

KNOWLEDGE GIFT TITLE:

Building SME Academies in Ghana

COUNTRY(IES) / REGION:

Ghana, West Africa, Africa

LEAD ORGANISATION:

SNV Netherlands Organisation/Rainbow Consult

CHALLENGE / PROBLEM

SMEs in the Water, Sanitation and Hygiene sector in Ghana do not have access to formal financing from banks and Financial Institutions because they do not meet the requirements banks have for their commercial clients.

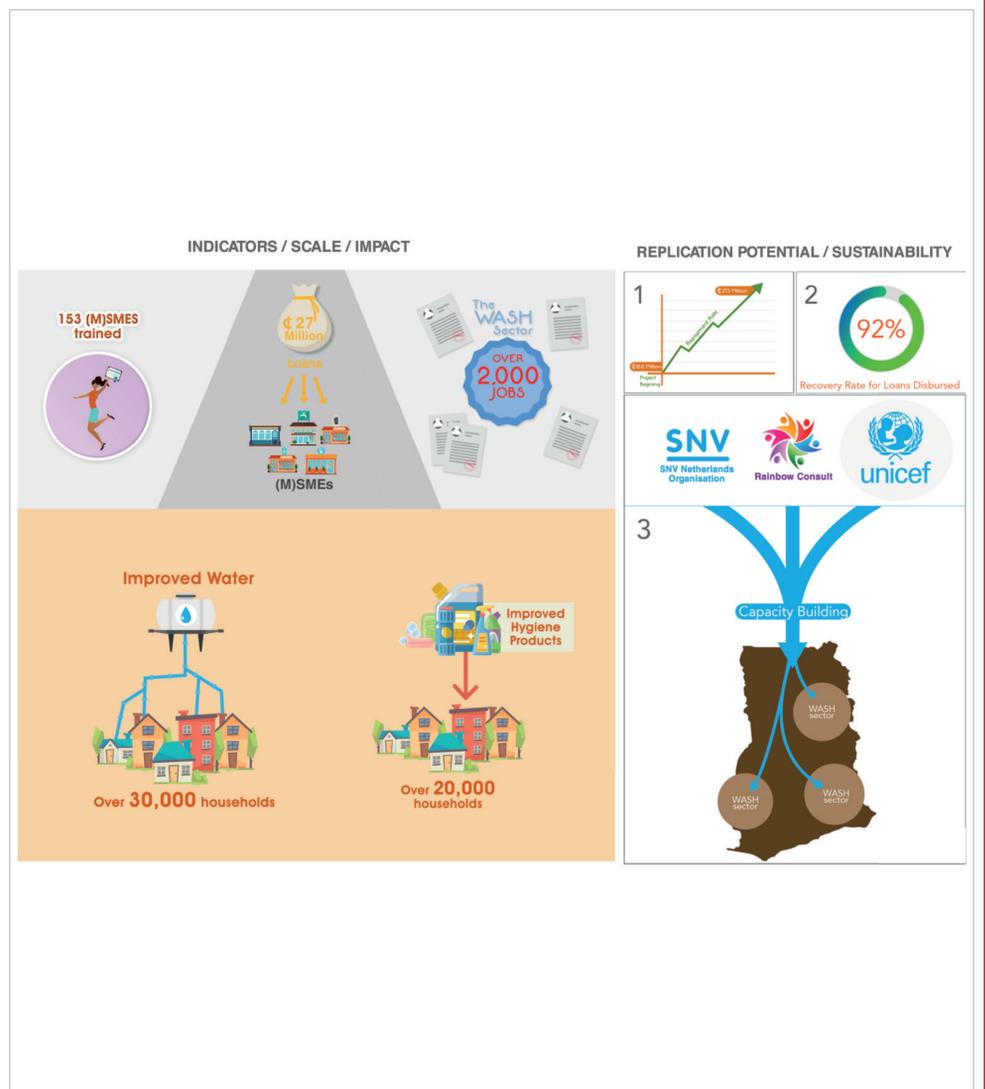
MAJOR ASSUMPTIONS MADE

1. (M)SMEs desire financing but require capacity building
2. Banks desire to finance (M)SMEs but worry about their capacity
3. Existence of qualified professionals willing and able to transfer their capacity building skills to the SMEs using world class methodology.

SOLUTION OFFERED

Rainbow Consult in collaboration with the SNV Netherlands Organisation and Fidelity Bank created the “Catalyzing WASH: From Possible to Profitable (P2P)” project. The project aimed at increasing access to water, sanitation and hygiene (WASH) services at the household level by scaling up access to finance and capacity development of services offered by Micro, Small and Medium Enterprises (MSMEs) in the country. The project offered capacity building (technical areas, finance, management, governance and soft skills) in the form of training provided by Rainbow Consult to the (M) SMEs in the WASH sector. This improved their access to finance (in the form of loans) from the Fidelity Bank, and this had the over all effect of increasing access to WASH services at the household level, since the MSMEs scaled up their business.

ILLUSTRATION / VISUAL



OUTPUTS CREATED

1. SNV- Fidelity Bank P2P Academy: provided training for (M)SMEs in the WASH Sector. Graduates eligible for financing from Fidelity Bank.
2. Rainbow Consult trained 8 additional trainers for better execution of the project.
3. 18 coaches trained to support MSMEs during and after training and ensure transfer of learning; Coaching Kit designed for coaches
4. Eight training courses and manuals were created, following a Training Needs Analysis: (e.g. Coaching of Trainers; Build Operate and Transfer (BOT); Occupational Hazards and Safety; Focusing on the Customer; Financial Management; Quality Standards; Taxation Laws

INDICATORS / SCALE / IMPACT

1. 153 (M)SMEs trained
2. GHS 27 Million in loans disbursed to (M)SMEs so far
3. Over 2,000 jobs created in the WASH sector
4. Over 30,000 households have accessed improved water to date
5. Over 20,000 households have been served with improved hygiene products.

PARTNERS

- Fidelity Bank administers the funding facility provided by the SNV Netherlands Organisation to the (M)SMEs after they have successfully completed the training and capacity building program provided by Rainbow Consult. They are in charge of disbursing the loan facility to deserving (M)SMEs and the recovery of the loans.
- SNV is in charge of the monitoring and evaluation of the project

KEY RECOMMENDATIONS / UNIVERSAL PRINCIPLE

1. Banks are willing to give finance to (M)SMEs as long as they improve their capacity and meet the bank's commercial requirements.
2. Banks are willing to invest in helping SMEs improve their capacity so they meet the commercial requirements of banks.
3. Development partners are willing to offer support to projects that alleviate social problems while improving economic activity.

REPLICATION POTENTIAL / SUSTAINABILITY

1. The project started with about 18.8M GHS. Due to the high repayment rate of (M)SMEs, the fund is now about 27.3M GHS.
2. The recovery rate for loans disbursed is 92%.
3. UNICEF partnered with SNV and Rainbow Consult to provide capacity building for about 100 artisans in the WASH sector in 3 different municipalities across Ghana.

TOPICAL FOCUS

- MSME segmentation & entrepreneur-centred approaches
- Interplay between financial & non-financial services
- MSME support in digital era
- Entrepreneurial eco-systems & local advisory service providers
- New trends in MSME development

- Green
- Gender
- Fragility

SUB-TOPIC SELECTED What are examples of coordinated solutions working in the market where stakeholders have effectively provided integrated services?

Facilitated by: