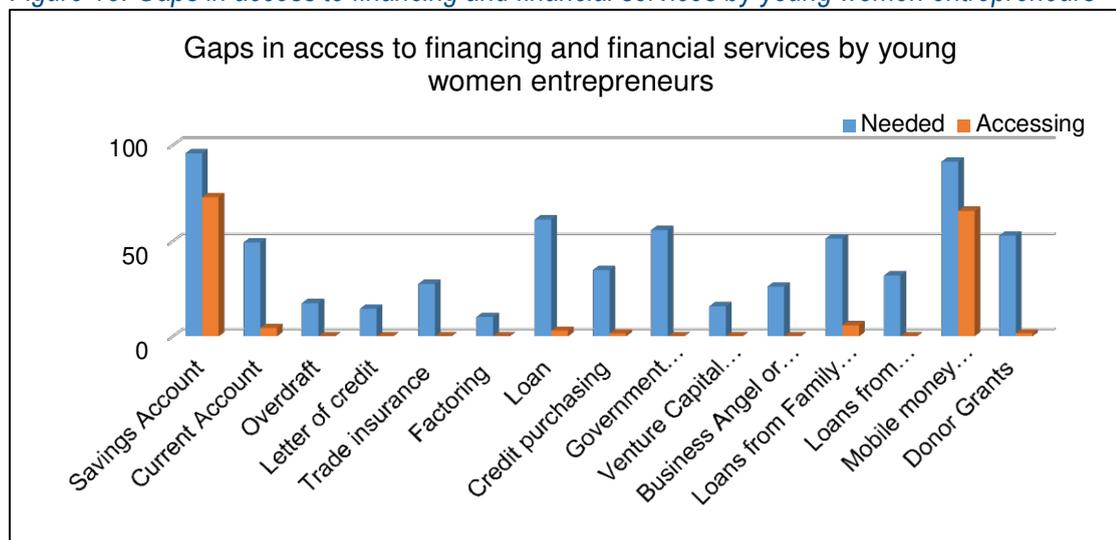
Figure 14: Gaps in access to financing and financial services by young men entrepreneurs



Gaps in access to financing and financial services for young women

Young women face similar challenges as women and young men. Current access to savings accounts and mobile money services are high despite the fact that substantial proportions of young women are currently not accessing these services (22.8% for savings account, and 25.7% for mobile money services). Aside from these two, it can be said that the financing needs of young women are largely not met. For instance, though about 61.2% of young women need bank loans, only 2.9% are currently accessing loan facilities. A similar trend is observed for many sources of financing such as trade insurance, credit purchasing, loans from family and donor grants. These gaps are depicted in Figure 15.

Figure 15. Gaps in access to financing and financial services by young women entrepreneurs



4.6 Factors affecting access to financing and financial services

As already revealed under the discussion on access to business development services, access to finance appears to be the major obstacle to business growth and development in the intervention area. In fact, on a scale of 10 (with 1 being least to 10 being highest), young men rated the degree to which access to finance is a challenge to the business as 8.0. This is compared with 6.8% for women and 6.6

for young women. Paradoxically, the study found no problems with the availability of financing, especially bank loans and government financial support. However, it is the access which is the problem. Some of the major factors responsible for such a situation (especially loans) include high interest rates, unfavorable payment cycles, inability to meet requirements and payment default for group loans. All entrepreneurs (women, young men, and young women) faced the same obstacles irrespective of age and gender.

Loan facilities attract high interest rates. Averagely, rural banks in the intervention area charge 30% interest per annum on loans delivered to MSMEs. However, the needs assessment revealed that entrepreneurs can only accept interest rates below 15%. Banks indicated that they cannot offer such rates without any government or donor support because they will run at a loss. Therefore, this cost gap is limiting access of many entrepreneurs in the intervention area to bank loans. Coupled with affordability problems is the problem of short repayment cycles. The FGD revealed that most loans are given on short-term basis, usually in 6-months cycle. However, entrepreneurs are not able to fully invest these loans before they start and complete repayment. Thus, they are not able to reap the benefits of loans accessed from financial institutions in the intervention area. In fact, women and youth in FGDs intimated that loans are now a net cost to their businesses due to high interest rates and short repayment cycles. These prevent them from accessing loans though they need them.

Another major factor inhibiting access to financing to women and youth entrepreneurs is inability to meet bank requirements. Most financial institutions require at least two guarantors for individual loans. These guarantors need to be salaried workers from particular sectors or industries. Yet, many entrepreneurs are not able to get access to guarantors. For this reason, they are unable to access loans for their businesses, and this represents the greatest challenge to accessing loans in the intervention area. Also, most businesses are not registered and therefore not legally recognized. Only 0.8% of businesses are registered with the Registrar General Department and are thus legally able to operate. Yet, registering with this institution is a requirement for accessing certain facilities, especially government financial support such as the Matching Grant and the REDF. Further, most entrepreneurs do not operate current accounts (92.1%) and thus cannot currently access many individual credit facilities offered by banking institutions. Also, few entrepreneurs have business plans (2.2%) and financial statements (5.3%) and this affects their ability to secure individual loans from financial institutions. For instance, a logit model fitted for access to bank loans revealed that entrepreneurs who have business plans have higher likelihood of accessing loans than those without business plans ($Exp(\beta) = 15.029$; $p < 0.05$). Again, entrepreneurs with greater financial difficulties are not able to access bank loans due to the requirement for a guarantee deposit before loan disbursement. In fact, it was revealed that the more entrepreneurs rated access to finance as an obstacle to business development, the less their likelihood to access loan facilities ($Exp(\beta) = 0.744$; $p < 0.05$). To this end, inability to meet requirement can be regarded as the biggest obstacle to access to financing for MSMEs in the intervention area.

The last major obstacle to access to financing in the intervention area is loan defaults by group members. Many women and young women entrepreneurs have previously accessed group loans. Yet, they are currently not accessing loan facilities due to payment defaults by some group members. The outstanding facilities are usually deducted from the group savings, which affects the savings of faithful

group members. This discourages many women and young women. In fact, group loans could satisfy much of the financing needs of women groups because this scheme circumvents the challenge of finding salaried guarantors and other stringent requirements. Group members, using group savings, guarantee for each member. Yet, this promising scheme has been rendered unreliable and counterproductive in most cases due to payment defaults by individual group members.

5.0 Recommendations and Conclusions

This section provides some recommendation for overcoming identified bottlenecks in accessing to business development services and financing and financial services. These recommendations are organized under each of the two key focal areas. It should also be noted that the same recommendations apply to women, young men and young women entrepreneurs since no age and gender-specific factor was found to constrain access to BDS and financing.³

5.1 Strategies and mechanisms for improving accessibility to BDS

The main bottlenecks to the access to business development services among women and youth entrepreneurs are basically institutional. Therefore strategies such as capacity building and coordination of BDS provision are needed. Other mechanisms for improving accessibility include intensive sensitization and promotion of equitable access to funding for entrepreneurs.

- Capacity building for the Business Advisory Centres

The BACs serve as providers and ombudsmen for the delivery of BDS in the intervention area. However, they are currently faced with challenges relating to personnel, logistic, funding and skills. For the centres to function effectively, they will need more skilled staff. They need more personnel to be able to meet the daily needs of the skyrocketing number of MSMEs in the intervention area. More specialized personnel are needed to oversee different aspects of entrepreneurial services to increase effectiveness and efficiency.

Second, the BACs need more logistics to be able carryout their service effectively. Each centre has only one vehicle to reach remotely located areas of their districts. Coupled with low staff capacity, the BAC is only able to reach entrepreneurs within district capitals and other adjoining towns with easy physical access. Most of the SMEs outside major towns are deprived of the services of the BAC. Therefore, the government, with the assistance of development partners needs to provide a vehicle to each of the centres to enable them reach other SMEs.

Third, more funding is needed. The BACs need to be provided adequate funding to be able to provide more training, coaching, mentoring and advisory services to entrepreneurs. In fact, the delivery of these BDS services has been irregular due to the lack of funding to organize workshops, trade fairs, exhibitions and other related services. The District Assemblies in the intervention areas need to commit funds from their IGFs (including their MDF) purposely for business development through the BACs. An SME Development Facility needs to be established in each district, funded by the MDF and administered by the BACs. This will ensure regular supply of funding to the BACs. The establishment of the SME Development Facility is justified by the fact that SMEs form a substantial part of the local economy and by benefiting thus, they will become direct beneficiaries of the mineral royalties. Currently, MDFs are used to fund administrative activities and infrastructural projects that benefit few

³ The interaction for age and gender in the logit model for access to bank loans was highly insignificant ($Exp(\beta) = 0.842$; $p = 0.772$). Also, no sociocultural constraints were found to affect access to BDS and financing.

individuals in the communities. Mining companies can be lobbied by the DAs, NGOs and CSOs, and pressure groups to financially support the SME Development Facility.

Fourth, the BACs need to be further localized. It is suggested that the BACs divide their respective districts into economic zones (if they are non-existent). The existing electoral areas can be used for this purpose. Each economic zone (electoral area) should have its own Business Development Agent (BDA) – akin to the Agricultural Extension Agents of MoFA – reporting to the Business Development Officer. The BDAs will be responsible for localized trainings, regular monitoring, coaching, mentoring and advisory services. They will also assist in sensitization and awareness creation. It is acknowledged that the implementation of this strategy may be difficult due to staffing challenges. However, the BAC can overcome personnel challenges through the use of national service personnel and personnel from the government's NABCO programme.

Fifth, the BACs need fresh and refresher trainings on emergent models and services. The current BDS services provided by the BACs are clustered around technical trainings and assistance. Most of the remaining services are delivered by other service providers. The BAC therefore needs to be more innovative in developing new packages to address outstanding BDS needs. This can only be done when the capacities of the existing staff of the BAC are built on how to meet these needs. These trainings will also help the BACs weed out obsolete service delivery methods and embrace more result-oriented methods. The BACs also urgently need training in community mobilization. In fact, there is widespread mistrust of the BAC among entrepreneurs due to inappropriate strategies for mobilizing entrepreneurs for training sessions. This has adversely affected access to training services and adoption of knowledge and skills gained by entrepreneurs. Refresher trainings are needed to help the BAC improve upon its service delivery and to keep up-to-date with current happenings. An invigorated BAC will be better placed to offer specialized services for women and youth entrepreneurs in the districts.

- Coordination of BDS delivery

A major factor militating against BDS provision, access and adoption is the manner of delivery. The delivery of BDS services was found to be sporadic and not systematized. For this reason, gaps are not easily identifiable, quality assurance is low, supervision is non-existent and impacts are not felt by subscribers. The BACs are not able to coordinate service delivery to provide tailor-made services to entrepreneurs. The Centres need to be supported by NGOs such as WUSC to map all service providers in their districts, both formal and informal. This will enable the BACs to identify gaps in the system and be able to regulate them directly or indirectly. They should facilitate linkages between BDS providers and entrepreneurs by attracting service providers to the district and creating awareness among entrepreneurs about the availability and the need for these services. It will also enable BDS provision to be systemized to lopsided provision of services. The BAC will need to register these service providers and regulate and monitor their activities to ensure that entrepreneurs reap the full benefit of what they pay for. No BDS shall be allowed to operate without proper identification with the BACs. These activities will help sanitize BDS provision and improve accessibility to women and youth entrepreneurs.

- Sensitization of entrepreneurs

Education levels of most women and youth entrepreneurs are low. Therefore, many do not see the need for non-traditional services under market access, policy advocacy, input supply, technology and product development and alternative financing. The BACs, through the recommended BDAs, need to embark on regular education campaigns to sensitize entrepreneurs on the need for various BDS, where they can access them, how to access them and when to access them. Many educative materials need to be produced, including posters and t-shirts for this purpose. The effect of these educational activities may not be felt in the short term, but they will prove beneficial to women and youth owned enterprises in the medium to long term.

- Improving access to financing for women and youth entrepreneurs

The availability of BDS services will count for nothing if entrepreneurs do not have the financial capacities to access them. Thus, mechanisms to promote access to equitable access to financing for women and youth entrepreneurs need to be put in place. This is discussed in the next section.

5.2 Strategies and mechanisms for promoting equitable access to financing

The main challenge to financing and financial services is lack of access to affordable loan facilities for women and youth entrepreneurs. Providing accessible and affordable credit facilities for women and youth entrepreneurs is the surest way to incubate businesses, revive collapsing enterprises, liberate stagnating businesses and to catalyst the growth of growing businesses. Before this is described in detail, it will be expedient to prepare the grounds for providing access to credit facilities. Thus:

- Mass registration of MSMEs owned by women and youth in the intervention area

The majority of entrepreneurs in the intervention area do not appreciate the importance and benefits of business registration. Due to this, they are denied valuable services and funding. Part of the reasons for non-registration with the Registrar General Department is their inability to pay registration fees and transportation costs to Takoradi. Thus, NGOs and mining companies need to come to the aid of the women and youth entrepreneurs by subsidizing the cost of registration. A business registration fund should be established under and administered by the BAC and NGOs/CSOs to provide subsidized business registration services for women and youth entrepreneurs. It is believed that once the cost of registration is substantially reduced, more businesses will be registered and be well-positioned to take advantage of opportunities offered by the government and financial institutions. The BACs can then assist women and youth entrepreneurs in the registration process, collecting their business particulars and registering them in groups to reduce the cost of transportation associated with registration.

- Provision of regular credit management and other trainings for women and youth entrepreneurs

Admittedly, many women and youth entrepreneurs have been taken through many credit management trainings by the BACs and WUSC. However, much need to be done, considering the responses from participants in FDGs on their credit practices. More practical trainings and follow-ups are needed on credit management to ensure that entrepreneurs are able to effectively manage loan facilities and their finances. This will prepare entrepreneurs to manage whatever credit facilities they receive. Further,

trainings on the preparation of financial statements and business plans are needed to facilitate access to credit facilities. Entrepreneurs should be assisted to prepare business plans. The BACs should solicit for funding from mining companies and donor partners for these exercises.

- Strengthening of SME associations

The study found that women and youth-owned SME associations are not strong enough. They are therefore unable to present a unified front in accessing group loans. Members also tend to act independent of associations thereby weakening group solidarity and unity. It is therefore recommended that existing SMEs associations for women and youths be strengthened through more tailored trainings. Excessively large groups need to be divided into manageable sizes to enable effective administration. Individual SMEs and incoming entrepreneurs (late-stage apprentices and start-ups) may also need to be encouraged to join associations to enhance access to credit facilities to be offered through associations. It is believed that these three preparatory activities, together with many others, will prepare the grounds for the financing scheme recommended below.

- Establishment of a Revolving Fund for SMEs owned by women and the youth

The study identified several financing schemes operational in the intervention area. However, many of these schemes are not affordable and thus cannot effectively meet the financing needs of women and youth entrepreneurs and promote equitable access to financing. Entrepreneurs are not prepared to pay more than 15% interest on loans offered by the financial institutions though they need these loans. Likewise, banks are not willing to offer anything less than their current offer of between 25% to 30%. Banks are of the opinion that the amount requested by women and youth entrepreneurs is lower than the Bank of Ghana base rate which was around 18% at the time of this study. Thus, another facility is needed to fill the gap.

The study therefore recommends the establishment of a revolving fund to provide affordable loan facilities for women and youth entrepreneurs. It is suggested that mining companies, donor partners and NGOs (especially WUSC) come to the aid of MSMEs in the intervention by providing an MSME Grant Facility for invigorated MSME associations (made up of women and the youth). Each MSME association will have its own grant. The grant facility will be lodged with and hosted by a credible and experienced financial institution operating in the districts. The facility will be administered and managed by the financial institution(s) in collaboration with the BACs through Memoranda of Understanding (MoUs). Though this grant is non-payable, the bank will provide loan facilities from these grant facilities to individual members of the groups (women and youth) at relatively affordable rates consistent with the demands of the entrepreneurs in this study (i.e. not more than 15% interest rate per annum). The bank will be responsible for loan recovery. It will keep 10% of the 15% interest rate as its service fee while ploughing back the remaining 5% into the fund. Such an arrangement will ensure affordable and sustainable provision of financing to women and youth entrepreneurs in the intervention area.

It is believed that this model will best meet the needs of the MSME sector in the intervention area, a sector largely crippled by lack of access to financing for business start-up, consolidation and growth

and development. The model is a well tested model. It is currently operational in the Bibiani Anhwiaso Bekwai Municipal Area under the Assembly's EU-funded local economic development project. Interim reports indicate that the use of the revolving fund approach has ameliorated previous challenges to access to financing for beneficiary MSME groups. It is thus expected to work well for women and youth entrepreneurs in the intervention area. The most important thing is being able to obtain the MSME Grant Facility to help bridge the gap between the demand for and supply for entrepreneurial financing in the two districts.

5.3 Conclusion

The study sought to assess business development services and financing and financial services of women and youth entrepreneurs in the Prestea Huni Valley Municipality and Wassa East District. The study revealed that a range of business development services are available to women and youth entrepreneurs in the intervention area of the WAGES project. However, apart from services under training and technical assistance, many services are not available to these focus groups. Most women and youth entrepreneurs are currently not accessing many business development services due to institutional bottlenecks, lack of coordination, low levels of education, mistrust of the BAC and lack of financial capacity to access services. It is therefore recommended that the BAC be strengthened in human capacity, logistics and funding to be able to operate effectively. Further an SME Development Fund needs to be set up with funds from the Minerals Development Fund (MDF) to enable the BAC carry out its mandate effectively. The BAC also needs to be localized, while sensitization programmes need to be organized to educate the entrepreneurs about business development services. The BAC will also need to coordinate all BDS activities in the intervention area.

Access to financing was found to be poorer than access to BDS. Though financing is readily available to women and youth entrepreneurs, they are not affordable. For this reason, access to finance was found to be the biggest challenge to business start-up, growth and development in the Prestea Huni Valley municipality and Wassa East District. Entrepreneurs need affordable loan facilities, not exceeding 15% interest rate per annum. However, this demand cannot be met by financial institutions. Apart from issues with affordability, many entrepreneurs are not able to meet requirements for loan facilities such as the provision of security (guarantors), business registration, the operation of current accounts and so on. It is therefore recommended that businesses are supported to register, credit management trainings provided and MSME associations invigorated to prepare the grounds for the establishment of a revolving fund. Following this, a revolving fund needs to be established for various associations, managed by a credible financial institution in collaboration with the BACs, to provide affordable loan facilities to individual entrepreneurs through their associations. It is envisaged that these recommendations, when properly implemented, will improve accessibility to business development services and promote equitable access to financing for women and youth entrepreneurs in the WAGES intervention area.

Annex 1. Further assessment of BDS services provided in the intervention area

Category of BDS	Specific Services	Accessibility (Scale 1 to 10)			Affordability (Scale 1 to 10)			Adequacy (Scale 1 to 10)		
		W	YM	YW	W	YM	YW	W	YM	YW
Market access	Market research	1.6	1.0	1.5	2.5	4.0	2.0	2.3	1.0	1.5
	Market information	3.6	3.5	4.8	5.0	3.4	5.4	3.6	6.0	4.9
	Trade fairs	1.7	1.0	1.0	3.0	2.8	3.2	1.6		1.5
	Product exhibitions	3.0	1.0	4.3	2.9	2.3	2.8	3.1		4.3
	Advertising	4.6	7.0	4.5	4.5	3.6	4.2	4.4	5.0	4.3
	Packaging	3.6	7.0	4.4	3.6	2.0	3.3	3.8	6.0	4.6
	Marketing trips and meeting	3.7	3.5	5.0	3.0	2.8	2.8	3.4	3.5	4.9
Infrastructure	Subcontracting and outsourcing	2.2	1.0	3.0	3.1	1.7	2.7	2.2	1.0	2.3
	Storage and warehousing	3.8	5.5	1.0	3.0	3.8	1.8	2.0	5.5	1.0
	Transport and delivery	5.3	5.0	6.0	5.0	4.8	4.1	5.4	5.0	6.1
	Business incubators	2.9	1.0	2.7	2.6	3.5	2.7	2.4	1.0	3.0
	Telecommunications	7.5	8.2	7.4	6.2	6.9	6.1	7.4	7.9	7.3
	Internet access	6.1	7.7	6.6	5.6	4.8	5.7	6.2	7.6	7.1
	Computer access	5.5	6.8	6.7	5.1	5.3	5.2	5.5	6.6	6.7
Policy and advocacy	Secretarial services	6.1	5.4	7.0	5.6	4.6	5.6	5.9	7.7	6.9
	Training in policy advocacy	1.3	1.0	1.5	1.7	3.3	2.0	1.1	1.0	1.0
	Analysis of policy constraints and opportunities	1.3	1.0	1.5	2.0	2.3	2.2	1.0	1.0	2.0
	Direct advocacy on behalf of SMEs	2.5	1.0	3.8	2.7	1.7	3.0	2.7	1.0	5.0
	Sponsorship of conferences	1.7	5.8	1.5	1.4	4.7	1.2	1.9	5.5	2.0
Input supply	Policy studies, etc.	4.1	5.0	5.3	1.7	3.3	1.8	1.8	5.0	6.2
	Linking MSMEs to input suppliers	4.2	3.5	5.3	3.7	3.5	3.4	3.8	3.5	5.5
	Improving suppliers' capacity to deliver quality inputs	2.1	1.0	5.5	1.7	2.0	1.8	2.1	1.0	5.5
	Facilitating establishment of bulk buying groups	1.4	1.0	1.0	1.3	1.7	1.8	1.0	1.0	1.0
Training and technical assistance	Information on input supply sources	3.3	4.0	4.3	3.3	3.0	3.6	3.4	4.0	4.5
	Mentoring	5.2	4.8	7.3	5.9	6.4	5.4	5.3	5.4	7.7
	Feasibility studies	2.2	3.0		1.6	1.7	1.6	1.0	1.0	
	Business plans	2.1	1.0	4.0	1.4	2.3	1.2	2.0	1.0	
	Franchising	2.0	3.3		2.3	1.3	2.7	1.3	6.0	
	Management training	4.8	6.4	5.6	5.9	6.3	5.4	5.0	5.4	5.9
Counselling / advisory	4.8	3.5	5.9	5.2	4.8	5.0	5.3	3.5	6.7	

	services									
	Legal services	2.9			1.9	1.7	1.6	1.0	3.0	
	Financial and tax advice	4.5	7.3	6.6	4.0	3.0	3.3	4.5	5.7	6.8
	Accountancy and bookkeeping	5.8	6.3	6.8	6.4	5.9	6.2	6.5	5.6	7.4
	Technical training, etc.	4.4	4.7	4.8	5.4	5.3	3.6	5.2	6.5	6.2
Technology and product development	Technology transfer /commercialization	1.1	1.0		1.4	2.3	1.4	1.6	81.0	
	Linking SMEs and technology suppliers	2.6			1.4	2.3	1.2	1.0	1.0	
	Facilitating technology procurement	1.7			1.9	2.3	1.2	2.0		
	Quality assurance programmes	2.7	7.0	5.0	2.6	2.7	2.5	2.6	7.0	5.0
	Design services	4.3	7.0	5.8	4.0	3.8	3.7	4.6	8.0	6.8
Alternative financing mechanisms	Factoring companies providing capital for confirmed orders	2.1		5.0	1.9	2.7	2.0	1.2		
	Equity financing	3.8	8.5	4.8	3.0	4.0	2.3	3.9	6.5	5.7
	Facilitating supplier credit	3.6		5.0	2.3	2.3	1.4	4.1		4.7
	Equipment leasing and rental	4.6	5.3	6.3	4.2	3.7	4.5	4.1	5.3	5.6

NB: W = Women; YM = Young Men; YW = Young Women

Annex 2. Further assessment of financing and financial services provided in the intervention area

Category of Services	Specific Services	Accessibility (Scale 1 to 10)			Affordability (Scale 1 to 10)			Adequacy (Scale 1 to 10)		
		W	YM	YW	W	YM	YW	W	YM	YW
Banking finance	Savings Account	7.1	7.4	7.2	7.1	8.4	7.3	6.7	7.1	7.1
	Current Account	4.8	8.0	6.9	4.4	7.8	4.8	4.8	7.0	7.0
	Overdraft	4.6	6.7	10.0	1.2	4.3	1.8	4.0	7.5	10.0
	Letter of credit	4.6	10.0	10.0	0.6	2.3	0.3	4.5	7.0	9.7
	Trade insurance	4.3	7.5	9.0	0.6	2.3	1.0	4.4	8.0	9.3
	Factoring	4.2	7.0	8.3	0.4	3.5	0.5	3.6	7.0	7.7
	Loan	5.6	7.3	6.5	4.7	5.2	4.3	5.2	6.7	6.6
Non-banking finance	Credit purchasing	6.3	7.2	6.1	5.4	6.0	4.3	6.3	8.8	6.7
	Government Financial Support	4.5	9.3	8.3	3.7	2.5	3.3	5.0	9.0	10.0
	Venture Capital Finance	5.4	8.5	7.4	0.5	2.3	0.3	4.6	9.0	7.6
	Business Angel or Investor Finance	5.0	8.0	10.0	1.4	3.3	1.0	5.0	10.0	10.0
	Loans/equity from Family or friends	4.2	6.7	5.0	5.6	5.8	5.7	4.6	6.7	6.1
	Loans/equity from business partners	3.4	5.3	5.5	2.2	4.2	0.8	4.4	7.0	7.5
	Mobile money services	7.7	8.6	8.0	7.6	7.3	7.8	7.4	8.1	7.5
Donor Grants	2.6	5.5	4.3	2.4	4.3	3.0	4.6	8.0	8.5	

NB: W = Women; YM = Young Men; YW = Young Women



Annex 3. MSME Survey Questionnaire

World University Services of Canada: Access to Finance and Entrepreneurship Development

MSME SURVEY QUESTIONNAIRE

**Name of Evaluation Consultant:
Escape Poverty (EP) – Africa**

Escape Poverty – Africa is consulting for World University Services of Canada to assess the access of women and youth entrepreneurs to entrepreneurial services and financial services in the Wassa East District and Prestea Huni Valley Municipal Assembly. As an entrepreneur you are invited to be part of this research because we believe you can provide us with useful information to carry out this task. Information provided will be treated with the highest level of confidentiality. Thank you for your cooperation.

Name of Respondent.....
Name of Business or Enterprise
Name of Community.....
Name of District.....
Name of Interviewer.....
Date of Interview.....



A. BUSINESS PROFILE

- A1. What is the sex of owner of the enterprise? 1. Male [] 2. Female []
- A2. What is the age of owner of the enterprise (in years)?
- A3. What is the highest level of education of the owner/manager?
1. No formal education [] 2. Primary education [] 3. Middle School/JHS [] 4. Secondary education (SHS/Voc/Tech) [] 5. College/Tertiary [] 99. Refused to answer []
- A4. How old is your enterprise (years)
- A5. Where have you registered your enterprise? (*Multiple responses apply*) 1. None [] 2. Local Business Association [] 3. District Assembly [] 4. Registrar General [] 5. Ghana Standard Authority [] 4. Food and Drugs Authority [] Other(s) (specify): []
- A6. What is the ownership status of your enterprise? 1. Limited Liability Company [] 2. Sole Proprietor [] 3. Partnership [] 4. Cooperative [] 5. Other (specify)..... []
- A7. What industry sector do you operate in? 1. Agriculture [] 2. Manufacturing [] 3. Service [] 4. Trade [] 5. Other (specify):..... []
- A8. Sources of capital for the business (*Multiple responses apply*) 1. Self [] 2. Family [] 3. Partner [] 5. Loan [] 6. NGO [] 7. Grant []
- A9. Total number of customers:
- A10. How many people are employed by the business including the owner?.....
- A11 Is your business a member of a business association? 1. Yes [] 2. No []
- A12. How many years of experience does the owner/manager have in working in this sector?....

- A13. Do you have any supply contract with the mining companies? 1. Yes [] 2. No []
- A14. If yes how many mining companies do you have contracts with?.....
- A15. What is the duration of each contract (in months)?.....
- A16. What is the total value of the contracts?.....
- A17. What challenges do you face in accessing contracts with mining companies?
.....
.....
- A18. Which of the elements of the business environment included in the list, if any, currently represents the biggest obstacle faced by your business?
1. Access to finance [] 2. Access to land [] 3. Business licensing and permits [] 4. Corruption [] 5. Crime, theft and disorder [] 6. Customs and trade regulations [] 7. Electricity [] 8 Transport [] 9. Practices of competitors in the informal sector [] 10. Tax rates []
- A19. What is the monthly profit of your business (in cedis) ?.....
- A20. What is the estimated working capital for your business (in cedis)?.....

B. ACCESS TO ENTREPRENEURIAL SERVICES

B1. Please fill the table below as applicable to your business (*fill cells with applicable numbers*)

Category of BDS	Specific Services	Knowledge of service 1. Yes 2. No	Needed by businesses 1. Yes	Accessed previously 1. Yes 2. No	Currently accessing 1. Yes 2. No	Available in the district 1. Yes 2. No	Ease of access when needed [1 – 10]	Level of adequacy of provision of BDS [1 – 10]	Level of satisfaction [1 – 10]	How beneficial to business [1 – 10]
Market access	Market research									
	Market information									
	Trade fairs									
	Product exhibitions									
	Advertising									
	Packaging									
	Marketing trips and meeting									
Infrastructure	Subcontracting and outsourcing									
	Storage and warehousing									
	Transport and delivery									
	Business incubators									
	Telecommunications									
	Internet access									
	Computer access									
Policy and advocacy	Secretarial services									
	Training in policy advocacy									
	Analysis of policy constraints and opportunities									
	Direct advocacy on behalf of SMEs									

	Sponsorship of conferences									
	Policy studies, etc.									
Input supply	Linking MSMEs to input suppliers									
	Improving suppliers' capacity to deliver quality inputs									
	Facilitating establishment of bulk buying groups									
	Information on input supply sources									
Training and technical assistance	Mentoring									
	Feasibility studies									
	Business plans									
	Franchising									
	Management training									
	Counselling / advisory services									
	Legal services									
	Financial and tax advice									
	Accountancy and bookkeeping									
	Technical training, etc.									
Technology and product development	Technology transfer /commercialization									
	Linking SMEs and technology suppliers									
	Facilitating technology procurement									

	Quality assurance programmes									
	Design services									
Alternative financing mechanisms	Factoring companies providing capital for confirmed orders									
	Equity financing									
	Facilitating supplier credit									
	Equipment leasing and rental									

B2. Please fill the table based on the responses from B1

Category of BDS	Specific Services	Reason for using or not using BDS service	Challenges faced in accessing services	Suggestions for overcoming challenges
Market access	Market research			
	Market information			
	Trade fairs			
	Product exhibitions			
	Advertising			
	Packaging			
	Marketing trips and meeting			
Infrastructure	Subcontracting and outsourcing			
	Storage and warehousing			
	Transport and delivery			
	Business incubators			
	Telecommunications			
	Internet access			



	Computer access			
	Secretarial services			
Policy and Advocacy	Training in policy advocacy			
	Analysis of policy constraints and opportunities			
	Direct advocacy on behalf of SMEs			
	Sponsorship of conferences			
	Policy studies			
Input supply	Linking MSMEs to input suppliers			
	Improving suppliers' capacity to deliver quality inputs			
	Facilitating establishment of bulk buying groups			
	Information on input supply sources			
Training and technical assistance	Mentoring			
	Feasibility studies			
	Business plans			
	Franchising			
	Management training			
	Counselling / advisory services			
	Legal services			
	Financial and tax advice			
Accountancy and bookkeeping				

	Technical training, etc.			
Technology and product development	Technology transfer /commercialization			
	Linking SMEs and technology suppliers			
	Facilitating technology procurement			
	Quality assurance programmes			
	Design services			
Alternative financing mechanisms	Factoring companies providing capital for confirmed orders			
	Equity financing			
	Facilitating supplier credit			
	Equipment leasing and rental			

B3 Please fill the table based on the responses from B1

Category of BDS	Specific Services	Nature of acquisition of BDS			Affordability [0 - 10]	Substitutes for BDS if not used	Has plans to use BDS in future	
		Fee-for-service	Embedded in other transactions	Free			Yes [1]	No [0]
Market access	Market research							
	Market information							
	Trade fairs							
	Product exhibitions							
	Advertising							
	Packaging							



	Marketing trips and meeting							
	Subcontracting and outsourcing, etc							
Infrastructure	Storage and warehousing							
	Transport and delivery							
	Business incubators							
	Telecommunications							
	Internet access							
	Computer access							
	Secretarial services							
Policy and Advocacy	Training in policy advocacy							
	Analysis of policy constraints and opportunities							
	Direct advocacy on behalf of SMEs							
	Sponsorship of conferences							
	Policy studies, etc.							
Input supply	Linking MSMEs to input suppliers							
	Improving suppliers' capacity to deliver quality inputs							
	Facilitating establishment of bulk buying groups							
	Information on input supply sources							



Training and technical assistance	Mentoring							
	Feasibility studies							
	Business plans							
	Franchising							
	Management training							
	Counselling / advisory services							
	Legal services							
	Financial and tax advice							
	Accountancy and bookkeeping							
	Technical training, etc.							
Technology and product development	Technology transfer /commercialization							
	Linking SMEs and technology suppliers							
	Facilitating technology procurement							
	Quality assurance programmes							
	Design services							
Alternative financing mechanisms	Factoring companies providing capital for confirmed orders							
	Equity financing							
	Facilitating supplier credit							
	Equipment leasing and rental							

C. ACCESS TO FINANCE AND FINANCIAL TOOLS

C1. Please fill the table below as applicable to your business (fill cells with applicable numbers).

Category of Services	Specific Services	Knowledge of service 1. Yes 2. No	Needed by business 1. Yes 2. No	Accessed previously 1. Yes 2. No	Currently accessing 1. Yes 2. No	Available in the district 1. Yes 2. No	Interest rate per annum % (where applicable)	Ease of access when needed [1 – 10]	Level of adequacy of provision of service [1 – 10]	Level of satisfaction [1 – 10]	How beneficial to business [1 – 10]
Banking finance	Savings Account										
	Current Account										
	Over draft										
	Letter of credit										
	Trade insurance										
	Factoring										
	Loan										
Non banking finance	Government Financial Credit purchasing Support										
	Venture Capital Finance										
	Business Angel or Investor Finance										
	Loans/equity from Family or friends										
	Loans/equity from business partners										
	Mobile money services										
	Donor Grants										

C2. Please fill the table based on the responses from C1

Category of Services	Specific Services	Reason for using or not using financial services	Challenges faced in accessing services	Suggestions for overcoming challenges
Banking finance	Savings Account			
	Current Account			
	Over draft			
	Letter of credit			
	Trade insurance			
	Factoring			
	Loan			
Non-banking	Credit purchasing			
	Government Financial Support			
	Venture Capital Finance			
	Business Angel or Investor Finance			
	Loans/equity from Family or friends			
	Loans/equity from business partners			
	Mobile money services			
	Donor Grants			

C3. Please fill the table below as applicable to your business based on C1

Category of Services	Specific Services	Affordability [0 - 10]	Substitutes for services if not used	Has plans to use service in	
				Yes [1]	No [0]
Banking finance	Savings Account				
	Current Account				
	Over draft				
	Letter of credit				
	Trade insurance				
	Factoring				
	Loan				
Non-banking finance	Credit purchasing				
	Government Financial Support				
	Venture Capital Finance				
	Business Angel or Investor Finance				
	Loans/equity from Family or friends				
	Loans/equity from business partners				
	Mobile money services				
Donor Grants					

C4. What are the institutions where you currently access the following services? Please Tick as applicable (*APPLICABLE OPTIONS BASED ON C1 RESPONSES*)

	Service	Commercial bank	Community/Rural	Microfinance	Others (please specify)
a	Savings Account				
b	Current Account				
c	Overdraft				
d	Letter of credit				
e	Trade insurance				
f	Factoring				
g	Loan				

C5. [IF APPLICABLE] Referring to the most recent overdraft facility approved for this business, what is (was) the overdraft limit?.....

[QUESTIONS C6 TO C13 ONLY APPLICABLE IF LOAN IS ACCESSED IN C1]

C6. How many loans does the firm have?.....

C7. When applying for the most recent loan what was the main reasons why your business chose this financial institution? (*Multiple responses apply*)

	Factors	Yes	No
a	Personal relationship with the institution		
b	Interest rate offered		
c	Collateral requirements		

d	Maturity offered (total duration)		
e	Have other products with this institution (e.g. savings or transaction accounts)		
f	Proximity of institution		
g	Reputation of institution		
h	Only option available		
i	Other (specify).....		

C8. Referring only to the most recent loan, what type of collateral was required?

1. Land, buildings under ownership of the business [] 2. Machinery and equipment including movables [] 3. Accounts receivable and inventories [] 4. Personal assets of owner (house, etc.) [] 5. Other forms of collateral not included in the categories above [] 6. No collateral []

C9. What is the total number of outstanding loans held by this business?.....

C10. What is the total value of outstanding loans held by this business?.....

C11. Since the last 5 years, how many loan applications have your business made? *Multiple responses apply*

		Number
a	Application approved	
b	Application rejected	
c	Application still in process	

C12. If any of the loan applications have been rejected, what was the most common reason given by the lender for those rejection?

1. Collateral or co-signers unacceptable [] 2. Insufficient profitability [] 3. Problems with credit history or credit report [] 4. Incompleteness of loan application [] 5. Concerns about level of debt already incurred [] 6. Other objections []

C13. Referring only to the most recent application for the selected services in C1 were you successful in obtaining finance? **[Only applicable if service is accessed in C1]**

	Types	Yes	Pending	Partially	No
a	Government Financial Support				
b	Venture Capital Finance				
c	Business Angel or Investor Finance				
d	Loans/equity from Family or friends				
e	Loans/equity from business partners				
f	Other non-bank finance (specify)				

C14. *[IF APPLICABLE]* What percentage of material inputs or services was purchased on credit (paid after delivery)?.....

C15. *[IF APPLICABLE]* Please estimate the current proportion of this business's working capital that was financed from each of the following sources?

- a. Internal funds or retained earnings
- b. Borrowed from banks (private and state-owned).....
- c. Borrowed from non-bank financial institutions which include microfinance institutions, credit cooperatives, credit unions, or finance companies.....
- d. Purchases on credit from suppliers and advances from customers.....
- e. Other (moneylenders, friends, relatives, bonds, etc.).....

C16. *[IF APPLICABLE]* Does your business use mobile money services for the following service? (*Multiple responses apply*)

	Services	Yes	No
a	Pay its employees		
b	Pay its suppliers		
c	Pay the utility bills of the enterprise		
d	Receive payments from customers		

[GENERAL QUESTIONS TO ALL RESPONDENTS]

C17. To what degree is access to finance an obstacle to the current operations of this business? [Rate from 1 (least) to 10 (highest)].....

C18. Please estimate the amount of external financing (other than retained earnings, earlier business profits and personal savings) you will need in the next 12 months.....

C19. Please rank from 1 to 8 the sources of external financing you would seek (in order of preference):

	Sources	Rank
a	Money lender	
b	Non-bank credit institution	
c	Commercial bank	
d	Leasing company	
e	Family/friends	
f	Non-bank financial institutions (including microfinance institutions, credit cooperatives, credit unions)	
g	Other non-bank financial institutions (angel funds, venture capital, etc.)	
h	Other sources (specify)	

C20. If you do apply for a loan in the next 12 months, what amount will you most likely request?
.....

C21. If you do apply for a loan in the next 12 months, what payment term (number of years) will you most likely request?.....

C22. What would be the annual interest rate at which you would accept this loan?.....

C23. If you do apply for a loan in the next 12 months, what is the maximum monthly payment that you can afford to pay for the loan?

C24. What banks or other institutions, would you prefer to apply for a loan from?

1. Commercial Bank [] 2. Community Bank [] 3. Microfinance Institution [] 4. Other (Specify).....[]

C25. What is the reason for your choice of institution?.....
.....
.....

C26. Which strategies, if any, do you use to make sure you can meet cash emergencies for your business? (Multiple responses apply [NB: skip the rest when option a is selected])

	Strategies	Yes	No
a	No strategies		
b	Offering discounts for cash payments/ Accelerated payments from credit customers		
c	Increased sales through effective advertising		
d	Selling off assets/inventory		
e	Eliminating costs		
f	Negotiating longer payment terms with suppliers		
g	Taking advantage of early payment incentives		

h	Adding new outside cash (e.g. loan, issuing of shares, etc.)		
i	Other (specify)		

C27. Does this business have financial statements including balance sheets, income or cash flow statements? 1. Yes [] 2. No []

C28. Does this business have a written business plan? 1. Yes [] 2. No []

C29. How much do you agree or disagree with the following statements? (Rate from 1 to 10, with 1 being absolutely disagree and 10 absolutely agree):

	Strategies	Level of agreement
a	It is easier for women than for men entrepreneurs to receive a business loan	
b	It is easier for men than for women entrepreneurs to receive a business loan	
c	It is easier for a young entrepreneurs to receive a business loan	

Annex 4. Inventory of Service Providers in the Intervention Area providing services to women and youth entrepreneurs

Type of services	Name of Service Provider	Service provided	Sector	Geographical Area
Business Development and Entrepreneurial Services	Business Advisory Centre	<ul style="list-style-type: none"> ✓ Start Your Own Business Trainings ✓ Basic Business and Entrepreneurship Trainings ✓ Advanced Business and Entrepreneurship Trainings ✓ Coaching and Mentoring ✓ Counselling and Advisory Services 	All business sectors (Services, manufacturing, commerce and agribusiness sector)	Prestea Huni Valley and Wassa East
	World University Services of Canada	<ul style="list-style-type: none"> ✓ Entrepreneurial Skills Trainings ✓ Business Management Trainings ✓ Financial Management Trainings ✓ Occupational Safety, Health and Environmental Health Trainings 	Services, manufacturing, commerce and agribusiness sector	Prestea Huni Valley and Wassa East
	Fiaseman Rural Bank	<ul style="list-style-type: none"> ✓ Capacity needs assessment; ✓ Financial training ✓ Technical and managerial skills training; ✓ Coaching and mentoring; ✓ Business registration ✓ Preparation of business plan ✓ Promotion of value chain development ✓ Creation and improvement of markets. 	Services, manufacturing, commerce and agribusiness sector	Prestea Huni Valley and Wassa East (only northern and North-western part)
	Golden Star Resources (in collaboration with Growth Integrated Development Programme)	Golden Star Skill Training and Employability Program	Service	Prestea Huni Valley and Wassa East
	Goldfields Damang (in collaboration with GIZ)	Agricultural Support Programme	Agriculture	Prestea Huni Valley
	Agathar Anachans	Training in Baking and Confectionary	Industrial	Prestea Huni Valley



	Sampson Owadie	Training in General Soap Making	Industrial	Prestea Huni Valley
	Ernestina N. Hanoi	Training in General Soap Making	Industrial	Prestea Huni Valley
	Diana Twumasi-Ankrah	Training in General Soap Making	Industrial	Prestea Huni Valley
	Beatrix Quarshie-Brown	Training in Agro Processing	Industrial	Prestea Huni Valley
	Francis K. Nyobge	Training in Oil Palm Processing	Industrial	Prestea Huni Valley
	Frederick Ansah	Training in Beekeeping, Small ruminants production	Agriculture	Prestea Huni Valley
	Kakakou Memorial Enterprise	Training in Poultry, Pig production	Agriculture	Prestea Huni Valley
	EFF-ESS Company Limited	Training in Small Business Management	All Sectors	Prestea Huni Valley
	Ghanaiswa Professional Services	Training in Small Business Management	All Sectors	Prestea Huni Valley
	Daniel Kofi Amoah	Training in Batik and Tie-Dye	Agriculture	Prestea Huni Valley
	Beatrice Etrue	Training in Baking and Confectionary	Industrial	Wassa East
	Mariama Afran	Training in Baking and Confectionary	Industrial	Wassa East
	Bellvin Unique Ventures	Training in Baking and Confectionary	Industrial	Wassa East
	Dina Araba Aidoo	Training in General Soap Making	Industrial	Wassa East
	Rebecca Appiah	Training in General Soap Making	Industrial	Wassa East
	Juliana Ankomak- Appiah	Training in General Soap Making	Industrial	Wassa East
	Kingsford Okai- (Rain Enterpresise)	Training in Grasscutter Rearing and Rabbit	Agriculture	Wassa East
	Aboadze Rural Agric Tech.Centre	Training in Agric & Forest Products (Snail, Mushroom)	Agriculture	Wassa East
	Tesa Janitorial Services	Training in Small Business Management	All Sectors	Wassa East
	Step Up Training and Consultancy Services Ltd.	Training in Small Business Management	All Sectors	Wassa East
Stephen Krampah Cudjoe	Training in Fashion and Designing	Service	Wassa East	
Dilys Mercy Cudjoe	Training in Fashion and Designing	Service	Wassa East	



Financing and Financial Services	Benjamin Ottobah	Training in Bamboo and Ratan Processing	Industrial	Wassa East
	Government of Ghana (Rural Enterprise Programme) through BAC	<ul style="list-style-type: none"> ✓ Matching Grants ✓ Rural Enterprise Development Fund (REDF) ✓ Village Savings and Loans Association ✓ National Youth Agricultural Support Scheme (input credits through MoFA) 	Services, manufacturing, commerce and agribusiness sectors	Prestea Huni Valley and Wassa East
	GN Bank	<ul style="list-style-type: none"> ✓ Savings ✓ Overdraft ✓ Savings account ✓ Letters of credit ✓ Susu account ✓ SME Loans ✓ Overdraft 	Services, manufacturing, commerce and agribusiness sector	Prestea Huni Valley and Wassa East
	Fiaseman Rural Bank	<ul style="list-style-type: none"> ✓ Savings ✓ Overdraft ✓ Savings account ✓ Letters of credit ✓ Susu account ✓ SME Loans (including start up) ✓ Overdraft 	Services, manufacturing, commerce and agribusiness sector	Prestea Huni Valley and Wassa East
	Lower Pra Rural Bank	<ul style="list-style-type: none"> ✓ Savings ✓ Overdraft ✓ Savings account ✓ Letters of credit ✓ Susu account ✓ SME Loans (including Women in Development) ✓ Overdraft 	Services, manufacturing, commerce and agribusiness sector	Wassa East
Amenfiman Rural Bank	<ul style="list-style-type: none"> ✓ Savings ✓ Overdraft 	All sectors	Prestea Huni Valley	

		<ul style="list-style-type: none"> ✓ Savings account ✓ Letters of credit ✓ Susu account ✓ SME Loans ✓ Overdraft 		
	Akatakyiman Rural Bank	<ul style="list-style-type: none"> ✓ Savings ✓ Overdraft ✓ Savings account ✓ Letters of credit ✓ Susu account ✓ SME Loans ✓ Overdraft 	All sectors	Wassa East
	GHAMFO Savings and Loans	<ul style="list-style-type: none"> ✓ Savings ✓ Loans 	All sectors	Prestea Huni Valley
	Opportunity International Savings and Loans	<ul style="list-style-type: none"> ✓ Savings ✓ Loans 	All sectors	Prestea Huni Valley
	MicroCredit	Microcredit	All sectors	
	SHACCU	Microcredit	All sectors	Wassa East
	Okyeso Nyame	Microcredit	All sectors	
	Susu groups and credit unions (e.g. Brebre Naye Credit Union)	Microcredit	All sectors	Prestea Huni Valley and Wassa East
	Golden Star Resources (in collaboration with Growth Integrated Development Programme)	<ul style="list-style-type: none"> ✓ Provision of grants through the Golden Star Skill Training and Employability Program ✓ Provides funds for the Akyempin-Ateiku micro-savings and credit 	Service All sectors	Prestea Huni Valley and Wassa East Wassa East
	Goldfields Damang (in collaboration with GIZ)	Provision of grants through the Agricultural Support Programme	Agriculture	Prestea Huni Valley

NB: None of these service providers is specifically for women or youth entrepreneurs. They all provide services to all entrepreneurs.

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THE BUSINESS ADVISORY CENTRE (BAC) = The BAC is the public institution in charge of promoting economic activities and local enterprise development in the districts. It builds the capacities of local entrepreneurs through training, mentoring, counselling and advisory services. The services of the BAC are mostly general and not targeted to particular focus groups such as women, young men and young women. However, most of the clients of the BAC are women and young women due to the gender composition of MSMEs in the districts. Specific services for business start-up by the BAC include Start Your Business trainings and Business Information Seminars targeting apprentices. The BAC also organizes Basic Training Programs and Entrepreneurship Programs for business launch. There is also an Advanced Training Program for business growth and development, covering areas such as entrepreneurship, marketing and finance. The BACs also offer counselling and advisory services to businesses in their catchment areas.

THE WORLD UNIVERSITY SERVICE OF CANADA – WUSC The WUSC has been providing business development services to women and youth entrepreneurs in the Prestea Huni Valley and Wassa East Districts. Most of these services are in the form of trainings for business growth and development. These trainings are geared towards helping individual entrepreneurs to grow and develop their enterprises to take advantage of opportunities presented by mining and other extractive activities in the intervention area.

FIASEMAN RURAL BANK LIMITED The Fiaseman Rural Bank has developed an MSME development programme to meet the financial and entrepreneurial needs of MSMEs in its operational area. It covers almost all accessible areas in the Prestea Huni Valley Municipality and the north-western part of the Wassa East District. The BDS provided by the bank include capacity needs assessment; financial training, technical and managerial skills training; coaching and mentoring; business registration, certification and renewal with the Registrar General Department; preparation of business plan, land title and property right registration; promotion of value chain development; and creation and improvement of markets.

GOLDEN STAR RESOURCES LTD Golden Star Resources Limited is primarily a Gold mining company and operates in the two study districts. The company, however, also provide entrepreneurial services to entrepreneurs in mine-affected communities. It provides technical and vocational skills training through its Golden Star Skill Training and Employability Program. This program focuses on building practical skills of the youth and women in multiple training areas, including carpentry, masonry, cell phone repairs, bead-

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	making, commercial cookery, and electrical wiring. The beneficiaries are given start-up tools after completion. The company collaborates with the Growth Integrated Development Programme in the implementation of these activities.
GOLDFIELDS DARMANG AND DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ)	In collaboration with Goldfields Ghana – Damang Mine, GIZ, provides agricultural support to crop farmers in their catchment communities. The support is targeted at practicing crop farmers – agribusiness growth and development. The program identifies gaps in the activities of the farmers, provides technical trainings, provides extension advisory services and links the farmers to reliable market making them operate their farms as businesses. Damang Goldfields has also collaborated with GIZ established and is operating a Credit Union for community members in its the catchment community members
LOWER PRA RURAL BANK	Lower Pra Rural Bank offers several types of loans to entrepreneurs, most of them being women and youth. These include susu loans, start-up loans, SME loans, farmer-based/agribusiness loans and group loans. Susu loans are given to entrepreneurs who open a susu (micro savings) account with the object of accessing a loan facility within the shortest possible term using the savings as a guarantee fund.it also offer savings services to the business community. Further, it offers a special product called Women in Development. The facility combines provision of credit with education programs in operational areas to empower rural women to combat poverty, hunger and malnutrition through economic activities.
GN BANK	The GN Bank offers several types of financial products to entrepreneurs including savings account, current account, letters of credit, loans. Most of these entrepreneurs are women and youth.
MULTI CREDIT SAVINGS AND LOANS LIMITED	Multi Credit Savings and Loans Limited offer several types of loans to entrepreneurs, most of them being women and youth. These include susu loans, start-up loans, SME loans, farmer-based/agribusiness loans and group loans.

Annex 5. Summary Table of Gaps in the Provision of Business Development Services (BDS) and Financial Service Provision

Business development Services

Category of BDS	Specific Services	Findings
Market access	Market research	Not available
	Market information	Available, but with limited accessibility
	Trade fairs	Not available
	Product exhibitions	Not available
	Advertising	Available and accessible
	Packaging	Available and accessible
	Marketing trips and meeting	Not available
	Subcontracting and outsourcing	Available, but with limited accessibility
Infrastructure	Storage and warehousing	Available and accessible
	Transport and delivery	Available and accessible
	Business incubators	Available and accessible
	Telecommunications	Available and accessible
	Internet access	Available and accessible
	Computer access	Available and accessible
	Secretarial services	Available and accessible
Policy and advocacy	Training in policy advocacy	Not available
	Analysis of policy constraints and opportunities	Not available
	Direct advocacy on behalf of SMEs	Not available
	Sponsorship of conferences	Not available
	Policy studies	Not available
Input supply	Linking MSMEs to input suppliers	Available and accessible
	Improving suppliers' capacity to deliver quality inputs	Not available
	Facilitating establishment of bulk buying groups	Available, but with limited accessibility
	Information on input supply sources	Available, but with limited accessibility
Training and technical assistance	Mentoring	Available and accessible
	Feasibility studies	Available and accessible
	Business plans	Available and accessible
	Franchising	Not available
	Management training	Available and accessible
	Counselling / advisory services	Available and accessible
	Legal services	Not available
	Financial and tax advice	Available and accessible
	Accountancy and bookkeeping	Available and accessible
	Technical training	Available and accessible
Technology and product development	Technology transfer /commercialization	Not available
	Linking SMEs and technology	Not available

	suppliers	
	Facilitating technology procurement	Not available
	Quality assurance programmes	Not available
	Design services	Available and accessible
Alternative financing mechanisms	Factoring companies providing capital for confirmed orders	Not available
	Equity financing	Not available
	Facilitating supplier credit	
	Equipment leasing and rental	Available and accessible

Financing and Financial Services

Category of Services	Specific Services	Findings
Banking finance	Savings Account	Available and Accessible
	Current Account	Available but not affordable
	Overdraft	Available, but with limited accessibility
	Letter of credit	Available, but with limited accessibility
	Trade insurance	Not available
	Factoring	Not available
	Loan	Available but not affordable; limited accessibility
Non-banking finance	Credit purchasing	Available
	Government Financial Support	Available, but with limited accessibility
	Venture Capital Finance	Not available
	Business Angel or Investor Finance	Not available
	Loans/equity from Family or friends	Available, but with limited accessibility
	Loans/equity from business partners	Available, but with limited accessibility
	Mobile money services	Available and accessible
	Donor Grants	Available, but with limited accessibility