

Rural Enterprises Programme

BRIEF PROFILE OF REP

The Rural Enterprises Programme (REP) is part of the efforts of the Government of Ghana to reduce poverty and improve living conditions in the rural areas. REP is an upscale of the Rural Enterprises Project - Phases I & II (REP-II & I) which were implemented in 66 districts across the country from 1995 to 2011.

The Programme seeks to upscale and mainstream, within public and private institutional systems, the district-based micro- and small-scale enterprises (MSEs) support system piloted by REP-II & I to at least 161 municipalities and districts in all the ten regions of the country from 2012 to 2020.

The Government of Ghana and its development partners perceive the REP model as an effective tool for rural MSE development and poverty reduction. In July 2010, an Interim Evaluation of the REP-II, undertaken by IFAD's Independent Office of Evaluation, confirmed the relevance, efficiency and effectiveness of the REP model. Subsequently, the Government of Ghana and the funding partners (IFAD and AfDB) decided to convert the experience into a nationwide programme to be known as the Rural Enterprise Programme.

Programme Goal

The goal of REP is to improve the livelihoods and incomes of rural poor micro and small entrepreneurs. The development objective is to increase the number of Rural MSEs that generate profit, growth and employment opportunities.

The Programme links to the Private Sector Development Strategy Phase II of the Ministry of Trade and Industry, which seeks to increase opportunities for the poor. It is underpinned by the Government of Ghana Shared Growth and Development Agenda.

Programme Implementation Arrangement

The Ministry of Trade and Industry has overall responsibility for the implementation of REP and chairs the Programme's Steering Committee. At the district level, the District Assemblies are the seat of programme implementation and play a central role in coordinating the services, resources and activities of various district level stakeholders in the implementation of REP. A number of implementing agencies play various roles in implementing the interventions of the Programme.

The National Board for Small Scale Industries (NBSSI) is responsible for providing knowledge management, staffing and technical support in the effective delivery of business development services facilitated by Business Advisory Centers (BACs). GRATIS Foundation provides technical backstopping and staffing to the Rural Technology Facilities (RTFs). The Bank of Ghana and ARB Apex Bank will monitor the performance of participating financial institutions (PFIs).

Under the Programme phase, Regional Committees for Micro and Small Enterprises

Promotion (RECOMEP) are being formed by the Regional Coordinating Councils (RCCs), to supervise the activities of the district assemblies, in line with Ghana's decentralization and governance structure. This will bridge the institutional gap that existed between Project management at the national level and the district assemblies under Phases I and II of REP.

The REP district-based model for MSE promotion will continue to be used for the Programme's implementation. The model is based on three building blocks:

- i. access to business development services through a district-based Business Advisory Centre (BAC);
- ii. technology transfer through technical skills training and demonstrations, mainly delivered by Rural Technology Facilities (RTFs) and;
- iii. access of MSEs to rural finance through linkages with Participating Financial Institutions (PFI), including Rural Community Banks (RCB) and their ARB Apex Bank.

Programme Cost and Financiers

The total cost of the Programme is US\$185 million and is to be financed by Government of Ghana, International Fund for Agricultural Development (IFAD) and African Development Bank (AfDB).

Programme Components

REP is being implemented through four integrated components. These are Business Development Services (Component 1); Technology Promotion and Dissemination (Component 2); Access to Rural Finance (Component 3.1) and Institutional Capacity Building and Policy Dialogue (Component 3.2): and Programme Coordination, Monitoring and Evaluation (Component 4).

The Business Development Services component aims at upgrading the technical and entrepreneurial skills of rural MSEs by providing access to business development services at the district level.

The Technology Promotion and Dissemination Component seeks to upgrade the level of technology of the rural MSE sector. It facilitates the promotion and dissemination of appropriate technologies in terms of skills training, manufacturing of processing equipment, testing and promotion of prototypes.

The Access to Rural Finance sub-component aims to enhance access of rural MSEs to rural finance while the Institutional Capacity Building and Policy Dialogue sub-component seeks to strengthen MSE support institutions and contribute to the creation of a favourable environment for growth of rural MSEs.

The Programme Coordination, Monitoring and Evaluation component implements the day-to-day activities of the Programme.

Gender and Youth Action Plan

REP would have a particular attention for vulnerable groups including rural women and the youth.

Gender Strategy:

REP will therefore implement operational measures to ensure strong participation of women in programme activities. Gender issues will be addressed through the design and implementation of a Gender Action Plan (GAP). This will include:

- (i) focus on supporting rural women's access and participation in professional organizations;
- (ii) adequate capacity-building in targeting of gender and youth for the PCMU, key service providers, and core stakeholders from the onset of the Programme;
- (iii) supporting and monitoring women's active participation in BAC/RTF activities, District Sub Committees on MSE Promotion, Regional Working Groups on MSE Promotion;
- (iv) using gender-disaggregated output, outcome and impact indicators in the logical framework in order to monitor its outreach to women;
- (v) encouraging and monitoring participation of women in training sessions, access to financial services and start-up kits; and
- (vi) credit enhancement to facilitate access of productive groups to affordable finance.

The Gender Action Learning System (GALS) Methodology that was introduced in REP II, aimed at enhancing gender mainstreaming in the implementation will continue.

Rural Youth Entrepreneurship:

REP will develop strategic interventions and approaches to attract the youth to MSE and value chain opportunities, in order to face challenges of unemployment and underemployment of the youth. This is aimed at tackling the challenge of creating descent job opportunities for the youth or engaging them in some form of skills training to improve their chances of employment. REP will implement a Youth Action Plan to support the youth through a process of graduation from basic skills training to obtaining commercial loans for enterprise growth .

Programme Benefits and Beneficiaries

REP targets at least 600,000 direct clients of which at least 50% will be women. The Programme will disburse the Rural Enterprises Development Fund (REDF) to about 27,000 MSEs and the Matching Grant Fund (MGF) to about 5,000 MSEs. REP will provide employable skills to beneficiaries through community-based skills training and technical skills training; training in marketing, literacy and numeracy, business management, occupational safety, health and environmental management, quality assurance and control; and business counselling, among other business support services. These will generate at 100,000 additional jobs, strengthen 70,000 existing businesses, and establish 36,000 new businesses.