

SCALING UP THE RURAL ENTERPRISES PROJECT IN GHANA

1. Scaling up idea

What	The IFAD co-funded Rural Enterprises Project II (REP-II) will be scaled up. The second phase of REP (2003-2011) is being implemented in 66 districts nationwide. Phase one was implemented from 1995 to 2002 in 13 districts in the Ashanti and Brong-Ahafo regions.
Whose idea	Ministry of Trade and Industry (MOTI)
Pilots / tests / evaluations	Micro and small-scale enterprises promotion as a key tool for rural poverty reduction been piloted tested and evaluated in Ghana since 1995. The experience has shown that there was great potential for replication and scaling up (see also Interim Evaluation of REP-II). Elements of rural enterprises promotion are being implemented in other ongoing IFAD co-funded projects in Ghana including the Root & Tuber Improvement & Marketing Programme (RTIMP) and the Northern Rural Growth Programme (NRGP).

2. Vision

Achievements	REP-II promotes the establishment and growth of micro and small-scale enterprises through the provision of business development services, access to technologies and financial services. REP I&II have supported 66 districts each to establish district-based Business Advisory Centres (BACs) and 21 Rural Technology Facilities (RTFs). The REP II has, as at March 2010, achieved a total outreach of 177,000 people, facilitated access by 19,000 people to non-financial services; trained over 30,000 in income-generating activities; trained 45,000 in business and entrepreneurship skills; enrolled 128 Participating Financial Institutions (PFIs), delivered total credit of about US\$1.5 million; supported the formation of Micro and Small-Scale Enterprise Sub-committees in 66 districts.
Vision	The goal is to convert the REP experience into a nationwide programme that covers all rural 161 districts. The vision is to improve the living conditions of the rural poor, especially women, through increased incomes thereby contributing to poverty reduction in all 161 rural districts of Ghana.

3. Drivers

Leadership	The scaling up of REP is clearly a reflection of political as well as the developmental values of GOG e.g. Ministry of Trade and Industry (MOTI) and the National Development Planning Commission.
Champions	MOTI, through GRATIS Foundation and the National Board for Small-scale Industries (NBSSI). District Assemblies (DA) and Local Business Associations (LBA)
External catalysts	Rural poverty and unemployment of youth and women in rural districts.
Incentives	<ul style="list-style-type: none"> • GoG/MOTI: poverty reduction and rural employment • DA: local economic development, employment creation • Rural population and youth: job creation and opportunities • PFI: have not always an incentive to play their role

4. Spaces

Political space	BAC-concept is supported by local government (BACs) as well as national government
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	(MOTI, MLGRD)
Policy space	National level: GPRS I & II, PSDS. Local level: MSE Sub-Committees will be mainstreamed. Establishment of the Department of Trade and Industry (DOTI) at the District level and mandating the District Assemblies to mainstream micro and small-scale enterprise development into the operations of the District Assemblies
Natural resource space	Introduction of simple technologies to reduce environmental degradation (eg beekeeping, grasscutter rearing) Occupational Safety & Health and Environmental Management Seminars
Learning space	Successful scaling up as envisaged under REP III would require precise assignment of functions to specific actors at different levels and clear instructions on what they should do, how to do it and what tools to use. The use of friendly operational manuals would be very essential. It is important to continue 'learning by doing' and taking the necessary time to adapt innovation to local circumstances. Sufficient time and proportion are necessary to allow for testing, evaluating, adapting and simplifying the innovation. Scaling up is always more successful, when programmes are highly focused
Institutional & organizational space	A strong Project Steering Committee with membership from all relevant stakeholder Institutions and key Implementing Agencies like NBSSI and GRATIS together with PFIs support the microenterprise activities under the Project. At the local level, the establishment of Business Advisory Centres (BACs), Rural Technology Facilities (RTFs), MSE sub-committees, support for formation/strengthening of trade groups/local business associations provide the required institutional and organizational space for the micro and small-scale enterprise development interventions to become sustainable.
Cultural space	Off-farm income generating activities including looking to micro and small-scale enterprises as an additional or substitute source of income for the rural poor, especially women, who are mostly peasant farmers is rapidly gaining cultural acceptability in Ghana, a condition that guarantees effectiveness and success. The REP stakeholders constantly raise awareness.
Financial/fiscal space	Government (national and local) finances most of the recurrent costs (salaries of BAC and RTF staff). The REP-concept will be mainstreamed in District Assembly structures.
Partnership space	IFAD/AfDB: loan to finance up scaling the system Partnership with NBSSI, GRATIS Foundation (national, regional and local) and District Assemblies to sustain the system.

5. Pathways

Which pathways?	The successful initiatives in rural enterprise development are being promoted by GOG to the District through an expansion path and phasing approaches. The process is being continuously adjusted and improved in accordance with the needs and local conditions of the beneficiaries. REP will be a major national programme for rural micro and small scale enterprises (MSEs) promotion, job creation and poverty reduction in all districts countrywide. It will also represent an important national vehicle for private sector initiatives and rural development with strong emphasis on in built mechanisms for sustainability. Its delivery processes will thus be mainstreamed through existing relevant institutions on the basis of REP II model.
Time horizon	8 years (2012-2019)
Role of drivers and spaces	Scaling up of rural MSE development interventions will be successful only when drivers and spaces find ways to link district-level institutions (Local Business Associations, private sector actors including service providers, marketers, etc.)

	effectively to local government structures so as to ensure harmony in investment decisions and the sustainability of operation.
Obstacles and risks	<ul style="list-style-type: none"> • lack of skill and ability of the field level staff to implement a rural based project; • the regional level is to be integrated, but has not yet been piloted.

6. IFAD's role

IFAD's specific role	<p>IFAD should continuously support the drivers, provide financial support in the scaling up process and be a key factor in helping to keep momentum and focus.</p> <p>IFAD engagement in policy dialogue with GOG should ensure that country and sector strategies address the scaling up dimensions explicitly.</p> <p>Innovative M&E, based on geographic information systems.</p>
Support from IFAD's policies, procedures, etc..	<p>IFAD's role is consistent with IFAD's mission as stated in its Strategic Framework 2007-2010 "We encourage innovation and test new approaches. We work with governments and other partners to learn from experience, and replicate and scale up successes".</p> <p>IFAD could consider implementing a 'scaling up audit' for itself in order to induce a more systematic and effective focus on scaling up. In this regard, project preparation manuals and other operational policies, e.g. supervisions, mid-term reviews, evaluations, completion, should be amended to reflect the need for scaling up.</p>