FOREWORD

Globally, Micro, Small and Medium Enterprises (MSME) sector dominates the business environment. The sector often referred to as the backbone of the global economy, accounts for over 50% of private output, nearly 70% of employment and 90% of businesses. Consequently, the importance and critical role the MSME Sector and Entrepreneurship play in national development and economic transformation cannot be underestimated.

The sector constitutes an overwhelming share of operating enterprises, generating more than 50% of turnover and providing two out of every three jobs in the private sector within the European Union (EU). In the Organization for Economic Co-operation and Development (OECD) countries, more than 99% of companies are SMEs and generate about two-thirds of Gross Domestic Product (GDP) on average. In developing and transition economies, SMEs represent more than 90% of private businesses, contribute to more than 50% of both GDP and employment. Essentially, MSMEs serve as the engine of growth in developing countries, principally in the area of job creation, local entrepreneurship and income generation towards poverty reduction.

In Ghana, the importance of the MSME sector is even more magnified, employing more than 80% of the workforce and generating 70% of the national output. The sector dominates the industrial landscape of the country and exhibits abundant potential in accelerating economic development necessary for wealth creation and poverty reduction. They constitute about 90% of businesses in Ghana, account for about 85% of manufacturing employment and contribute about 70% of Gross Domestic Product (GDP). MSMEs are an integral part of the Ghanaian economy, and they promote the development of the different structures of society through the generation of employment to vulnerable groups, including women, youth and low-skilled workers.

Despite relative improvement in the general business environment, Ghana still faces similar challenges and constraints in terms of MSME and entrepreneurship development as many developing countries.

With the deepening trend in globalization and economic integration, the MSME sector is not merely a sector for protection and promotion, but more importantly, as a driving force for growth and development.

The Government of Ghana therefore, recognizes that enhancing national and international competitiveness is fundamentally important for the sector to sustainably survive emerging challenges and
develop MSMEs as a thriving Sector and position Ghanaian entrepreneurs competitively.

Hence, this MSME and Entrepreneurship Policy takes into account both general and sector specific constraints faced by the MSME sector and aims at strengthening institutions and fostering institutional collaborations to maximize value and opportunities for the sector. The Policy also aims to develop and promote the MSME sector through Entrepreneurship initiatives for the Youth and Women, and concurrently improve the business environment to facilitate integration of Ghana into the regional and global economy. Overall, the Policy will nurture micro enterprises into small enterprises, small enterprises into medium sized enterprises, medium sized enterprises into large enterprises, and make them globally competitive.

Strategies for implementing the MSME and Entrepreneurship Policy will focus mainly on the creation of an enabling business environment, delivery of financial and non-financial services and building a supportive institutional infrastructure.

HON. ALAN KOJO KYEREMATEN
MINISTER FOR TRADE & INDUSTRY
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<td>Association of Small-Scale Industries</td>
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<td>BACs</td>
<td>Business Advisory Centres</td>
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<td>BAS</td>
<td>Business Advisory Services</td>
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<td>BUSAC</td>
<td>Business Sector Advocacy Challenge Fund</td>
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<td>EGF</td>
<td>Empretex Ghana Foundation</td>
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<td>EXIM BANK</td>
<td>Export and Import Bank</td>
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<td>GAX</td>
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<td>PSDS</td>
<td>Private Sector Development Strategy</td>
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<td>Rural Enterprises Programme</td>
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<td>RTF</td>
<td>Rural Technology Facility</td>
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<td>SEEP</td>
<td>Small Enterprises Education and Promotion</td>
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<td>TICs</td>
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<td>VCTF</td>
<td>Venture Capital Trust Fund</td>
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<td>Ghana National Chamber of Commerce and Industry</td>
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1.0 INTRODUCTION

Available data from the Registrar General’s Department indicates that about 90% of businesses registered in Ghana are MSMEs. These enterprises have been identified by Government as the means through which its Industrial Transformation Agenda and other development goals of the country can be realized. It is against this backdrop that the Government intends to support the growth and development of the MSME sector to generate jobs and incomes, increase Government revenue and help eradicate poverty in Ghana.

1.1 Characteristics of the MSME Sector in Ghana

In Ghana, MSMEs are more labour intensive than larger firms and therefore have lower capital costs associated with job creation. They are mostly registered as sole proprietorships and the largest employment category is working proprietors. These groups make up more than half of the MSME workforce. In most cases, the owner’s families are involved in the business. Though, they are usually considered as unpaid staff, they are active in the enterprise and make up roughly a quarter of the employees. The remaining portion of the workforce is split between hired workers and trainees or apprentices.

In terms of business activity, they are mostly engaged in retail trading or manufacturing. While it is a common perception that the majority of MSMEs will fall into the first category, the proportion of MSME activity that takes place in the retail sector varies considerably between rural and urban areas. Retailing is mostly found in urban and peri-urban regions, while manufacturing is mostly located in rural or urban centres.

However, the extent of involvement in manufacturing in any area, is dependent on various factors, such as availability of raw materials, taste and consumption patterns of domestic consumers, and the level of development of the export markets.

MSMEs in Ghana are also categorized as either urban or rural enterprises. The former is subdivided into “formal” and “informal” enterprises. The formal enterprises mostly have paid employees, a registered office and pay the Social Security and National Insurance Trust (SSNIT) contributions of employees.

The rural enterprises are largely made up of family groups, individual artisans, young people and women engaged in food vending and related businesses. The major activities within this sector include: soap and detergents, fabrics, clothing and tailoring, textile and leather, village blacksmiths, tin-smiting, ceramics, timber and mining, beverages, food processing, bakeries, wood furniture, electronic repairs, agro processing, chemical-based products and mechanics among others.
Most MSMEs in Ghana also tend to strongly revolve around entrepreneurs (owner-managers), rather than as a separate corporate structure. There is often greater subjectivity in decision-taking, and prevalence of largely informal employer-employee relationships.

While definitions and thresholds vary across different institutions and countries, MSMEs are globally acknowledged as the engine of job creation and economic growth, accounting for more than half of global employment and private sector output, when measured by contribution to GDP.

1.2 Challenges of the MSME Sector

There are many challenges impeding the growth of MSMEs in Ghana. Predominant amongst them include: a weak institutional and regulatory framework; high cost of doing business; weak value chain integration and interaction; lack of specific policies aimed at women and the youth entrepreneurial development; limited access to credit and business development services; lack of a strong, coherent and organized MSME voice to represent the sector; inability to meet production standards; limited export opportunities and the inability to install and implement Management Systems Standards.

The Afro Barometer Report (Q1 2018) of the Association of Ghana Industries (AGI) also indicated that the main reasons for small business failure are: high cost of electricity; high cost of credit; constrained (collateral requirements) access to credit and delayed payments; poor awareness of the policy and regulatory environment; low knowledge of quality and standards requirements; unfavourable government procurement practices; complexity of export markets access procedures and requirements; inability to supply/meet large orders; lack of export financing schemes; and uncoordinated National Quality Infrastructure.

1.3 Strategic Direction of the MSME and Entrepreneurship Policy

The MSME and Entrepreneurship Policy is composed of a myriad of carefully structured policy prescriptions aimed at reforming the MSME sector and harmonizing government interventions to create sustainable growth pillars for the sector.

More specifically, the main challenges to be addressed by the Policy are:

1. Access to Finance;
2. Weak Legal and Regulatory Framework
3. Inadequate Infrastructure;
4. Duplication of the functions of Institutions;
5. Access to Business Development Services (BDS) and Capacity Development;
6. Lack of access to market intelligence; and
7. Weak ecosystem for MSME and Entrepreneurship Development.

1.4 Start-ups and Firms in Early Stage Development
In view of the importance of addressing the challenge of unemployment, including graduate unemployment, entrepreneurship development in the MSME Sector is a top priority of Government.

2.0 VISION, MISSION AND GOAL OF THE POLICY

2.1 Rationale
To provide the necessary regulatory, institutional, legal and administrative framework for the growth and development of the MSME sector and Entrepreneurship.

2.2 Vision
To create a significant pool of modern, globally competitive and sustainable MSMEs that drive growth and development.

2.3 Mission
To stimulate the growth of MSMEs to produce world class products and services that can compete locally and internationally with supportive enabling environment and interventions of technology transfer, entrepreneurial culture, skills development, access to finance, market facilitation and, research and development.

2.4 Goal
To provide short to long-term policy framework for the realization of a dynamic and vibrant real sector that contributes significantly to value addition, export diversification and the creation of decent jobs.

2.5 Scope
The MSME and Entrepreneurship Policy proposes specific policy measures in nine (9) areas of MSME development. These areas are as follows:

- National Definition of MSMEs;
- MSME Support Services;
- Business Environment;
- Financing for MSMEs;
- Technology, Innovation, Research and Development;
- Market Facilitation;
- Entrepreneurship Development;
• Local Economic Development; and
• Cross-Cutting Issues.

2.6 Strategic Objectives
The overall objective of this Policy is to foster job creation and income generation through promotion of new and existing MSMEs and improving their competitiveness to enhance their participation and contribution to the Ghanaian economy.

More specifically, the strategic objectives that underpin the vision of the MSME and Entrepreneurship Policy include:

1. To facilitate the building and promotion of a dynamic, viable and promising MSME sector that encourages an innovative entrepreneurial culture and supports high growth start-ups;

2. To drive the formalization of the informal sector;

3. To enhance Local Economic Development by strengthening NBSSI and other relevant institutions towards job creation;

4. To promote enterprises with high value addition, export oriented or import substitution focus and encourage the use of local raw materials;

5. To improve access to finance;

6. To promote Research and Development;

7. To improve the productivity of the MSME sector;

8. To promote spatial distribution of industries to reduce urban and peri-urban imbalances;

9. To promote Corporate Social Responsibility within enterprises.

2.7 Guiding Principles
The key principles on which the MSME and Entrepreneurship Policy is based are:

• The MSME and Entrepreneurship Policy shall be supported by the appropriate legal, regulatory, financial, institutional and national development frameworks;

• The Policy shall promote equity in terms of opportunities for gender (with a strong focus on women the youth, vulnerable and disadvantaged persons);

• Its implementation will take into account the best practices that are trending within the MSME sector;
• The Government in its implementation will collaborate with the private sector, development partners, non-governmental agencies and other stakeholders;

• The Policy will prescribe special Government support mechanisms and incentives;

• The Policy shall up hold the ability for citizens to engage in decent jobs;

• Effective implementation of the Policy Framework requires ownership, commitment and monitoring at the highest level of Government; and

• MSME development in Ghana require decisive and concurrent measures in a number of policy areas such as business regulations, trade rules, and incentive regimes amongst others.

2.8 Strategic Sectors
The Policy identifies key sectors that require tailored support to serve as growth poles for the transformation of the MSME sector. The key strategic sectors targeted include:

• Agribusiness;
• Manufacturing;
• Information and Communications Technology (ICT);
• Energy and Petroleum;
• Real Estate and Construction;
• Tourism and Creative Arts;
• Textiles and Garments;
• Artisanal Enterprises;
• Services; and
• Climate Change and Green Economy

3.0 NATIONAL DEFINITION OF MSME

3.1 New Definition
After extensive consultations with industry actors, the Government of Ghana through the Ministry of Trade and Industry and the NBSSI (agency mandated to define MSMEs) have reviewed the 1980 official definition/classification and adopted a single definition or classification of MSMEs using the following categorisation.

• Employment Size
• Enterprise Turnover
• Assets.

The details of the MSME classification for Ghana are presented in Table 1.
Table 1: MSME Classification in Ghana

<table>
<thead>
<tr>
<th>Enterprise Category</th>
<th>Employment Size (Permanent staff)</th>
<th>Turnover</th>
<th>Assets</th>
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<tbody>
<tr>
<td>Micro</td>
<td>1 – 5</td>
<td>≤ US$25,000</td>
<td>≤ US$25,000</td>
</tr>
<tr>
<td>Small</td>
<td>6 – 30</td>
<td>US$25,001- US$1,000,000</td>
<td>US$25,001- US$1,000,000</td>
</tr>
<tr>
<td>Medium</td>
<td>31 – 100</td>
<td>US$1,000,001- US$3,000,000</td>
<td>US$1,000,001- US$3,000,000</td>
</tr>
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</table>

(An enterprise will be categorized as MSME based on employment size and any other variable).

A single Definition for MSMEs is expected to create a focus in Government policies (targeted towards MSME and Entrepreneurship development) and uniformity in compilation and reporting of MSME related data. It will also be beneficial to private, public, NGOs and other stakeholders who provide support for the MSME Sector.

4.0 THEMATIC AREAS AND POLICY PRESCRIPTIONS

The MSME and Entrepreneurship Policy broadly sets out the policy direction, the challenges to be addressed and the broad interventions. The major Policy interventions cover the following eight (8) thematic areas:

- Enabling Environment: Institutional, Legal and Regulatory Framework
- Financing for MSMEs
- Business Development Services
- Technology, Innovation, Research and Development
- Market Facilitation
- Entrepreneurship Development
- Local Economic Development
- Cross-cutting issues

4.1 THEMATIC AREAS

4.1.1 ENABLING ENVIRONMENT: INSTITUTIONAL, LEGAL AND REGULATORY FRAMEWORK

Policy Context
The fundamental prerequisite for the successful development and management of
MSMEs is a favorable business environment in which the government ensures fair competition, creates clear and predictable rules, and effectively ensures compliance by all market participants while minimizing administrative barriers towards entrepreneurs. Most MSMEs in Ghana operate in the informal sector and are largely outside the official framework of regulation and support. The sector is highly uncoordinated due to the existence of many state institutions that promote the development of the sector.

This Policy provides an appropriate institutional and legal framework for the coordination, promotion and support of the development of MSMEs and their full integration into the key concerns of national economic policy.

**Policy Objectives**

1. To establish an institutional framework that effectively coordinates and monitors the MSME sector.

2. To ensure the existence of a congenial regulatory framework to support the growth and development of the MSME sector in Ghana.

3. To ensure the enactment of appropriate MSME-tailored incentives to stimulate growth of MSMEs

**Policy Prescriptions:**

Government will:

1. Convert and resource the National Board for Small Scale Industries (NBSSI) into a Ghana Enterprises Agency (GEA) to serve as the umbrella body for MSME development and promotion.

2. Review existing tax legislations to include incentives such as tax breaks and exemptions for MSMEs.

3. Enact and enforce congenial MSME laws and regulations to strengthen the legal and regulatory environment for MSMEs.

4. Improve the quality and outreach of service delivery of MSME related MDAs and other private sector institutions.

5. Simplify business regulations and compliance for MSMEs.

6. Promote the use of Alternative Dispute Resolution mechanisms in resolving business disputes.
7. Institute a legal framework for the establishment of an Industrial Sub-contracting and Partnership Exchange platform to promote sub-contracting arrangements between small and large enterprises aimed at building the capacities of local businesses, particularly small businesses.

8. Facilitate the provision of the needed facilities such as common service centres, industrial estates and incubation facilities.

9. Collaborate with relevant institutions to remove administrative and regulatory barriers and develop measures to support entrepreneurs at various stages in the business lifecycle.

4.1.2 FINANCING FOR MSMEs

Policy Context
Availability and accessibility to short, medium and long-term financing is essential for the creation, growth and sustainability of MSMEs. There are inadequate medium and long-term funds for businesses. The high cost of borrowing limits access to credit and raises the cost of doing business for MSMEs and this restricts their growth. In cases where funds are available, cumbersome procedures and unfavourable requirements inhibit MSMEs from accessing them. Lately, there has also been limited funds for growing/Missing Middle businesses which do not need microfinance or large sums of funds.

For MSMEs to grow, there is the need to ensure that policies deal effectively with the issue of finance.

Policy Objectives

1. To ensure availability, accessibility and affordability of funding for existing MSMEs with particular focus on the “Missing Middle”.

2. To ensure that Start-up Entrepreneurs have access to the various forms of business finance that are appropriate to all entrepreneurs.

Policy Prescriptions:

Government will:

1. Re-orient and encourage financial institutions, export finance institutions and leasing companies to scale-up special lending window for MSMEs.

2. Establish and implement MSME Fund to be administered by the proposed GEA.

3. Support MSMEs to access innovative long-term financing packages (e.g. The Ghana Stock Exchange and the Ghana Alternative Market) for their
sustainable development.

4. Encourage Angel financing and Venture Capital arrangements to inject capital into viable start-ups and MSMEs.

5. Institutionalize targeted financing within the EXIM framework for export-focused MSMEs.

6. Collaborate with the private sector to setup concessionary bank loan schemes for Women and Youth entrepreneurship development.

7. Strengthen the capacities of MSMEs on the preparation of business plans, accounting and book-keeping and use of IT based accounting packages.

8. Support innovative funding schemes for the MSME sector.

9. Engage relevant agencies and financial institutions to develop suitable business financing products for MSMEs.

10. Pursue tax reliefs and other incentives for start-ups and young entrepreneurs, and institute a Tracking Tool for ensuring that such reliefs and concessions reach the intended beneficiaries.

11. Establish a platform for periodic engagement with financial institutions to tailor funding support to address the special needs of Start-Ups and Innovation firms.

12. Take advantage of crowd-funding and other net-based fund-raising mechanisms to support start-ups in collaboration with the Telecommunications companies and other partners.

13. Improve access to equity investment for start-ups and innovators in collaboration with the Ghana Alternative Market, Venture Capital Trust Fund and similar investment vehicles in Ghana.

4.1.3 BUSINESS DEVELOPMENT SERVICES

Policy Context
Ghana’s economic landscape like other developing countries, is dominated by MSMEs and a key feature of these enterprises is the low levels of entrepreneurial, managerial and technical acumen. Most MSMEs require guidance, support and “handholding” to grow. This comes in the form of a well-coordinated process that leads to positive impacts on the enterprise. The country has not invested in a comprehensive integrated
BDS support to ensure that MSMEs do not lag behind their counterparts in other countries. The attendant effect of this has been the sluggish growth and development of the MSME sector.

Policy Objective:
To accelerate and improve access to BDS by MSMEs in both rural and urban areas in Ghana.

Policy Prescriptions:
Government will:

1. Collaborate with the private sector to introduce and strengthen the entrepreneurship values, thinking and attitudes in the curriculum of basic through to tertiary institutions to produce job creators (entrepreneurs) rather than employment seekers.

2. Facilitate the acquisition of new technical skills as well as strengthen demand-driven training and skills development programmes.

3. Strengthen tailor-made MSME entrepreneurship programmes for start-ups, existing enterprises and stimulus programme for distressed but viable industries.

4. Officially recognize, reward and motivate successful enterprises and MSME heroes to create a culture conducive for entrepreneurial development.

5. Encourage Corporate Social Responsibility (CSR) projects in mentoring young people.

6. Facilitate the dissemination of best practices and strategies adapted to the wider community through media and other outreach.

7. Strengthen and support industry related institutions, associations, chambers and bodies that promote high-growth entrepreneurship, coaching and mentorship programmes and business incubation and acceleration.

8. Strengthen extension services to cover areas including preparation of project feasibility reports for credit facilitation, provision of technical information, advisory services, Sanitary and Phytosanitary compliance, and quality assurance services.

9. Provide one-stop shops for support in delivering BDS to MSMEs and entrepreneurs in collaboration with Ghana Enterprises Ghana (GEA) and its implementing arms/bodies.
Incentivize and educate MSMEs to formalize their businesses.

Digitize the database of the various categories of MSMEs in Ghana.

Develop a national on-line hub which will link the entire MSME ecosystem related to initiatives across the country, in close collaboration with relevant MDAs and development partners.

Institute a bi-annual challenge to facilitate the commercialization of business projects.

Identify, register, and build the capacity of existing private BDS Providers in different districts to provide support to MSMEs in the following areas: business planning, marketing, accounting, business linkages and access to markets, business advisory, mentoring and coaching and business registration.

Support the capacity of standards and quality assurance organizations (e.g. Food and Drugs Authority and Ghana Standards Authority) to deliver support and incentives to MSMEs.

4.1.4 TECHNOLOGY, INNOVATION, RESEARCH AND DEVELOPMENT

4.1.4.1 Technology and Innovation

Policy Context
MSMEs often have difficulties in gaining access to appropriate technologies and information on available techniques. In most cases, SMEs utilize foreign technology with a scarce percentage of shared ownership or leasing. They usually acquire foreign licenses, because local patents are difficult to obtain. Irrespective of segment, there is a link between technology adoption and the SME sector growth. Early adopters of modern technology could increase their annual revenue significantly faster than their competitors. However, the cost of the modern technology, including hardware, training and personnel, however, can be insurmountable for MSMEs with limited financial and technological resources. Also the focus on adoption of modernization of MSMEs cannot be understated.

Technological innovation and modernization is a key factor in a firm’s competitiveness. Technological innovation is unavoidable for firms which want to develop and maintain a competitive advantage. SMEs often have difficulties in gaining access to appropriate technologies and information on available techniques. In most cases, SMEs utilize foreign technology with a scarce percentage of shared ownership or leasing.
They usually acquire foreign licenses, because local patents are difficult to obtain. Irrespective of segment, there is a link between technology adoption and the SME sector growth. Early adopters of modern technology could increase their annual revenue significantly faster than their competitors. However, the cost of the modern technology, including hardware, training and personnel, however, can be insurmountable for MSMEs with limited financial and technological resources. Also the focus on adoption of modernization of MSMEs cannot be understated.

Technological innovation and modernization is a key factor in a firm’s competitiveness. Technological innovation is unavoidable for firms which want to develop and maintain a competitive advantage and/or gain entry into new markets. Technology adoption in MSMEs context is a growing area of interest in developing countries. Among firms of different sizes, MSMEs are generally more flexible, adapt better and easily, and are better placed to develop and implement new ideas.

**Policy Objective**
To facilitate the acquisition and adoption of state-of-the-art and appropriate clean technologies for MSMEs to increase productivity, quality, innovative, and competitive products.

**Policy prescriptions**
Government will:
1. Promote MSMEs adoption and utilization of modern and appropriate technology and innovation from Research and Development Institutions. ives to MSMEs.

2. Establish a Technology Development and Transfer Fund (TDTF) with appropriate incentives to support the acquisition and adoption of modern, clean technology by MSMEs.

3. Establish a strong network/platform to link MSMEs and technology providers to strengthen technology transfer programmes.

4. Restructure and resource GRATIS foundation to offer common-user facilities, technology upgrade and design-related services to MSMEs in all Regional and District centres.

5. Develop and conduct special technology transfer and diffusion programmes to promote the adoption of modern technology by MSMEs.

6. Recognize and reward innovative and technology oriented MSMEs and assist them to participate in foreign trade fairs, exhibitions and technology demonstration platforms.
7. Promote the establishment and implementation of Management Systems Standards and other Productivity Improvement tools like KAIZEN for MSMEs.

**4.1.4.2 Research and Development**

*Policy Context*
Research and development have a significant role to play in enhancing individual and institutional execution and the Ghanaian SME is not an exception. It has been observed that SMEs are unenthusiastic to invest in R&D due to low capitalization.

Research and Development do not only assure a superior knowledge of the market progression, it also aligns a firm’s particular qualities with the market powers. Through R&D, MSMEs can imbibe three exceptionally basic characteristics – innovation, modernization and indigenization. These are basic variables for business development. With the growing demand for innovation and high-quality products, there is need for greater focus on R&D for the MSME sector.

*Policy Objective*
To increase the level of research and development for innovation in the sector.

*Policy prescriptions*
Government will:

1. Maximize the beneficial impact of R&D in areas such as raw materials sourcing, production technology and methods, product development and market exploration.

2. Facilitate the implementation of the Intellectual Property Right (IPR) Policy for the benefit of MSMEs.

3. Facilitate collaboration between industry and research institutions and promote industry relevant applied research and adoption of research for commercial enhancement.

4. Encourage research on product quality improvement, preservation techniques to extend the shelf life of products.

5. Promote research to find substitute raw materials to address raw material scarcity problems.

6. Increase investment in research and development both from public and private sector through appropriate fiscal incentives.

7. Establish a Special Fund to support MSME-focused R&D.
8. Encourage continuous investment in MSME-focused R&D.

9. Facilitate the extension of services in the areas of Standardization, Conformity Assessment and Metrology.

4.1.5 MARKET FACILITATION

Policy Context
MSMEs over the years have been constrained in reaching the domestic and international market. On the global measure, the number of MSMEs as a share of total exporters is usually high, however, MSMEs in Ghana typically contribute a small amount to total export value.

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With increasing globalization, more needs to be done to help SMEs be competitive and to facilitate their internationalization and market access for sustainable growth. Also, it is imperative that MSMEs have access to Ghana’s domestic market notwithstanding the influx of imported products. A well-functioning domestic market is very critical for the development, marketing and distribution of locally produced goods, especially by MSMEs. Unfortunately, most MSMEs are unable to apply proper and attractive packaging and branding techniques to consumers due to inadequate skills and resources.

Policy Objective
To enhance market access opportunities for MSMEs and Entrepreneurs.

Policy prescriptions
Government will:

1. Provide support to MSME associations in exploiting local market opportunities by holding domestic product exhibitions and developing domestic markets.

2. Support the growth of the MSME sector through a dedicated government procurement policy aimed at procuring a minimum percentage of goods and services produced by local MSMEs.

3. Support MSMEs to improve their capacities to access and exploit regional value chains.

4. Train and support MSMEs to participate in Local, Regional and International markets through trade fairs and exhibitions.
5. Educate and support product development, quality improvement, ethical practices, packaging, branding and market networking of MSMEs to compete locally and internationally.

6. Ensure the implementation of the Made-in-Ghana Policy to promote indigenous MSMEs.

6. Promote and educate MSMEs on digital marketing and the various digital markets locally and internationally.

7. Build relationships and sign trade agreements with neighbouring countries.

8. Work closely with trade attaches in foreign missions to promote exports.

4.1.6 ENTREPRENEURSHIP DEVELOPMENT

Policy Context
The benefits of entrepreneurship for Ghana cannot be overemphasized both at a micro level in terms of creating stable and sustainable employment for citizens and at a macro level, where it significantly increases a nation’s GDP. Yet Ghana still lags behind many of its compatriots in creating and maintaining the required environment needed to foster starting and growing. There are a number of barriers which entrepreneurs in Ghana face. Such as infrastructure, Legal and regulatory framework and financial support.

4.1.6.1 Business Focus

Policy Objectives
1. To instill a culture of entrepreneurship among all Ghanaian citizens especially, the youth.

2. To increase the establishment of new businesses and start-ups

3. Especially those by young entrepreneurs through access to financial and non-financial services.

4. To facilitate the establishment of start-up incubation centers with relevant institutions and Universities.
Policy Prescriptions

Government will

1. Institute a bi-annual start-up challenge to facilitate the commercialization of business ideas.

2. Set-up tailor-made financing for start-ups.

3. Institute and facilitate start-up coaching schemes to facilitate growth of start-ups into active entrepreneurs.

4. Facilitate entrepreneurship training at all levels of the education systems in partnership with Ministry of Education and the relevant institutions,

5. Design targeted regulatory reliefs for MSMEs, in order to reduce entry barriers for young entrepreneurs and start-ups;

6. Organize national, regional and district entrepreneurship programmes, challenges, fairs and competitions to stimulate entrepreneurship growth amongst Ghanaians.

7. Build the capacity of Business Development Service Providers in all districts to offer entrepreneurial solutions (such as KAIZEN) and training for citizens.

8. Develop youth and gender entrepreneurship programmes that will promote the establishment of MSMEs.

9. Support and develop incubators and accelerators throughout the country to support entrepreneurship development in Ghana.

10. Develop and coordinate the promotion of Social Enterprise initiatives in collaboration with relevant takeholders.

11. In collaboration with relevant MMDAs and development partners institute a framework for the development of a national on-line startup hub which will integrate the entire ecosystem/initiative/programmes related to startup initiatives across the country.

12. Support a critical mass of innovative companies to acquire the tools, skills and resources.

13. Review and streamline existing Youth Programmes and Policies to support entrepreneurship development.
4.1.6.2 Promoting an Entrepreneurial Society

Policy Objectives
1. To develop an entrepreneurial society where citizens, including the youth, women and the disabled can fully participate in entrepreneurship.

2. To foster a can-do spirit and a culture of entrepreneurship amongst Ghanaian youth.

3. To assist entrepreneurs to progress through various stages of enterprise development in order to realise their full growth potentials.

Policy Prescriptions
Government will:

1. Establish a Presidential Business Support Programme, consisting of Presidential Pitch, Campus Business Pitch (Tertiary Education level), Students Entrepreneurship Initiative (High School level), Young

2. Women Entrepreneurship Initiative and an Entrepreneurship Empowerment Initiative for Persons with Disability.

3. Establish Mentorship Scheme for experienced professionals to volunteer to provide assistance to Start-up companies

4. Develop a framework for periodic Entrepreneurship Surveys in collaboration with relevant stakeholders.

5. Promote Entrepreneurship and Innovation Fairs to showcase Ghanaian entrepreneurship.

6. Promote local content by developing local content regulations favourable to Ghanaian entrepreneurs.

7. Provide targeted regulatory reliefs including but not limited to tax and non-tax incentives to support start-ups and firms in early stage of development.

4.1.6.3 Entrepreneurship Education and Skills Development

Policy Objectives
To inculcate entrepreneurship awareness at all levels of education
Policy Prescriptions

Government will:

1. Encourage the introduction of entrepreneurship into the formal education system to foster job creation among the youth.

2. Promote the introduction of entrepreneurship and innovation skills training in both formal and informal training at the community level, including apprenticeship training.

3. Encourage teacher training institutions to incorporate entrepreneurship and innovation into their training programmes.

4. Collaborate with vocational and tertiary education institutions to incorporate entrepreneurship and innovation skills development into their training programmes.

5. Support the establishment and sustainability of business accelerators and incubators.

6. Promote business-industry cooperation locally through a structured dialogue mechanism.

7. Establish resource centres that provide the facilities and space for managing Senior Mentorship Schemes and innovation hubs.

8. Develop a pool of certified Trainers, Training Institutions and Service Providers with competence in Entrepreneurship Development.

4.1.7 LOCAL ECONOMIC DEVELOPMENT

Policy Context
The concentration of economic activities in urban centers continue to widen the urban-rural wealth gap Local Economic Development will lead to the growth of the local economies in terms of absorbing local labour force, slowing urban migration, contributing to national income growth, effective and efficient utilization of local resources through value addition, and promoting a more equitable distribution of income.

Policy Prescriptions
Government will:

1. Consolidate and synchronize the operations of District based enterprise support services of the Rural Enterprises Programme into the restructured NBSSI (Ghana Enterprises Agency) to provide more sustainable district level business development service delivery system.
2. Develop the capacity of local authorities to establish and manage Multi Facility Economic Zones targeted at MSMEs in order to stimulate local economic development.

3. Collaborate with private sector real estate developers to construct Business Industrial parks in selected parts of the country to facilitate access by MSMEs to appropriate operating premises.

4. Provide guidelines and incentives for business premises development programmes such as build-operate-transfer or build-own-operate schemes.

5. Develop value chain and cluster development programmes to jump start local economic development and enhance utilization and value addition of local resources.

6. Develop and implement guidelines and regulations for targeted development centres for CSR activities.

7. Facilitate development of rural business infrastructure to improve the competitiveness of identified business areas.

8. Promote establishment of business linkages between agricultural farming blocks, large companies and MSMEs in order to establish and enhance marketing channels.

9. Provide tax incentives to stimulate development of MSMEs in less endowed Districts.

10. Develop Industrial Clusters in localities where there is competitive advantage in producing particular products and services.

11. Collaborate with private sector service providers, to improve MSMEs access to telecommunication, internet, and banking services.

12. Collaborate with Ministry of Roads and Highways and Department of Feeder Roads to improve access roads to central business premises and Industrial Parks.

13. Facilitate the development of product-specific model markets at the local level to improve existing marketing channels.
Policy Prescriptions

4.1.8.1 Occupational Health and Safety
Government will:
1. Encourage MSMEs to consider insurance policies for businesses and employees.
2. Enforce regulations on the use of safety equipment and protective clothing for MSMEs.
3. Enforce Occupational Health and Safety (OHS) laws to address poor health and safety standards for MSMEs.

4.1.8.2 Environmental Sustainability
Government will:
1. Facilitate the development of programmes that promote the efficient use of raw materials, energy and water for MSMEs.
2. Support MSMEs to adopt cleaner production technologies and improved manufacturing processes.
3. Strengthen the capacity of regulatory bodies to enforce environmental regulations as well as effectively monitor manufacturing processes.
4. Ensure the promotion of relevant ISO standards on environmental management.
5. Encourage lending to MSMEs and individuals to finance energy efficiency and renewable energy measures. For example, loans to finance solar systems, smaller solar devices for households & MSMEs, or loans to buy new energy efficient appliances.

4.1.8.3 MSME/Entrepreneurship Data and Information
Government will:
1. Build a repository of MSME/Entrepreneurship data.
2. Enforce regulations that require companies to keep records.
3. Provide assistance to MSMEs to improve record keeping
4. Encourage the introduction of pro-gender interventions in the MSME sector.
5. Promote equal opportunities for all in MSME interventions.
6. Support organizations and associations of women entrepreneurs to develop programmes based on their specific needs and challenges.

### 4.1.8.4 Standards and Productivity Improvement

Government will:

1. Encourage the application of voluntary standards by MSMEs.

2. Encourage the application of voluntary standards by MSMEs.

3. Support initiatives to improve institutional capacity of Industry Associations to develop and promote standards of interest to their members.

4. Encourage productivity improvement initiatives such as KAIZEN, ILO SCORE, etc. Facilitate the development of the packaging industry to support the MSME sector.

### 5.0 IMPLEMENTATION ARRANGEMENTS

#### 5.1 Institutional Framework

The Ministry of Trade and Industry (MOTI) will develop comprehensive blueprint for the implementation of the National MSME and Entrepreneurship Policy. The blueprint will consist of detailed action plans that will be prepared for each thematic area to ensure that the MSME and Entrepreneurship Policy is fully implemented to deliver results on time.

The blueprint will specify the expected output indicators, detailed activities, implementation timelines and budget requirements. Each Action Plan will be developed with inputs from key implementing partners and in consultation with relevant stakeholders to avoid duplication, ensure efficient resource allocation and monitoring of results nationally.

The necessary institutional and legal framework will be put in place to ensure effective implementation of the prescriptions in this Policy for the achievement of the set objectives.

A comprehensive communication plan as well as a monitoring and evaluation framework will also be developed to track progress of implementation.

#### 5.2 Governance Structure

MOTI is responsible, among others for the development of the MSME Sector.
A number of Departments and Agencies such as NBSSI, GRATIS Foundation, REP and GEPA support MoTI to deliver programmes and projects in respect of the MSME Sector.

The National Board for Small Scale Industries (NBSSI) will be restructured and transformed into the Ghana Enterprises Agency (GEA), which will be responsible for coordinating interventions in the MSME sector and will operate under the direct supervision and oversight of MoTI. In respect of start-ups and firms in early stage of development, the National Entrepreneurship and Innovation Programme (NEIP) which also operates under the supervision and oversight of the MoTI, will complement the work of GEA in implementing the MSME and Entrepreneurship Policy.

An Inter-Ministerial Coordinating body will be convened by the Ministry of Trade and Industry of the prescriptions in this Policy for the achievement of the set objectives.

A comprehensive communication plan as well as a monitoring and evaluation framework will also be developed to track progress of implementation.

As part of the institutional structures for the implementation of the Policy, the Ministry will establish a Technical Support Group made up of experienced professionals and experts in the field of MSME Development and Entrepreneurship.

**6.0 MONITORING AND EVALUATION OF POLICY IMPLEMENTATION**

The Ministry of Trade and Industry will be the Government’s focal institution responsible for the coordination of the Policy and its implementation. The Ministry will collate and analyse information on the implementation of the Policy. This will help Government and key stakeholders to review the status of implementation and take corrective measures to enhance the effectiveness of the Policy.

**7.0 COMMUNICATION PLAN**

The Ministry of Trade and Industry (MoTI) in collaboration with relevant stakeholders will formally launch the National Micro, Small and Medium Enterprise (MSME) and Entrepreneurship Policy. To ensure effective implementation of the Policy, there will be the need for widespread awareness creation.

This will involve awareness creation programmes through the print and electronic media (Radio, TV, Newspapers and Social Media.) as well as workshops and seminars.

A coherent plan of action will be developed which includes the following:
a) Clear articulation of the objectives and targets to be achieved;

b) Promoting understanding of the possible operational constraints and what is required to innovatively address them;

c) Policy dialogues at national, regional and district levels would be undertaken; and

d) Advocacy through local news media (TV, radio, newspapers, and various social media outlets).
The Full Version is available on www.moti.gov.gh
This abridged version is for ease of communication and publicity