



**ASSESSING THE IMPACT OF QUASI-COMMERCIAL CREDIT ON
WASH SMES; “THE POSSIBLE TO PROFITABLE MODEL (P2P)”**

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DECLARATION

I do hereby declare that this work is the result of my own research and has not been presented by anyone for any academic award in this or any other university. All references used in this work have been fully acknowledged.

I bear sole responsibility for any shortcomings.

.....

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CERTIFICATION

I hereby certify that this long essay was supervised in accordance with procedures laid down by the university.

.....

DR. CHARLES ANDOH

(SUPERVISOR)

.....

DATE

DEDICATION

My work is dedicated to God of all Grace for his abundant mercies and providence towards me. I also dedicate this to my lovely wife Mrs. Nancy Ama Anima Aggrey and my three angels Maame Adwoa Kwama, Nana Akua Aboagye and Ewura Efua Egyiriba who have been a constant motivation to me. This is also dedicated to the Morgans for their faith in me through the years.

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LIST OF ABBREVIATIONS

AGI	ASSOCIATION OF GHANA INDUSTRIES
CAPMANEX	CAPITAL MAINTENANCE EXPENDITURE
EU	EUROPEAN UNION
FI	FINANCIAL INTERMEDIARIES / FINANCIAL INSTITUTIONS
GAMA	GREATER ACCRA MUNICIPAL ASSEMBLY
GEDC	GHANA ENTERPRISE DEVELOPMENT COMMISSION
GLAAS	GLOBAL ANNUAL ASSESSMENT OF SANITATION AND DRINKING-WATER
HH	HOUSEHOLDS
IPO	INITIAL PUBLIC OFFERING
MLGRD	MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT
MSMEs	MICRO, SMALL & MEDIUM ENTERPRISES
NBSSI	NATIONAL BOARD FOR SMALL SCALE INDUSTRIES
OECD	ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
OPEX	OPERATIONAL EXPENDITURE
P2P	POSSIBLE TO PROFITABLE
SME	SMALL & MEDIUM ENTERPRISES
UNICEF	UNITED NATION INTERNATIONAL CHILDREN'S EMERGENCY FUND
UNIDO	UNITED NATION DEVELOPMENT ORGANIZATION
VC	VENTURE CAPITAL
WASH	WATER SANITATION & HYGIENE
WHO	WORLD HEALTH ORGANIZATION

ABSTRACT

The purpose of this research is to investigate the impact of access to finance on Micro, Small & Medium Enterprises (MSMEs) when credible financial intermediaries (Banks or Non-bank Financial institutions) are used to channel quasi-commercial credit to SMEs. A structured interview questionnaire with predetermined set of questions was employed to collect data from twenty (27) respondents. The respondents were business owners in the Water Sanitation and Hygiene (WASH) sectors who have taken loans under the “Possible to Profitable” (P2P) scheme. Data collected on the P2P program was obtained to further understand the extent to which the program had been able to meet its objectives of developing the WASH sector through access to financing. Data from the questionnaire was coded and analyzed with statistical tools such as frequency tables, charts (pie and bar) and the paired t-test.

Male respondents made up 59% of the population surveyed whilst 41% of respondents were female. Majority of the respondents were aged between 36 – 50 years which made up 41% of the sample population. Key findings were that Financial Institutions was the source most relied on by respondents to grow awareness of financing options available to their businesses. Government agencies and business associations followed as a second and third most credible sources for growing the awareness to financing options for businesses. There was observable growth in sales, assets (fixed and current) and net profit for businesses of respondents, who highlighted that the level of service to customers had improved after loans were taken.

The outcome of this work should help influence policy that promotes collaboration with financial intermediaries to grow financing of the WASH sector to ensure sustainability.

KEYWORDS & PHRASES: Financial Institutions, Water Sanitation and Hygiene, Mirco, Small & Medium Enterprises, Possible to Profitable, Growth

CHAPTER ONE

INTRODUCTION

1.1 Research background

SMEs face a myriad of challenges in their development which include; “limited access to finance, lack of a proper database on SMEs, little or no research and development expenditures, undeveloped sales channels and a low level of financial inclusion contribute to the slow growth of SMEs”. (Yoshino & Taghizadeh, 2016). Access to sustainable sources of financing has been identified by the Association of Ghana Industries to be the leading factor in constraining the growth of SMEs (AGI, 2011). This research will assess the impact of providing to finance to MSMEs when credible financial intermediaries (Banks or NBFIs) are used to channel quasi-commercial credit to SMEs.

The Venture Capital Act 2004 define “SMEs as firms with less than 100 employees and whose total asset base excluding land and buildings does not exceed USD1million”. They contribute significantly to the economies of the countries they are founded. Micro, Small & Medium Enterprises it is estimated, contribute between 60 to 80% of employment in developing countries and constitute about 90% of businesses in Africa and the rest of the developing world and in Ghana alone, the contribution of MSMEs to the national GDP is about 70% (Abor, 2017). Their contributions are usually curtailed by the challenges which hold them from growing.

Lader (1996) identified a lack of access to finance as the most dominant constraint facing SMEs. “A World Bank survey found that about 90% of small enterprises surveyed stated that credit was the most important constraint to new investment”. (Parker, Riopelle, & Steel, 1995). In Ghana, high interest rates, cumbersome bureaucratic processes and collateral requirements have been highlighted as impediments to SMEs access to credit from banks. Abor and Biekpe (2006) found that there are number of financing schemes (quasi-commercial credit) are

available to SMEs. This has been limited by the lack of understanding of the nature of respondents businesses by finance providers, stringent eligibility criteria, lack of knowledge about lending criteria, difficulty in finding out about available finance and bureaucracy. The research will look at how these trap funds can be made available to SMEs through the mechanism of financial intermediaries at reasonable interest rates. In the Water, Sanitation and Hygiene (WASH) sector for instance funding to this sector has come mainly from Government and donor agency grants to individual households. Businesses in this sector have found it difficult identifying or obtaining low funding which is tailored with an understanding of how businesses in the sector operate.

1.2 Research statement

MSMEs make significant contributions to the economy of Ghana. It is estimated that they contribute 60% of all jobs created and constitute about 92% of all Ghanaian businesses. The sector has the potential to drive the industrialization phase of Ghana's development. They have been identified to contribute to 85% of all manufacturing employment in Ghana (Steel & Webster, 1991). Thus MSMEs are seen by policy makers and governments as the bedrock for the industrialization of the country but little attention is given to the sector.

Access to the right financing arrangement for their activities, has been identified by MSMEs to be the most important constraint (AGI, 2011). There is a lot of research work which has been done to understand the impact of lack of finance on development of MSMEs. This includes the research by Abor and Biekpe (2006) which investigated the awareness and use of various financing schemes (quasi-commercial credit) to make financing available to SMEs in Ghana. This research work will investigate the effect on businesses when financial intermediaries funnel trapped funds in the form of quasi-commercial credit to MSMEs. The focus will be on access to low cost funding for MSMEs which operate in the WASH space where Financial

Intermediaries and donor collaborate can make accessible tailored and easy to access funding for their businesses.

1.3 Research objectives

The purpose of this research is to investigate the impact of access to finance on MSMEs when credible financial intermediaries (banks or NBFIs) are used to channel quasi-commercial credit to SMEs. To achieve this purpose, the following have been set as the specific objectives of the research:

- Assess how MSMEs grow their awareness of suitable funding sources critical to their businesses
- Evaluate the impact of access to finance for MSMEs using financial intermediaries as fund managers
- Examine the success factors for the WASH program - “Catalysing WASH from Possible to Profitable (P2P)”.

1.4 Research questions

These research questions were developed to achieve the objectives of the research work as outlined above. The essence is to ensure that the appropriate responses could be elicited. The following are the research questions:

- How do MSMEs grow their awareness of suitable financing sources critical to their businesses?
- What is the impact of access to finance for growth of MSMEs when financial intermediaries as fund managers?
- Have the critical success factors for the WASH program - “Catalysing WASH from Possible to Profitable (P2P)” being achieved?

1.5 Research hypotheses

The following research hypotheses were also formulated and examined based on the research questions above:

H_0 : There is no statistical significant difference between the means of the growth variables in question before and after P2P intervention.

H_1 : There is a significant difference between the means of means of the growth variables in question before and after P2P intervention.

1.6 Research gap

There has been a lot of research conducted on access to finance for MSMEs. This has been identified as an area of significant importance to the survival and growth of any SME. There is, however, less study on how the collaboration between donor agencies or government and financial intermediaries with a for-profit motive to address a social issue could be used as a model for addressing access to finance for SMEs. Current approach to address social issues for both government and donor agencies has been mostly by providing grants through government agencies to support areas of need within the social fabric of society. The focus has largely been that because social ills plague mainly the less privileged in society and funding to address their needs must be free and unencumbered by profit motives of donors, governments or the profit motives of a financial intermediary. This thinking has impacted the way social issues are addressed where financing is channeled through government agencies to the sectors of need. This has not always provided an efficient avenue to directing financing as an enabler for change to the sectors where it is required to bring about the needed change.

1.7 Significance of the study

The value of Micro, Small and Medium Enterprises to the economy of Ghana has been very significant. This is in spite of the challenges which have constrained their growth and efficiency. It is obvious that to create an industrial base on which the economy of Ghana will thrive there needs to be specific focus on changing the current dynamics around SMEs which limit their access to finance.

The outcome of this research will aid governments in their policy decisions and interactions with the private sector to drive growth through a paradigm that encourages efficiency in allocating financial resources to businesses where they are needed for growth.

1.8 Research scope and limitations

The research was conducted through interviews where questions administered and were answered by respondents with their own biases.

The time period for this research was for a period of seven months and so the number of respondents was limited to 30 respondents.

1.9 Chapter organization

The information contained in this research has been structured in the manner elaborated below. Chapter one of the research work covers a background to the study, the research statement, the objectives, research questions, research gap, research methodology, significance or benefits of the study and the organization of the chapter. Chapter two contains the literature review, which is segmented into introduction, definitions, nature of SMEs, challenges they face, their financing options, understanding of the WASH sector and how the financing methods could be adopted to sustain the growth in the sector. Chapter three elaborates the methodology that was used in collating the required data for the research. The section would look at the general

research strategy, the study area, data sources, target population, study site, sampling technique, sample size, data collections tools and ethical considerations.

The fourth chapter titled data analysis would cover the evaluation of the data collected and presentation of the information using various statistical measures and variances as well as graphical tools such as bar chart, line graph, and others. The final chapter would summarize the results and draw inferences from these outcomes to make practical commendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview of SMEs

2.1.1 Contribution of SMEs to economic growth

Small and Medium Enterprises (SMEs) perform a significant role in expanding the economies and social infrastructure of the nations in which they operate. Small and Medium Enterprises contribute between 60 to 80 percent of employment in developing countries and constitute about 9 out of ten businesses in African continent and the most of the developing world, in Ghana alone, the contribution of MSMEs to the national GDP is about 70% (Abor, 2017). They have been identified as being core to economic development and a source of livelihood and job creation. Statistics on SMEs is hard to obtain however in 1998 the Ministry of Trade and Industry estimated that there were 80,000 registered limited liability companies and 220,000 partnerships registered with the Registrar General's office (Mensah, 2004). It is estimated that they contribute 60% of all jobs created and make up over 90% of all businesses in the Ghanaian economy. The sector possesses the capacity to drive the industrialization phase for Ghana's development. They have been identified to contribute 85 percent of all manufacturing jobs as a source of livelihood in Ghana (Steel & Webster, 1991).

2.1.2 Definition of SMEs

The matter of what clearly a small and medium enterprise is, has been the subject of concern for a lot of literature. Many different classifications have been proposed by authors in categorizing this sector of the business economy. MSMEs have in fact not escaped this definition conundrum. The definition puzzle is mostly linked to multi-faceted concepts. Attempts have been made to use capital assets, while the use of skilled of labour, number of personnel engaged for employment and business gross revenue levels. Other definitions for

SMEs have been related to their legally registered status and mode of business / production. Storey (1994) contends that size as a measure to classify a firm holds the potential to misinform as in some sectors all firms may be regarded as small, whilst in other sectors there are possibly no firms which are small. There is no generally accepted definition of SMEs. Different countries or regions define SMEs in their own social and economic context. Australia Fair Work Act (2009) classifies a small sized enterprise as having less than 15 workers whilst an enterprise qualifies for the small business Administration if it has fewer than 500 employees (Taylor & Adair, 1994).

The Bolton Committee (1971) articulated “an economic and statistical definition of a small firm / enterprise”. Under the Economic definition, a firm is small if it meets the following criteria:

- “It has a relatively small share of their market place”
- “It is managed by owners or part owners in a personalized way, and not through the medium of a formalized management structure”
- “It is independent, in the sense of not forming part of a large enterprise.”

Under the “statistical” definition, the Committee proposed the following criteria:

- “The size of the small firm sector and its contribution to GDP, employment, exports, etc.”
- “The extent to which the small firm sector’s economic contribution has changed over time;”
- “Applying the statistical definition in a cross-country comparison of the small firms’ economic contribution.”

The Bolton Committee varied the classification of small firm per various sectors. “Firms in manufacturing, construction and mining were defined by the number of personnel (where 200 or less qualified as a small firm), firms in retail, services, or wholesale were defined by their

sales turnover (ranging from 50,000 - 200,000 British Pounds were class as small firms). Road transport industry firms were classed by the number of assets those with 5 or less than 5 vehicles were defined as small”. Bolton’s definition was not wholly accepted, criticisms centered on the seeming discrepancies between characterizing based on number of employed personnel and those based on managerial approach (Department of Trade and Industry - UK, 2001).

“The UNIDO also defines SMEs in terms of number of employees by giving different classifications for industrialized and developing countries (Elaiian, 1996). The definition for industrialized countries is given as follows:

- Large - firms with 500 or more workers;
- Medium - firms with 100-499 workers;
- Small - firms with 99 or less workers.

The classification given for developing countries is as follows:

- Large - firms with 100 or more workers;
- Medium - firms with 20-99 workers;
- Small - firms with 5-19 workers;
- Micro - firms with less than 5 workers.”

The various definitions clearly highlights the lack of consensus for what firm size or characteristics related to a firm will make it define it as an SME.

In the EU, SMEs are characterized by staff count and total balance sheet or turnover as explained in the table 2.1.

Table 2.1: Classification of SMEs – European Union

Firm Category	Number of Personnel	Gross Sales (Euro)	Balance Sheet (Euro)
Medium-sized	< 250	≤ 50m	≤ 43m
Small	< 50	≤ 10m	≤ 10m
Micro	< 10	≤ 2m	≤ 2m

Source: Waseem, Wang, & Danish 2017

According to the EU definition, an SME can have no more than 250 employees whilst the World Bank definition “has no more than 300 employees and annual turnover / assets not greater than USD 15million” (Waseem et al., 2017).

In the Ghana context, several different classifications have been provided for what is considered a small-scale enterprises. The common gauge has been the number of workers employed in the business (Kayanula & Quartey, 2000). The challenge for this classification, stems from the random cut-off measures employed by different official sources. In its Industrial Statistics, the Ghana Statistical Service (GSS) “categorizes firms with fewer than 10 employees as small enterprises, whilst firms with more than 10 employees as medium and large enterprises” (Kayanula & Quartey, 2000). Immovable long term assets in businesses have also been presented as another condition to characterize SMEs. National Board for Small Scale Industries (NBSSI) in Ghana applies both the “fixed asset and number of employees criteria; a small enterprise is a firm with not more than 9 workers, and has plant and machinery (excluding land, buildings and vehicles) not greater than 10 million Ghanaian cedis.” The Ghana Enterprise Development Commission (GEDC), however, uses “a 10 million Ghanaian cedis upper limit definition for plant and machinery.” There are challenges with the valuing fixed assets, which should be worth noting. Again, the continued downward slide of the cedi the

currency of transaction in Ghana as against key trading currencies frequently reduces how effective of these categorizations can be. (Kayanula & Quartey, 2000).

A relatively current recent definition supplied by the Regional Project on Enterprise Development Ghana manufacturing survey paper; “classified firms into:

- micro enterprise, less than 5 employees;
- small enterprise, 5 -29 employees;
- medium enterprise, 30 – 99 employees;
- large enterprise, 100 and more employees (Teal, 2002).”

For the purposes of this research SMEs’ classification will align with the Ministry of Trade and Industry by number of personnel employed and fixed assets which also eliminate the impact of the downward slide of the cedi against the dollar by valuing fixed assets in dollars. It does not however solve the challenge with valuing fixed asset. “The different categories of firms are

- Micro Enterprises: Employing up to 5 employees with fixed assets (excluding realty) not exceeding USD 10,000 in value
- Small Enterprises: Employing 6 to 29 employees with fixed assets of USD 10,000
- Medium Enterprises: Employing 30 to 99 employees with fixed assets of up to USD 1million.”

2.1.3 Nature of SMEs

Fisher and Reuber (2000) came up with various features of small businesses in countries which are developing with the broad headings: “labour characteristics, sectors of activity, gender of owner and efficiency.” With most MSMEs being owned by individuals, the biggest class of employment is working proprietors. That would aggregate to greater than 50 percent of the SME work force in most countries that are developing; their households generally not

remunerated to be unpaid but are actively involved in the venture, and add on to roughly a 25% of the workforce. The final 25% is divided between paid workers and persons in training to build their trade skills in the business area. SMEs employ more working personnel than larger firms and so acquire lesser capital cost base related with job creation (Anheier & Seibel, 1987; Liedholm & Mead, 1987; Schmitz, 1995).

Their businesses activities mainly cover vending / retailing, or manufacturing (Fisher & Reuber, 2000). It is universally perceived that the greater percentage of SMEs fall into the first category i.e. retailing, the level of SME activity which relates to this category of business differs greatly from country to country and among pastoral and metropolitan regions within the nations where they operate. Retailing is generally established in metropolitan areas, while manufacturing is found in both rural and urban dwellings. There are various factors which determine the level of manufacturing in a country include, how widely available input material for manufacturing process is, consumer preferences and the patterns of consumption consumers in the local settings, and how sophisticated the export market of the nation is relative to other countries. MSMEs in Ghana are split into urban and rural firms. Urban firms can be further divided in to “organized” and “unorganized”. Organized firms usually have paid employees and an office from which operations are conducted which would be registered according to local laws, unorganized firms meanwhile are usually artisans operating in open spaces, impermanent erections made of wood, or at home. They employ few or in some cases no salaried workers (Kayanula & Quartey, 2000). Apprentices and family or their households are the main sources of labour to run the business. Pastoral firms are constituted mainly from household groups, individual artisans, and women involved with producing food from their farms. “The core activities of this sector include:- soap and detergents, fabrics, clothing and tailoring, textile and leather making, village blacksmiths, tin-smiting, ceramics, timber and artisanal mining, bricks and cement, beverages, food processing, bakeries, wood furniture,

electronic assembly, agro processing, chemical-based products and mechanics” (Osei, Baah-Nuakoh, Tutu, & Sowa, 1993; Kayanula & Quartey, 2000). The businesses mostly belong to women, and are more often operated from a home when compared to businesses that are run by their male counterparts; and are often not included in official statistical sources stemming from their base of operations. This distinctly impacts their probability of successful access to financing schemes according to Abor & Quartey (2010) such programmes are put together without appropriate deliberation for the needs of these businesses. These women entrepreneurs often find they are incapable of accessing these credit arrangements, a consequence of the costs associated exceeding the expected returns. Observations in Ghana have revealed that businesses owned by women often find it difficult accessing finance. These businesses do not have the required security to be eligible for loans because they are usually so small and will not have enough immovable assets to provide as security (Aryeetey, Baah-Nuakoh, Duggleby, Hettige, & Steel, 1994; Abor & Biekpe, 2006). The way enterprise efficiency (for instance labour productivity or total factor productivity) is measured differs vastly across and within industries. Enterprise size might be linked to variables that are interconnected with efficiencies, such as proficiency in management, technology and policy impact on the firms operations. Research in developing nations has shown that small enterprises have the lowest efficiency, and the data to support the point that small and big firms are considerable less efficient when stacked against medium sized firms is available (Little, Mazumdar, Page, & Mundial, 1987). The discussion is generally held that SMEs invent faster than larger businesses and is frequently more innovative than larger firms. Numerous small businesses introduce new inventions to the market place, but the impact on productivity usually takes time to materialize but the large enterprises have the resources to adapt the new measures (Acs, Morck, & Yeung, 1999).

2.1.4. Challenges of SMES

Even with the contribution of SMEs to enhance development and create employment in developing countries, numerous setbacks impact their ability to blossom into sustainable corporate institutions. The development of SME businesses face various hurdles to growth which are not limited to the following factors, “access to finance, lack of managerial skills, equipment and technology, regulatory issues, and access to international markets” (Anheier & Seibel, 1987; Steel & Webster, 1991; Aryeetey et al., 1994; Gockel & Akoena, 2002). Constraints may be attributed to the challenges with stemming from the “difficulty of integrating plant, machinery and equipment cost, the lack economies of scale in factors of production, and the higher costs of making needed services available to smaller enterprises”.(Schmitz, 1982; Liedholm & Mead, 1987; Liedholm, 1990; Steel & Webster, 1990).

Input Constraints: SMEs encounter a myriad of challenges in input markets (Levy, 1993). Cost of input and the availability of these inputs of production were the most common constraints faced by small businesses. The specific challenges differed from nation to nation, majority of these challenges were related and were differentiated only by the businesses apparent access or lack of access to inputs, cost or availability was the most poignant issue or whether they were based mainly on foreign or local inputs (World Bank, 1993; Parker et al., 1995). Small firms in in the domestic market and Malawi highlighted the greater cost of obtaining domestic input; stemming from low cash flows (Parker et al., 1995). Aryeetey et al. (1994) found that 5% of their sample cited the factor of production constraint as a challenge. Conversely, Daniels and Ngwira (1993) highlighted that about one third of small businesses in Malawi stated input problems. This can also be compared with 8.2%, 7.5% and 6.3% of business promoters in Botswana, Swaziland and Lesotho. Firm size was found to impact the level or kind of input constraint.

Lack of Access to Finance: Access to finance is the main challenge to SMEs in Ghana and Malawi. Lack of credit to support working capital needs and raw materials were mentioned by respondents (between 24% and 52% in Parker et al., 1995). Aryeetey et al. (1994) recounted that 38% of the SMEs polled cited lack of access to financing as a challenge (Daniels & Ngwira, 1993). This is further supported by the Association of Ghana Industries (AGI) findings in 2011 which highlighted access to finance as the most dominant factor confronting the growth of SMEs (AGI, 2011). This is rooted in the fact that small business have restrained access on the domestic and foreign fronts to capital markets. The reason for this is the perceived high risk of SMEs, barrier to information on SMEs and the dearer costs related to intermediation for smaller firms. The end product is that SMEs are unable to get long-term finance flowing into their business either in the form of debt or equity.

Labour Market: SMEs consider this a less important constrain because the high numbers of unemployed and underemployed in developing countries. They tend to use basic technology which requires little technological know-how to operate properly. There is however a dearth of skilled talent when required for more skilled jobs. This reduces the chances for the work force to specialize, raising costs and limiting the ability to be less rigid in running their business. Aryeetey et al. (1994) found that “7% of their respondents had found it difficult unearthing suitable personnel for hire and 2% highlighted similar difficulties with unskilled labour”.

Equipment and Technology: There is limited access to technology and information on techniques which improve business productivity and efficiency. Innovation and competitive edge of SMEs are reduced in such environment. Apart from limited access to improved techniques and technology, other constraints like limited access to finance, labour, production inputs and the enabling policy environment for business growth limits advancement. 18% of

firms used in the survey by Aryeetey et al. (1994) cited obsolete tools as among the four limiting factors to expansion.

Low Domestic Demand: 5 out of every 100 of highlighted this as a specific challenge to their business growth in the Ghanaian context (Aryeetey et al., 1994; Daniels & Ngwira, 1993). The commercial environs differed distinctly for SMEs in Ghana and Malawi, exposing the dissimilar demand constraints. There were differing points of uncertainty brought about by an unstable economic situations and different levels of state support for private sector expansion. New trade and industry policies have resulted in limited roles of the country officialdom in economic activities, in spite of this an increased private investment has generated fresh prospects for SMEs. However, constrained access to government awarded contracts and sub-contracts” as result to burdensome bidding procedures and requirements coupled with a lack of access to information on the existence of such contracts impeded the participation of small firms in these markets. Ineffectual distribution channels generally controlled by bigger enterprises impose restrictions to market for SMEs. As noted in the case of Ghana, limited demand held back the progress of SMEs (Parker et al., 1995).

International Markets: Many SMEs who in the past did not have to contend with foreign completion now have to adjust and deal with such competition at their doorstep. They are now confronted with more outside rivalry and the necessity to enlarge their market share. The challenge is however mainly linked to medium-sized enterprises in Ghana (12.5% in Aryeetey et al., 1994). “Removal of trade barriers, lower in import tariffs and abolishing quotas and import restrictions was expected to enhance competitiveness of local enterprises”. It was anticipated that import liberalization will improve access raw material and intermediate goods for production which come with access to new technology to benefit smaller businesses. “A more open policy towards direct foreign investment will encourage greater use of sub-

contracting arrangements involving smaller firms and provide learning opportunities for locally employed workers to become local entrepreneurs” (World Investment Report, 1994).

It was foreseen that liberalization help small business acquire new skills and improve local technological know-how. The process was also expected to grow competitiveness of domestic firms through the effect of international competition and by stimulating new firm entry due to lower costs of previously unavailable imported inputs. In contrast though, Riedel and Schmitz (1988) have recounted that tailors in Techiman (Ghana) who used to sew several pairs of trousers in a month could go without orders for months with the coming into force of the liberalized trade regime. “Limited global market exposure and low standards of quality control and standardized products restricted expansion foreign markets. It is reported that only 1.7% of firms export their output”. (Aryeetey et al., 1994).

Regulatory and Legal Constraints: Even with improvements in through structural reforms, opportunities for business development still need addressing at the level of the firm. Regulatory constraints continue to present real constraints to small business growth and though there has been sweeping reforms which have led to some improvements. The relatively high costs for new firms, which include licensing and registration requirements, still weigh heavily on SMEs and their capacity to run effectively. There is a very high cost to settle legal claims, which coupled with excessive delays in court proceeding negatively impact SME operations. For the Ghanaian case, the burdensome procedure for business registration and commencement are real issues to contend with, as are often cited. The World Bank Doing Business Report (2006) indicated that it takes 127 days to complete licensing issues with 16 procedures need to license a new business. This was longer in South Africa where it takes 176 days and the promoter of the new business has to complete 18 processes to obtain a license. While the absence of antitrust legislation plays into the hands of larger enterprises and the lack of protection for property rights constrained SMEs’ access to foreign technologies (Kayanula & Quartey, 2000).

Lack of Entrepreneurial & Business Management Skills: “A dearth of management knowledge and experience imposes significant limitations on SME development. Although SMEs tend to be viable for motivated managers they can hardly cope with larger firms in attracting the right talent”. The paucity of high quality management pool talent pertaining in majority of the nations of the region exacerbates the effect on SMEs. There are hardly any support services and where they exist the relatively higher cost of accessing them hinder the efforts of SMEs improving their management capacity because consulting firms who have the know-how are not tooled with adequate cost effective management solutions for SMEs. Moreover, the lack of information or time to benefit from existing services leads to fragile demand for such training needs. Notwithstanding the plethora of institutions providing skills upgrades and advisory services, there remains a skills gap within the SME segment. According to Daniels and Ngwira (1993), “about 88 out of 100 Malawian SMEs needed training in numerous skills though as of 1992, under 6% of firms in need had been able to receive such training. The case in Ghana showed that a lot had been achieved in this respect, however there was much improvement needed in this area”.

2.2 Financing options for SMEs

Finance is considered the most important need by most SMEs and is the life line of every economic activity. Access to the needed funding will provide seed capital for a business and fund operational costs. Factors such as an unawareness of sources of finance and a low savings culture which come into play even as start-ups grapple with a lack of start-up finance as a hurdle.

“There are two main sources of finance for Micro and Small Scale firms in Ghana: formal and informal sources. The formal sources are Investment Banks, Savings and Credit Banks, Commercial Banks and Rural Banks which are created to offer financial intermediation which

supports domestic entrepreneurs. Other include funds introduced by only the government or with support from donor agencies. High interest rates, collateral required and onerous documentation by formal financial institutions hamper many entrepreneurs like dressmakers and hairdressers from easily obtaining formal funds to support their businesses” (Davenport 1967).

“Informal finance sources include transactions among friends, relatives, private money lenders, traders, some Susu collectors, owners of capital assets and credit from NGOs” (Ayeetey et al, 1994).

Many studies have been undertaken on financing highlight two foundational sources of funding as debt and equity (Broom et al., 1983; Longenecker et al. 1994). “Debts are funds borrowed to be paid in the future in a specified time frame with interest”. (Hisrich & Peters 1995; Anderson & Dunkelberg, 1993). “Equity on the other hand is investment made in order to get ownership in the business venture essentially to benefit from the profits generated from the venture”. (Hisrich & Peters, 1995).

A review of the various sources of funding for SMEs are outlined for the purpose of this paper as follows:

2.2.1 Internal sources

SME Owners, Friends and Family: The first option when entrepreneurs face a shortage of capital is to draw on their own capital or then look to seek help from family and friends who may have the means to support the capital outlay required. This is considered as a source of trust capital. 73% of SMEs in Nigeria are known to build their financing through personal saving (Terungwa, 2011). “It can be an individual’s debt facilities which are pushed to the business. Mainly savings from which entrepreneurs will invest personal resources into a start-up. It is a cheaper form of finance and easily available when needed”. The decision to start a business is usually trigger by a turn in personal circumstances of the promoter, which could

come from received inheritance or redundancy. “Investing personal savings ensures control for the entrepreneur and shows a strong sign owner of the business is committed and a good signal to outside investors”. Re-mortgaging is a useful means of raising capital. The business owner takes out a second or big mortgage on private property and invests some or all of this money into the business. This avenue provides access to potentially low cost finance, although the risk remains if the business should fail that the property will be lost as well. Financing from friends and family is a suitable alternative as such investors sole purpose is usually not monetary gain and would accept lower to no return on their investments. “Friends and family who buy into the business model support with financing directly to the promoter or into the business. This can be fast and less costly to arrange when compared to a standard bank loan; the interest and repayment terms are generally more flexible than a bank loan. The drawbacks though could be that risk remains within the entrepreneur’s social circles and could mar relationships when the investment goes bad” (Lee & Persson, 2016). Another drawback is that such kind of financing is limited. Friends and family supporting the business idea make their investment available to the business owner or into the business venture.

Retained Profits: This is cash generated from business profits which can then be invested back into the business venture to finance further expansion.

“Share Capital Invested by the Entrepreneur: The founding entrepreneur may decide to invest in the share capital of a company, created for the purpose of building the startup. The founder provides all the capital for the enterprise, and holds complete control of the business”. When the investment is made, the company now owns the money invested. Returns to the shareholder are obtained by way of dividend payments or the value obtained when the business is sold.

2.2.2 External Sources

Angel Investor/Business Angel: These are high net worth individuals, disposed to invest in new business ideas. They would usually have no familial ties to the entrepreneur. The investment would be made in return for shares in the business (Mason & Harrison, 2008; Sohl, 2012). Business angels play an important role in financing small businesses making available loans to firms in the early stages of growth (Sohl, 2012). They help to grow the channels of finance by contributing directly. The drawback would include the length of time involved with finding an appropriate angel investor, there some dishonest investors. The business promoter may be forced to share his business, because most request a share of the company's stake (Mondal & Shrivastava, 2016).

Trade Credit: Trade credit presents another channel to financing needs of small businesses. This comes to play when a company buys goods and services on a deferred payment (Huyghebaert, 2006). It is a short term credit with tenors between 30-60 days and where payment after the credit tenor interest is charged. It is certainly as common as bank financing and is certainly the most significant approach to financing after bank lending globally (Demirgüç-Kunt & Maksimovic, 2002). It is a more spontaneous kind of finance and comes directly from the underlying business transactions. Interest on overdue credits can increase the cost of financing as generally the cost of funding is passed on to the goods sold. This could make trade credit an expensive financing option (Wilson & Summers, 2002). Suppliers may be averse to extend the credit tenor for any SMEs who may be more disposed to risk of default (Berger & Udell, 2006).

“Factoring and invoice discounting: It is a financial tool through which a business trades its expected receivables to a third party who known as the factor at a discount who will then be responsible for collecting the receivables from the debtors customers”. (Vasilescu, 2010). For invoice discounting the lender gives money to the SME and keeps the account receivable/sales

ledger as security for loan but does not take over the role of collecting the outstanding receivables from the debtors (IFG, 2012). Factoring benefits SMEs allowing them to rapidly grow, increase productivity, reduce cashflow constraints and increase productivity. Factoring works very well in economies where SMEs have severe financing constraints and during financial crisis where liquidity constraints cause banks to cut down on financing to SMEs (Vasilescu, 2010). Like Factoring, Invoice discounting is an efficient source of finance, allowing SMEs readily generate cash flows using their invoices as security. “UK studies suggest that the significant reasons that SMEs in UK use invoice discounting is because speed, control, ease of use and flexibility” (Baeck, Collins, & Zhang, 2014). These two sources of finance allow SMEs to generate ready cash flows using their outstanding receivables as security. The tenors for these two sources are very limited usually to the period of the expected invoice payment date and can be expensive (Vasilescu, 2010; Chen and Chen, 2012). Factoring can adversely impact buyer-seller relationships (Ivanovic et al., 2011).

Leasing: Leasing is asset based financing, permitting SMEs short to medium term financing. It can be a useful channel for SMEs to finance capital equipment acquisition. Two party agree to a contract in which the lessor gives an asset to another party the lessee to use for a limited period whilst paying specified regular payments. The lessee is allowed to buy the equipment at the end of the lease period (Fletcher, Freeman, Sultanov, & Umarov, 2005). It differs from traditional bank lending in the way that instead of money being given equipment is provided in its place for the use of the SME. Government assistance for this financing tool would help to minimize weaknesses in the market and broaden the SMEs’ access to finance. It has been useful for small businesses when they are challenged with bank credit due to a lack of security for the loan or limited track record but leasing grants them use of the capital equipment. (Berger and Udell, 2006).

Venture Capitalist: Venture capitals are financial intermediaries and source of non-banking financing. Venture capitalist invests capital and assistance to SMEs and entrepreneurs to expand their firms for businesses who do not have access to the equity market. Potter & Porto (2007), described venture capital as a “kind of financing in which funds are mobilized from investors and redeployed into high-risk instructively obscure firms that are usually start-ups. VC is relatively widespread for small and young businesses in developed financial markets” (Keuschnigg, 1998). Venture capitalists do not present just an alternative source of financing for SMEs, they assist the SME deal with numerous organizational problems and strategic decision making which may trouble their growth.

They invest for gain in unproven business proposals of SMEs that have a bold but yet unproven idea. To attract VC funding the SME must have a promising business idea that could generate high returns, thus many SMEs running the regular business, might not get VC funding (Kortum & Lerner, 2000). The right management experience and depth of managerial personnel to run the new venture is a major consideration for venture capitalist’s evaluating a financing prospect (Ambrose, 2012).

Equity Financing: Firms which obtain financing through this means, raise capital by selling stock shares to investors who gain ownership rights in the company. According to Ou & Haynes, (2006, p. 156) “equity capital is the capital invested in the firm without a specific repayment date, where the supplier of the equity capital is effectively investing in the business.” “In equity finance, funds are generated either internally (owner, family, friends and retain earnings of company) or externally (through various channels). Equity financing is suitable for SMEs that have high risk and return portfolio, seeking long-term corporate investment for expansion, enduring innovation and value creation. Equity financing is preferred over debt financing, as debt financing is costly, not suitable for short-term and difficult to access” (Wassem et al, 2017). Equity financing provides the SME with long-term financing coupled

with minimum cash outflow with regards to interest payments and supports the new businesses to build their credibility (Ou and Haynes, 2006). These firms are referred as high risk. “Troubles confronting SMEs looking for public equity financing are not limited to cost (confirmation charges, guides and broker commissions), formalities and reporting necessities. Social variables and administration practises are added challenges for SMEs. Uncertainty to experience the offering procedure, apprehension of being exposed to share price volatility, repugnance for sharing sensitive information and life after an IPO are reasons for the SME hesitance to join the capital markets” (Nassr and Wehinger, 2016). Reid (1996), reasoned that SMEs may not choose equity funding as the financing source of choice to prevent unwanted changes in the shareholding of their enterprises.

Debt Financing: SMEs choose this source of funding to have full authority over their businesses. The firm receives a loan and is obligated to pay back the loan plus interest at defined intervals. This type of financing comes with rigid conditions and is securitized with collateral as guarantee of loan repayment. Under this mode of financing the firm does not give up any part of its ownership. SMEs would choose this mode of funding over equity finance because it allows them full control over their businesses. It is however not known to be very suitable for new and rapidly growing businesses with a high risk-return profile. These firms have more trouble accessing debt due to the uncertainty around start-ups (OECD, 2010).

Bank Financing: Much research undertaken on SME financing through banks has clearly established that banks are the main external source of funding for SMEs in both developed and developing countries (Vera & Onji, 2010; Ono & Uesugi, 2009; Zhou, 2009).

Finance obtained through banks is generally more expensive when compared to alternative finance options but it results in higher returns for SMEs. Close monitoring by the banks results in better performance by the SMEs at all levels under bank credit because the SMEs feel they have a case to answer to the banks in default (Keasey and McGuinness, 1990). Strict conditions

have been imposed by banks on lending to SMEs after the 2008-09 financial crisis. A further drawback is that it takes a relatively long time to sanction bank loans coupled with a requirement to provide collateral.

2.3 Understanding the WASH sector

WASH generally defined as the providing water, sanitation and hygiene service. Providing access to water and sanitation are just subsets of the services required sustainably the water and sanitation cycle whilst meeting the needs of all users. The Sustainable Development Goals reflects this approach, requiring a wider set of services to be monitored both upstream and downstream of the service chain. Availability of these services in a country depends on the level of development of the water sector in that country. It is unlikely to have all these services in a developing country where providing access is a priority. As in a case where wastewater collection and treatment services is very limited but should be widely available through the SDG implementation plan (UN-Water GLASS TrackFin Initiative, 2017). Sanitation is a foundational human right set out in international human rights law, which obligates nations to respect, protect and fulfil this right. This makes it necessary for both public and environmental health, whilst underpinning economic development. The lack there of results in enormous economic costs to a nation (Hutton, Haller, & Bartram, 2007). Governments (local and national) have the responsibility to make sure their citizens have access to the needed sanitation with no groups being marginalized.

According to the WHO 2010 Update on the Progress of Sanitation and Drinking Water (WHO/UNICEF 2010); “2.6 billion people, or one third of the world’s population, still do not use improved sanitation facilities. Of these, 72% live in Asia and very few in the developed regions of the world. In developing regions about half of the population uses improved sanitation. Looking at progress since 1990, substantial increases in the proportion of people

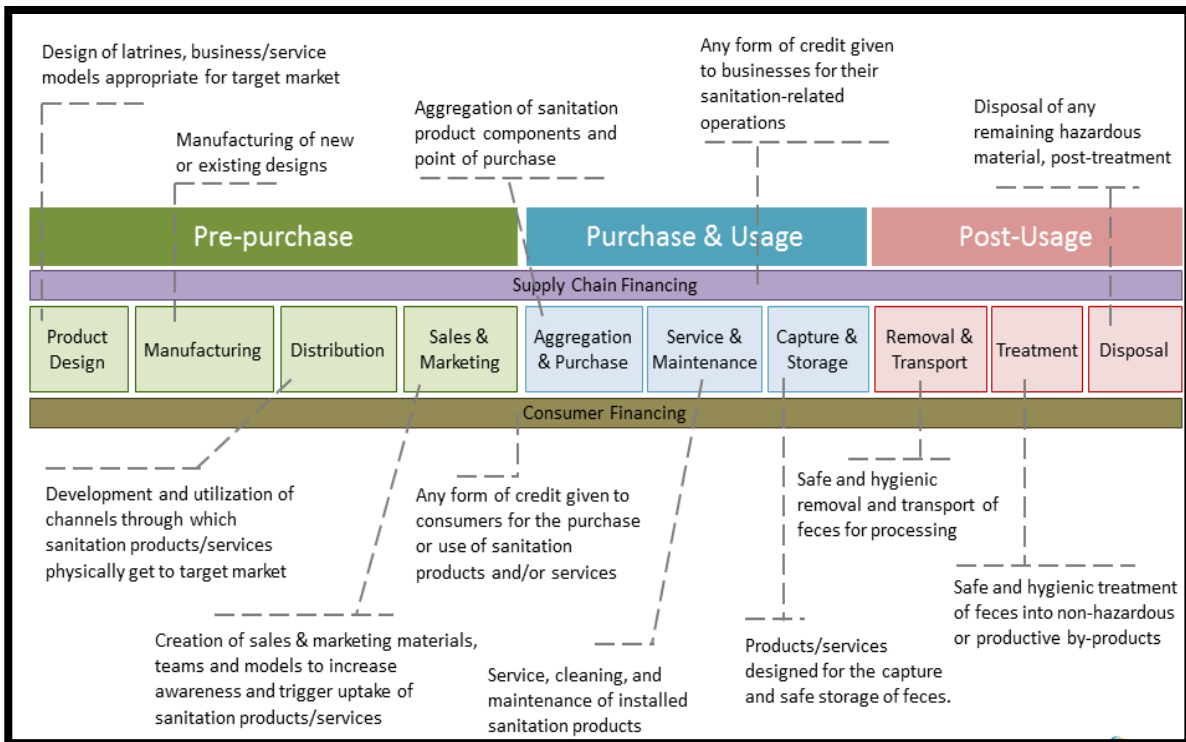
using improved sanitation have been made in Latin America, North Africa, South Asia, South-East Asia and East Asia; in West Asia and sub-Saharan Africa there have been only slight increases, and indeed Oceania has seen a decline. Looking at access to drinking water, the WHO report presents a brighter picture: globally, 87% of the population now has access to improved sources of drinking water. The percentage is almost as high for developing regions, with 84% getting their drinking water from improved sources. However, 884 million people worldwide still lack access to improved sources of water, and almost all of them live in developing countries. Over a third of these people live in Sub-Saharan Africa, where only 60% of the population use an improved source of drinking water. The economic disparities in access to WASH are large: in Sub-Saharan Africa, 77% of the richest quintile of the population have access to improved facilities and only 4% practice open defecation. In the poorest quintile, only 16% have improved facilities and 63% practice open defecation. The distribution of water sources is similar: while 35% of the richest quintile have in-plot piped water and 51% have access to other improved sources, in the poorest quintile only 36% use improved sources, and less than 1% have in-plot piped water.”

Ghana has in the last two decades taken on an extensive policy of providing water, sanitation and hygiene (WASH) services to communities throughout the country. Development and international organisations have lent support to these activities ranging from provision of funding for services for both urban and rural communities. These initiatives have purposefully targeted the rural poor. The supply of WASH services has been devolved in conformity with the Local Government policy of the Government of Ghana. The Ministry of Local Government and Rural Development (MLGRD) has the oversight responsibility for WASH service provision. Structures exist at the sub-national levels to monitor and manage the implementation of WASH services (GAMA Report 2013).

2.3.1 Sustainable WASH service delivery

The framework for the WASH sector provides an end to end view of the business model which will drive sustainability in the WASH sector. The framework outlines all the players along the WASH service chain.

Fig 2.1: The Sanitation Service Chain



Source: Scott, Forte & Mazeau, 2017.

This can be sustained and made to thrive by having the right kind of financing models to grow the sector. The current mode of financing this sector does not seem to present a sustainable approach to growing the sector. Currently the financing approach for most donor agencies is almost exclusively on one-off investment concerning themselves with costs related to capital expenses of WASH. This capital outlay may cover construction expenses or “soft” costs in areas of skills upgrade. Governments and beneficiary populations are left to cover the recurrent running costs (Operational Expenditure, OpEx) and the maintenance and refurbishment of the structures (Capital Maintenance Expenditure, CapManEx). Often donor supported systems do not realise viable cost recovery, and more often than not governments and beneficiary

communities do not have the needed resources on hand for (or there is no planned for) recurrent costs: the end result is that, structures fail frequently and coverage rates stagnate (Norman et al, 2012).

2.3.2 Financing the WASH sector

Financing WASH needs in Ghana has primarily been financed by households. In Ghana household finance about 66% of their WASH needs mainly in the form of tariffs but also in the provision of supply solutions, such as wells water tanks and household sanitation (UN-Water GLASS Report, 2017).

The sector as financed by Governments will be in the form of taxes, tariffs and transfers.

Taxes: Majority of low income nations do not mobilize enough tax revenue at the local levels of governments to support investment into infrastructure development. A large proportion of the tax revenue is pulled together at the state level and redistributed to various regional and municipal levels according to an allocation formula. The proportions of these funds allocated to sanitation and water provision tend to be very low and inadequate (WHO, 2010).

Tariffs: Inventive tariff structures which uphold sustainable recovery for cost through per-litre pricing, but then reduce or in some cases exclude connection fees for low income households are needed. Orthodox tariff-based systems might not help low income households gain access to the needed services: thus as an example, where the sanitation charge is included in bills for water but is spent mainly on water borne sewerage systems which do not benefit poorer neighbourhoods or communities, resulting in low income consumers subsidising provision of amenities to the more affluent consumers.

Transfers: Relief will generally not be assigned to directly cover long-term recurring costs of an intervention. Notwithstanding, donor-supported capital invested in to a program where appropriately structured, can yield significant benefits in reaching the less privileged, and a

manner that promotes sustainability: particularly by financing WASH service models tailored to achieve sustained recovery of cost, and by employing strategies for disbursement which encourage the growth of delivery models which are financially viable for the low income societies (Norman, Fonseca, & Ruzica, 2012).

It is obvious that current funding models do not fully support the WASH service chain to make services available to households in Ghana both poor and affluent. Sanitation in Ghana's urban centres is marked by the incidence of public (pay-per-use) toilets and that common to a distinct group of households (e.g. compound toilets). The circumstance has imposed various challenges on all facets of the sanitation business (including creating demand creation for household toilets, construction, transport and treatment). At 20% access to improved sanitation, the rates of coverage remain quite low for urban dwellings and 73% using shared facilities (Scott et al., 2017).

A bulk of the WASH needs and service delivery is provided by the private sector and innovative financing is required to bridge the gap through the Private sector. The revolving fund set up through the SNV in collaboration with Fidelity Bank is a model using quasi-commercial financing source to develop the sector set up a revolving fund to be disbursed through the Bank and recycled on repayment (concessionary interest and principal) to grow the fund and lend out again. Dubbed "Catalysing WASH from Possible to Profitable (P2P)" the project is to help household and SMEs address the financial gap in the development and provision of WASH services.

The objectives of the program are

- Establish and manage a revolving fund to sustain loan options
- Develop innovative lending products for households and MSMEs in the WASH sector
- Improve viability and sustainability of WASH SMEs.

The objectives are formulated to achieve the following outcomes which deepen the provision of WASH services to communities across Ghana. The outcomes of the program over the five year period of the program are

- To provide loans to 1200 households (HH)
- To provide loans to 278 MSMEs

These loans will an estimated 2% of the total number of MSMEs operating in the WASH sector across Ghana (P2P Concept Paper 2015).

According to Mensah 2014 however, quasi-commercial credit is available to SMEs through numerous of funding arrangements set up by the Government of Ghana and donor partners where available have made direct interventions. These though do not seem to widely advertised or promoted for the benefit of SMEs as there is a very low awareness of the existence of such programs or funding opportunities (Abor & Biekpe, 2006).

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This section of the project would evaluate the research methodology employed in obtaining data for purpose of analyzing and drawing conclusions. The section will provide information relating to the research design or approach, the population and further discussed the sampling techniques, the size and justification for the selection of the sample for the research. There is also discussion on the data sources and type of data that were collected, and the analytical techniques employed in analyzing the data collected.

3.2 Research design

In this research, the mixed method research design was used in the data collection and analysis of the information obtained. The approach involved the combination of both qualitative and quantitative techniques of data collection and analysis. The research assessed the awareness of MSMEs to the existence of suitable funding sources critical for the growth of their businesses. It further evaluated the implication of access to finance on the growth of their businesses when funding is obtained through financial intermediaries. Under this design approach, both the quantitative and qualitative data collection techniques and analytical procedures were employed in the process of collecting data and analyzing same. However, in this research the concurrent mixed methods research approach was used as the objective is to apply in separate modes the quantitative and qualitative methods in one single phase of the data collection and analysis processes. The essence of this approach was to allow the results obtained through both techniques to be analyzed and interpreted together. The use of this approach allowed diverse views to be obtained from participants for the purposes of enriching the outcome of the research. The rationale for adopting the mixed method include enabling the adoption of one

technique in explaining a phenomenon and employing another technique with the view of exploring relationships existing between two distinct variables.

3.3 Research methodology

With the adoption of the mixed theory approach as the research design, the survey method and the narrative inquiry strategies were employed to collect data for the research. Under the survey strategies, closed ended questions were used to obtain information from participants from the research population. The rationale is to assist in collecting standardized information which can be analyzed easily and to ensure that the sampling adopted is representative of the population. Under the qualitative aspects of the research, narrative inquiry strategy was used where open-ended question were employed in gathering information from participants. The rationale for the adoption of the approach was to explore the benefit of the strategy in terms of seeking to preserve chronological linkages and the sequencing of events as indicated by the participants which provided further understanding to foster analysis of the data collected for the research.

3.4 Sources of data

3.4.1 Primary sources

In this research both primary and secondary data sources techniques were used. The primary sources provided firsthand information from individuals who are connected to the subject of the research. The approach adopted to collect primary information for the purpose of the research was the structured interview questionnaires which had a predetermined set of questions which were administered all respondents. The essence was to obtain data from respondents that was easy to quantify and analyze using quantitative analytical approaches. Further to this semi structured question (open ended) were administered to elicit detailed primary information from respondents. This facilitated the process of obtaining direct

information from respondents around specified themes of the research. Under this technique, a set of questions were administered in such a way to factor in the specific organizational conditions of each sample entity. This approach provided qualitative data which were coded for further analysis and drawing inferences to test the research hypothesis.

3.4.2 Secondary sources

Secondary data sources of information for this research was obtained from data collected on the P2P program to further understand the extent to which the program had been able to meet its objectives of developing the WASH sector through access to financing.

3.5 Study area

For purposes of this research, the study area covered Accra and Tema metropolis as most of the entities under the WASH P2P programme were in these cities. Sample for the research was restricted to only MSMEs operating in the WASH spectrum. The area does not include entities that operate outside of these two cities. Though there are other MSMEs operating in the WASH zone outside these cities, for ease of access to the target population, all WASH entities outside the cities were excluded from the study area.

3.6 Population

The population for this research in broad terms was obtained from MSMEs operating within the study area and who have accessed the P2P financing for their business needs. There exist several MSMEs businesses within the study area operating in diverse business sectors. However, the focus was on the MSMEs operating in the Water, Sanitation and Hygiene Services sector.

3.7 Sampling technique

The sample for this research work was derived from the population of MSMEs operating in the WASH subsector and have accessed the P2P financing for their businesses. Purposive sampling was used in selecting these customers from a base of clients. This is used primarily when there are limited numbers of people who have expertise in the area of study, hence purposive sampling was used because the researcher wanted to study a particular domain which is who has in one way or the other benefited from the Possible to Profitable (P2P) funding scheme as a source of finance for SMEs, and also to choose respondents who were thought to be relevant to the data needed.

3.8 Sample size:

A total of thirty (30) MSMEs of the target population was selected. The sample size covered MSMEs who operate in the WASH sector and have been able to access financing for their businesses through the P2P program.

3.9 Data collection tools

The major technique adopted in the data collection process was the questionnaires. The questionnaires were used to collect primary information from participants of the research. The questionnaires were primarily self-administered to participants of the entities selected. Secondary data was obtained from the monitoring and evaluation data for the P2P program.

3.10 Data management and analysis

The raw data collected was edited and coded for purposes of making it easier to analyze. Statistical tools employed in analyzing the data included pie chart, bar chat, and other graphical charts and tables. Other distribution techniques included the mean, standard deviation, and

multi variate analysis. Testing for the relationship between the hypotheses set in the research was conducted using paired t-test. The test is applied to measure variables where they are obtained from the same population or sample. The test measures two population means (or medians) where the observations in one sample can be matched with observations in the other sample. It is employed for before-and-after observations from the same sample or where two different treatments are applied to the same sample. A one tailed hypothesis test was used to determine the whether the means of the growth variables were greater after the respondents took the P2P loans. The hypothesis was formulated as follows:

$$H_0: \mu_A - \mu_B = 0 \quad \text{versus} \quad H_1: \mu_A - \mu_B > 0$$

Where; μ_A : population mean before intervention

μ_B : population mean after intervention

The test statistic “t” is given by:

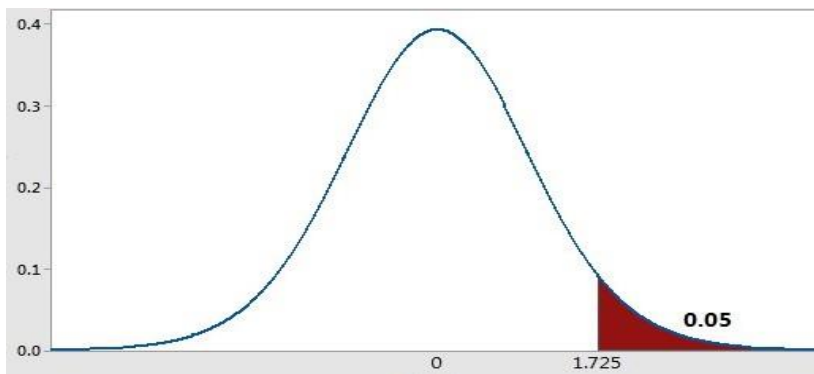
$$t: \frac{(\bar{x}_A - \bar{x}_B) - 0}{\sqrt{\frac{s_A^2}{n_A} + \frac{s_B^2}{n_B}}}$$

The hypothesis is a one-tailed test to establish whether the means of the growth variables were greater than zero after the respondents have taken a loan. To interpret the results, the calculated t value is compared with the significance level.

The decision reads as follows:

- If the t value > significance level; reject the null hypothesis. Thus the estimated means for the variables were greater after the intervention
- If the t value < significance level; accept the null hypothesis. There was no significant difference between the estimated means of the variables before and after the intervention.

The sample estimate is expected to fall within the region shaded below in figure 3.1.

Figure 3.1: T-Distribution Plot Right-Tailed

Source: <https://statisticsbyjim.com>

Most of the test would be conducted using Microsoft office spreadsheet, the Statistical Package for the Social Sciences (SPSS) and STATA14, results would be interpreted and included in the research findings. Most of the test would be conducted using Microsoft office spreadsheet and the Statistical Package for the Social Sciences (SPSS) and results would be interpreted and included in the research findings.

3.11 Limitations to the methodology

Obtaining access to respondents and being able to communicate to their understanding the questionnaire which had been administered was the main challenge. This was especially because respondents were business owners who had busy schedules. To overcome this hurdle, relationship managers who managed the business accounts for the identified respondents were engaged to help schedule appointments and provide a familiar face that would put respondents at ease to provide responses to the questionnaire.

The data collected, was analyzed with a one tailed paired t-test. The test is limited because it has no statistical power to detect an effect in the opposite direction. This should however not affect the results significantly.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND FINDINGS

4.1 Introduction

This section shows an analysis of the data collected from the field on the topic “Assessing the impact of quasi-commercial credit on WASH SMEs; the P2P model.” The respondents were existing clients of Fidelity bank and they were selected randomly. The administration of questionnaires was adopted and used as the research instrument. Data was also obtained to assess the level of success achieved by the program when compared to stated outcomes for the program.

In all, a total number of thirty of these respondents were willing and accepted to fill out the questionnaires administered to them. The questionnaires took the form of both open ended questions and close-ended questions. Out of the total of thirty questionnaires, 27 were received from respondents which represent approximately a response rate of 90%. This is because a response rate of more than 50% is ideal for any data analysis (Mugenda & Mugenda, 2003). Most of the results from this study were presented using tabular and graphical displays.

The results and findings from this study were also analyzed under three headings as listed below:

- Socio-Demographic characteristics of respondents
- General characteristics of enterprise
- P2P as a source of financing option
- Impact of financing on Business

4.2 Socio-demographic characteristics of respondents

The socio-demographic characteristics of respondents were categorized under four sections and they are sex, age, religion and educational background. These results are depicted in Table 4.1 below. Based on the sex of the respondents the data, the results show that more than half of the respondents are males with a total number of 16 representing 59.3% of the total sample. This is an indication that more male entrepreneurs are using the P2P products from Fidelity bank. This is explained by Abor and Quartey (2010) who found that more male entrepreneurs run formalized businesses compared to their female counterparts. It is worth noting though the difference between the male population and that of the female population was not much thus; this could be an indication that more women are running formalized businesses and are thus able to access commercial loans.

Based on the ages of the respondents, majority of them were between the ages of 36-50 with a total number of 14 and a 51.9% representation of the total number of respondents. The next highest were those in 26-35 category represented a 37% of the total number of respondents. The other categories which are those in the 18-25 and above fifty years age bracket recorded a total number of 1 and 2 respectively. Again, approximately 23 of the respondents were Christians and the remaining were Islam hence, more than half of the respondents are Christians. The other sub-categories such as Traditionalists and Others had no representative. Finally, most of the respondents had received some level of education be it formal or informal with about 55.6% of them having received some form of tertiary education.

Table 4.1: Socio Demographic Characteristics of Respondents

Characteristics	Frequency	Percent
Sex		
Male	16	59.3
Female	11	40.7
Total	27	100
Age		
18-25	1	3.7
26-35	10	37.0
36-50	14	51.9
50+	2	7.4
Total	27	100
Religion		
Christianity	23	85.2
Islamic	4	14.8
Traditionalist	0	0
Others	0	0
Total	27	100
Educational Background		
No formal education	1	3.7
Primary education	1	3.7
Secondary	10	37.0
Tertiary	15	55.6
Total	27	100

Source: Field work, 2019.

4.3 General characteristics of enterprise

The characteristics of the businesses that were sampled for this study are depicted in Table 4.2 below. These characteristics are based on the number of years of operation, type of business (industry), the legal status, the ownership structure and the nature of products these businesses provide.

In general, the businesses of owned by the respondents can be categorized under 5 industries namely; manufacturing (11.1%), trading (retail/ wholesaling) (29.6%), construction (11.1%), waste management (7.4%) and service (40.7%). Most of these businesses or enterprises have been in operation for between 6 to 10 years representing about 33.3% of the sample population. The least number of years that some of these businesses had been in operation was between 3

to 5 years, with a total number of 4. The businesses that participated in this study based on their legal status can be classified under sole proprietorship (55.6%), limited by liability (37%) and partnership (7.4%). Finally, out of all the enterprises who participated in this study, all these enterprises were registered as Ghanaian-owned companies.

Table 4.2: Characteristics of sampled enterprises

Characteristics	Frequency	Percent
Number of Years of Operation		
1-2	6	22.2
3-5	4	14.8
6-10	9	33.3
10+	8	29.6
Total	27	100
Nature of Business		
Manufacturing	3	11.1
Trading (Retail/Wholesaling)	8	29.6
Construction	3	11.1
Waste management	2	7.4
Service	11	40.7
Others	0	0
Total	27	100
Legal Status		
Limited Liability	10	37.0
Sole Proprietorship	15	55.6
Limited by Guarantee	0	0
Partnership	2	7.4
Total	27	100
Ownership Structure		
Ghanaian-owned	27	100
Foreign-owned	0	0
Mixed ownership	0	0
Total	27	100

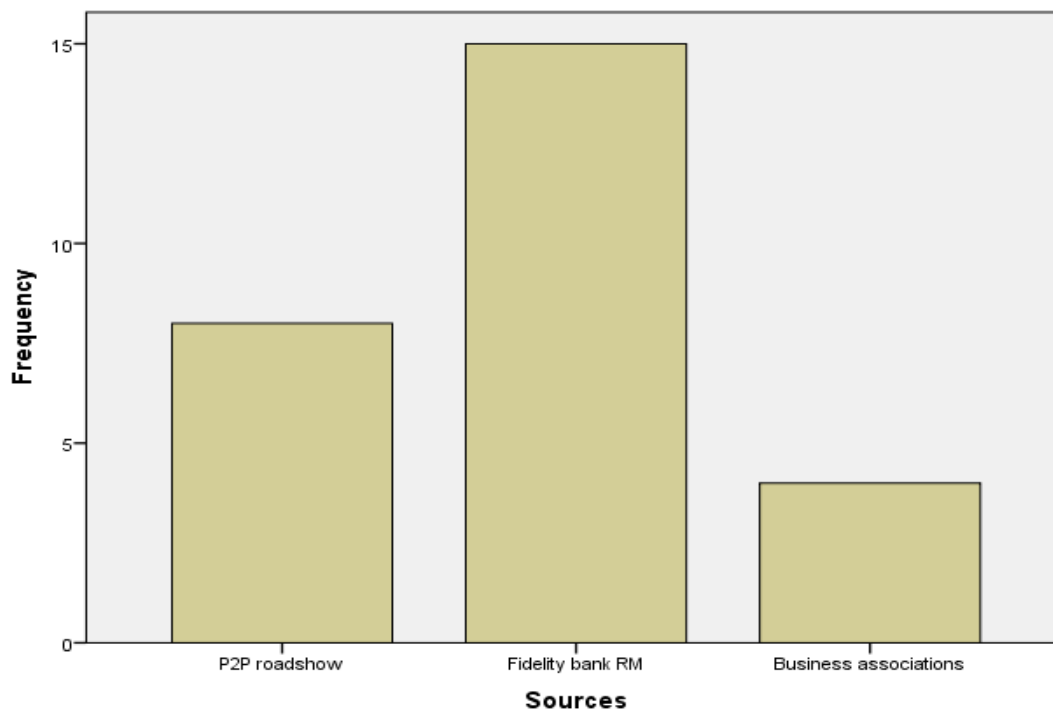
Source: Field data, (2019)

4.4 P2P as a financing option

In order to get a better sense of the level of awareness and knowledge the users of P2P financing, they were asked a series of questions such as how they found out about P2P loans as a financing option, factors influencing the choice of P2P amongst others. The results of the are displayed in the tables and charts

4.3.1 Source of knowledge of P2P as a financing option

Figure 4.1: A bar chart showing source of knowledge of P2P financing option.



Source: Field data, 2019.

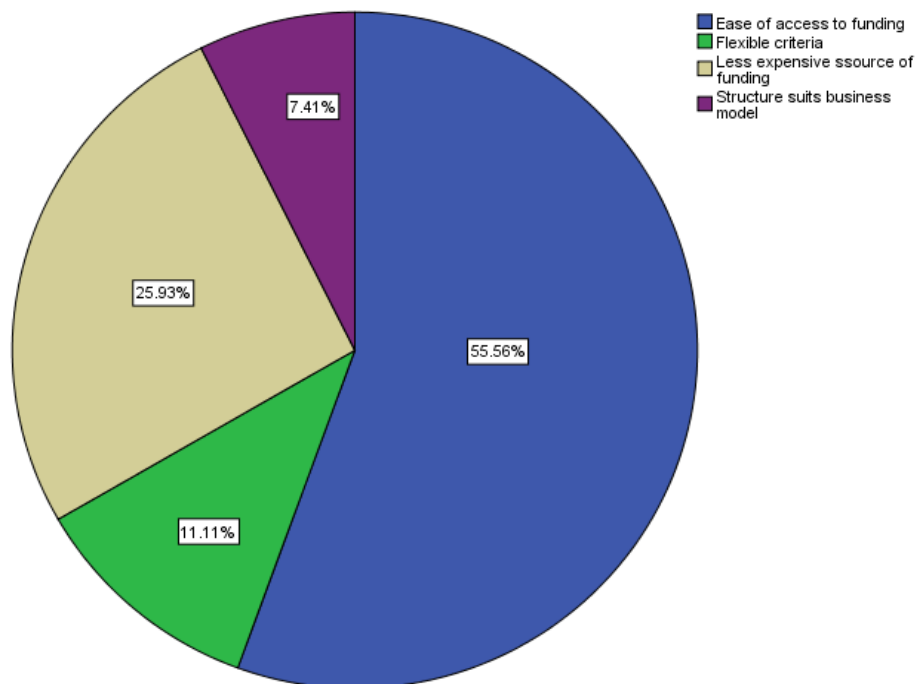
From Figure 4.1 above, most of the business owners who have adopted P2P as a source of financing their business revealed that they got to know about this financing source through Fidelity bank’s relationship managers. They were about 15 in all, followed by 8 who were introduced to this source of finance by P2P roadshows organized by the donor partner in

collaboration with the bank; Fidelity bank. The remaining 4 got to know of P2P from their business associations.

4.3.2 Factors influencing choice of P2P

From Figure 4.2 below, most of the business owners who partook in this study disclosed that they choose P2P as a source of financing because of the following reasons ease of access to funding (55.6%), less expensive source of funding (25.9%), flexible criteria (11.1%) and 7.4% of respondent which represents the least group reported that they opted for P2P because it suited their business models.

Figure 4.2: A pie chart showing the various factors that influence business owners to choosing P2P as a source of funding.



Source: Field data, 2019.

4.3.3 Recommendation of P2P as a source of financing option

The questionnaire went further to enquire from respondents if they will recommend P2P to others and majority of respondents representing 81.5% of respondents revealed that they had not recommend P2P to others. This result is seen from Table 4.3. These findings were surprising because it was expected that entrepreneurs would share this information freely.

Table 4.3: Recommendation of P2P as a source of financing

Variable	Frequency	Percent
Yes	5	18.5
No	22	81.5
Total	27	100.0

Source: Field data, 2019.

4.3.4 Accessing P2P as a source of financing option

Table 4.4: Characteristics of accessing P2P as a source of funding

Characteristics	Frequency	Percent
Number of times P2P has been accessed		
Once	16	59.3
Twice	8	29.6
Thrice	3	11.1
Total	27	100
Challenges encountered in accessing P2P		
No	21	77.8
Yes	6	22.2
Total	27	100
Amount of loan applied for (GHS)		
0-49,900	11	40.7
50,000-99,900	6	22.2
100,000-199,900	9	33.3
200,000-499,900	1	3.7
500,000+ and above	0	0
Total	27	100

Source: Field data (2019).

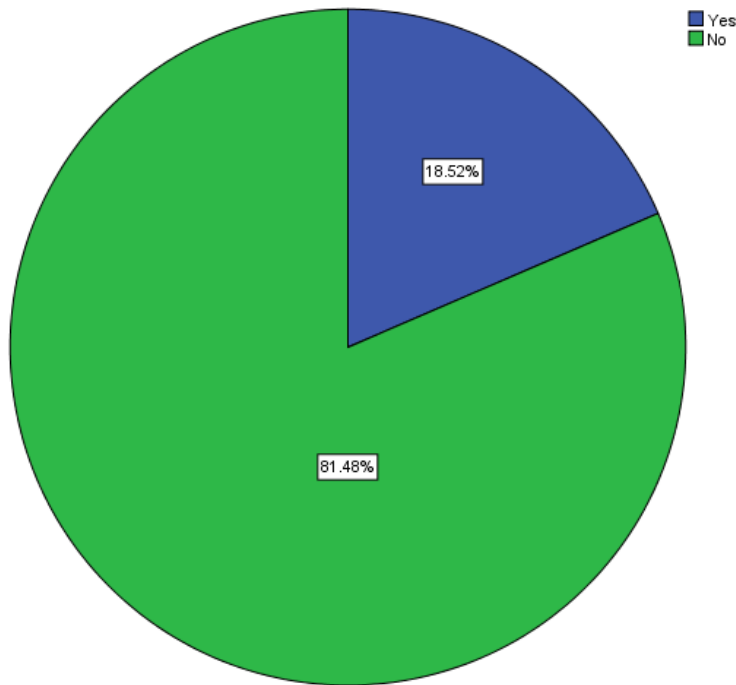
Table 4.4 shows that most respondents had accessed P2P once representing about 59.3% of all respondents, the rest revealed that they had accessed P2P twice (29.6%) and thrice (11.1%). None of the respondents had accessed P2P more than three times. The respondents were further asked if they encountered any challenges while accessing the services of P2P and more than half of the respondents attested that did not encounter any challenges. This finding raises the question, why most respondents have not accessed P2P more than once if they did not encounter any challenges while accessing it. This is explained by the time the program has been in existence and the tenor of the loans given as most loans will be in the final months of repayment or in the process of renewal.

4.5 Other similar sources of funding

4.5.1 Level of awareness and knowledge of other sources of financing options that are similar to P2P

Figure 4.3 shows that majority of the respondents do not know of any other source of finance that is similar to the P2P financing option, they represented approximately 81.48% of the total number of respondents.

Figure 4.3: A pie chart showing the level of knowledge that business owners have on other sources of financing options that are similar to P2P



Source: Field data, 2019.

In order to better understand how respondents relate with other sources of financing options that are not necessarily similar to P2P, they were asked if they could have accessed other options aside the P2P and about 77.8% of respondents responded in the affirmative. This is an indication that many of these P2P subscribers did not see P2P the only source of finance for their businesses. Out of those who said they could have access to other sources of financing, they revealed that the other sources of financing were family and friends (8), bank loans (6) and both own funds and microfinance options had a total number of 4 respondents. These findings are shown in Table 4.5.

Finally, to understand if cost involved has an effect on the choice of financing options, more than half of the respondents showed that they actively sought for information on cheaper financing options as shown in Table 4.5 below.

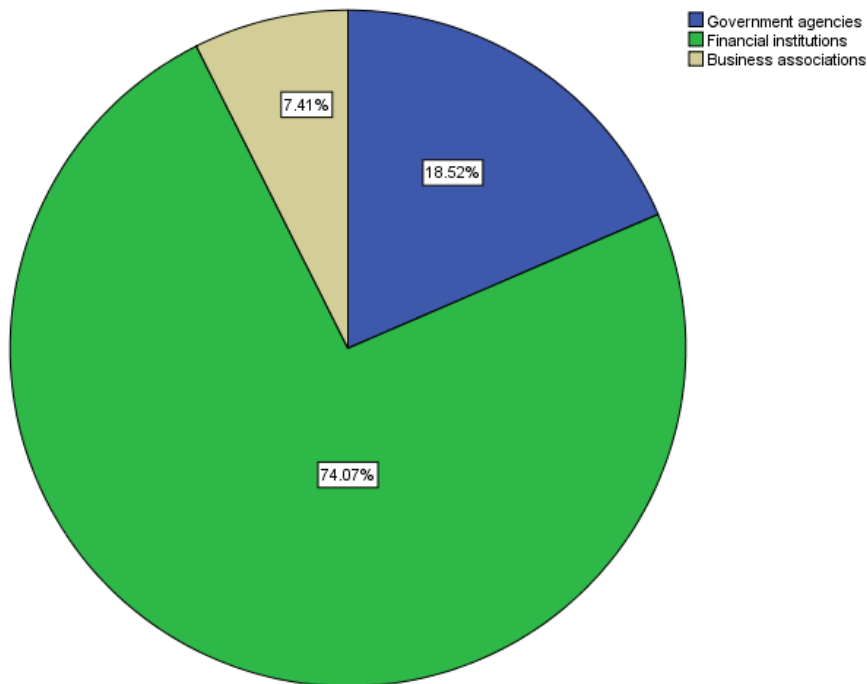
Table 4.5: Characteristics of other sources of financing options

Characteristics	Frequency	Percent
Access to other sources of financing options		
Yes	21	77.8
No	1	3.7
Indifferent	5	18.5
Total	27	100
Other sources of financing options		
Own funds	4	14.8
Family and friends	8	29.6
Bank loans	6	22.2
Microfinance	4	14.8
Others	5	18.5
Total	27	100
Search for cheaper financing options		
Yes	14	51.9
No	13	48.1
Total	27	100

Source: Field data, (2019).

From Figure 4.5, it can be seen that those who said they often sought information on cheaper sources of financing options showed that they do so using financial institutions (74.07%), governmental agencies (18.52%) and business associations (7.41%).

Figure 4.4: Sources for growing awareness about financing options



Source: Field data, (2019).

4.6 Impact of P2P financing on businesses

4.6.1 Reliability test

This current sub-section employs the Cronbach's alpha to test the reliability of items that are used to determine the impact of P2P financing options on businesses that were part of the study. This reliability tests makes sure that the measurements are all reliable for future use which shown in Table 4.6 below. From Table 4.6, the Cronbach's alpha index is .661. Since the Cronbach's alpha is greater than 0.6, it indicates that the measurements employed in the study are reliable.

Table 4.6: Reliability Test statistics

Cronbach's Alpha	No. of Items
.661	8

Field data, 2019 using SPSSv20.

4.6.2 Effects of P2P financing options on businesses

To understand if the P2P financing option has had an impact on businesses in terms of if there had been any significant growth of the following financial variables; sales volume, fixed assets, current assets and net profit before tax, a paired-samples t-test was used with the aid of SPSS 16.0. The means of the values of these financial variables were compared before the P2P loan were taking and after. This test was the most appropriate because it involves two different variables but for the same sample population.

Respondents were asked to provide in monetary terms the values of four financial variables before the P2P intervention and after the P2P intervention. These four variables are sales volumes, fixed assets, current assets and net profit before tax.

The study further went ahead to develop the means for the variables in question in both the before and after intervention. The results are shown in Table 4.7 below.

Table 4.7: Paired Samples Statistics

	Variable	Mean	N	Std. Deviation	Std. Error Mean
Pair 1	pre_sales_volume	256134.25	27	383151.24	73737.49
	post_sales_volume	342191.65	27	468019.69	90070.43
Pair 2	pre_fixed_assets	269833.70	27	1119200.72	215390.27
	post_fixed_assets	304130.63	27	1202877.80	231493.94
Pair 3	pre_current_assets	116335.70	27	209342.74	40288.03
	post_current_assets	175035.22	27	282939.8	54451.80
Pair 4	pre_net_profit	97899.77	27	155744.87	29973.11
	post_net_profit	133866.88	27	199307.80	38356.80
Pair 5	pre_noe	15.40	27	34.18	6.57
	post_noe	19.14	27	36.91	7.10

Source: Field data, 2019 using SPSSv20.

Table 4.7 above reports the mean, the standard deviation, standard error mean for the pre and post sales volumes, pre and post fixed assets, pre and post net profit before tax and pre and post current assets as well as the total number of observations for each variable is 27. For instance, the mean of pre sales volume is GHS256, 134.25.

On the basis of the means, the study attempted to determine if there was a statistical significant difference between two groups; before and after P2P. In this instance, the hypothesis stated in chapter one was tested using the paired sample t-test. The results of the t-test are illustrated for the five pairs in Table 4.8 below

Table 4.8: Paired Samples Test

Variables	Obs	Mean	Std. Error	St. Dev	95% conf Int.		Df	t	Pr (T>t)
Pre-sales volume	27	256134.3	73737.49	383151.2	104564.7	407703.8	26		0.9994
Post- sales volumes	27	342191.7	90070.43	468019.7	157049.2	527334.1	26	-3.610	
Pre-fixed sales	27	269833.7	215390.3	1119201	-172907.4	712574.8	26		0.9763
Post-fixed sales	27	304130.6	231493.9	1202878	-171712	779973.2	26	-2.080	
Pre-current assets	27	116335.7	40288.03	209342.7	33522.47	199148.9	26		0.9986
Post-current assets	27	175035.2	54451.8	282939.9	63107.94	286962.5	26	-3.309	
Pre- net profit	27	97899.78	29973.12	155744.9	36289.16	159510.4	26		0.9971
Post-net profit	27	133866.9	38356.8	199307.8	55023.35	212710.4	26	-3.00	
Pre- noe	27	15.40741	6.578966	34.18531	1.88415	28.93067	26		1
Post-noe	27	19.14815	7.104572	36.91644	4.544492	33.7518	26	-4.66	
Pre- quality	27	2.925926	.1184651	.6155627	2.682417	3.169434	26		1
Post-quality	27	4.203704	.1076135	.5591762	3.982501	4.424906	26	-13.63	

Source: Field data, 2019 using STATA14.

where :

pre and post are before and after the P2P intervention respectively.

- pre_sales_vol. – pre sales volume
- post_sales_vol. – post sales volume
- pre_fixed_ass. – pre- fixed assets
- post_fixed_ass. – post fixed assets
- pre_current_ass. – pre current assets
- post_current_ass. – post current assets
- pre_net_profit – pre net profit
- post_net_profit – post net profit
- pre_noe – pre number of employees
- post_noe – post number of employees

The p-values values reported in Table 4.8 above are that of the alternative hypothesis; that the difference between the means of the two groups (before P2P and after P2P) is positive. Again, the p-values are for the following variables; pre and post sales volumes, pre and post fixed assets, pre and post net profit, pre and post current assets and finally pre and post number of employees and were tested at a significance level of 5% ($P=0.05$) significant level. From the Table 4.8 above, we fail to reject the alternate hypothesis and this means that the null hypothesis was rejected and therefore, the conclusion that there exists a there is significant difference between the means is made.

From both Table 4.7 and 4.8 we can conclude that business owners who opted for the P2P observed some level of growth in their sales volumes, fixed assets, net profit and current assets.

Table 4.9: Before P2P

Valid	Frequency	Percent
Relatively lower	6	22.2
Medium	17	63.0
Relatively High	4	14.8
Total	27	100.0

Source: Field data, 2019.

Respondents were asked to rate the quality of service or products they rendered to their customers before and after the P2P intervention and these results are expressed in Tables 4.9 and 4.10 respectively. From Tables 4.9, about 63% of respondents (totaling 17) indicate that before the intervention the level of quality of products and services they provided was medium. However, 63% of this same respondents, from Table 4.10 revealed that the level of quality of products and services they provided after the intervention was relatively high. This is an indication that for most respondents the level of quality of services and products they provided their customers had improved.

Table 4.10: After P2P

Valid	Frequency	Percent
Medium	2	7.4
Relatively High	17	63.0
4.50	1	3.7
Highest	7	25.9
Total	27	100.0

Source: Field data, 2019.

4.7 Critical Success Factors for P2P program

To evaluate the success of the P2P program evaluation data from the program was analyzed to ascertain the progress made against the expected outcomes for the program.

Table 4.11: P2P Outcomes Achieved

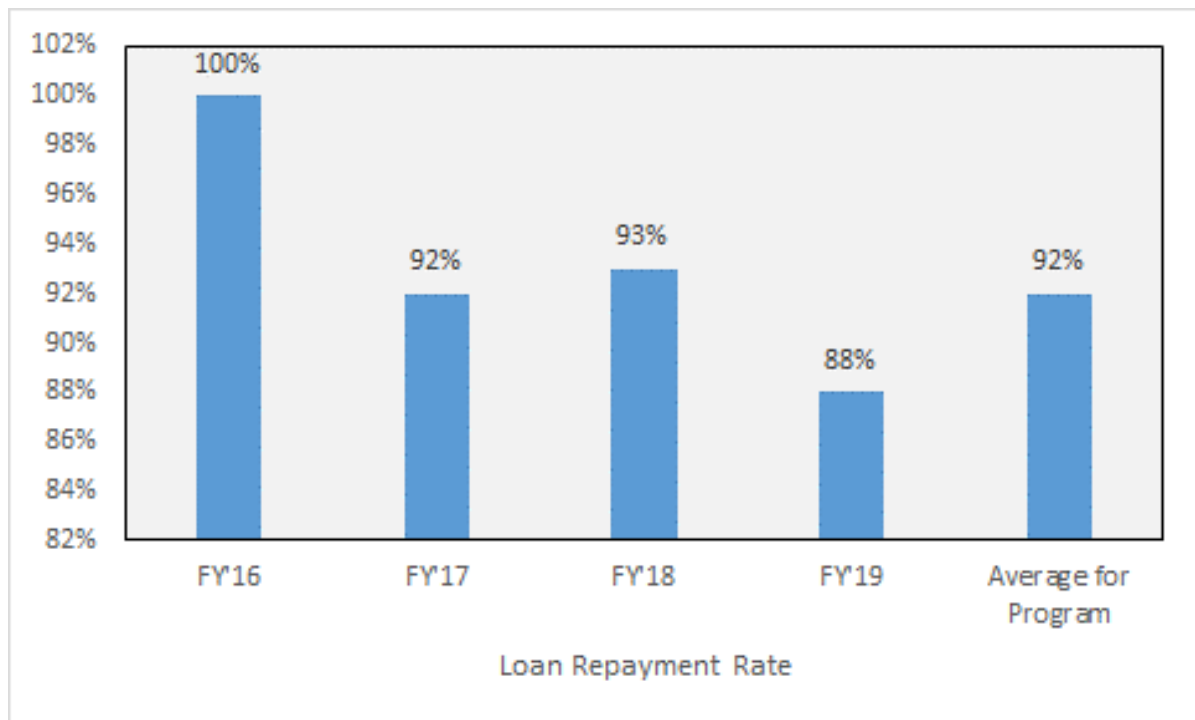
Outcomes	Target set	Achievement	Percentage Achieved %
No. of HH Financed	1200	583	49%
No. WASH MSMEs Financed	240	291	121%

Source: P2P Evaluation data, 2019.

The program has been able to advance loans to a 291 businesses which include 13 educational and health institutions and has been able to provide loans to 583 households. When compared to the target outcomes, the target for financing to MSMEs has been exceeded by 21% in contrast only 49% of the targeted households have been reached with loans.

The program has also experienced an above 90% success in repayments for loans which have been disbursed under the program. The lowest repayment rate is recorded for the current year 2019 based on loan repayment data collected up until the month of July and this is expected to improve as the year progresses. 2016 has the best recovery rate with 100% of loans expected repayments were received for that year. The average rate of repayment from the inception of the program to date is 92%.

Figure 4.5 P2P loan Repayment rates



Source: P2P Evaluation data 2019.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of key findings and conclusions in line with the objectives of the study. The chapter also offers recommendations based on the findings and suggests future areas of study related to the topic.

5.2 Summary

The research set out to understand how the awareness of players in the WASH sector about funding options and the impact of P2P financing on the growth of their businesses. There were 27 respondents and the major findings were as follows:

Majority of respondents were male entrepreneurs compared to females indicating that more male entrepreneurs had accessed the facility. The age range of 36 – 50 years represent the age cohort with the highest number of respondents being 14 (52%) with only two respondents being older than 50 years. 56% of all the respondents had received education to the tertiary level, with all respondents having some level of formal education.

All businesses which participated in the study were Ghanaian owned and about 33% of them have been in business for 6 – 10 years. The majority of businesses about 41% provided services in the WASH sector and 30% of business operated trading operations wholesaling/retailing product related to the sector service chain. Businesses mostly identified as sole proprietorships (55.6%), with businesses limited by liability constituting 37% of respondents.

Interactions with RMs from Fidelity Bank was the main source of information for businesses about the P2P loan for 15 respondents and roadshows was the second most important source

of information for respondents for 8 of the respondents. 55.6% of respondents found ease of access to funding was the single most important consideration for taking P2P rather whilst only 7.4% considered the suitability of the finance for their business model.

It was interesting to note that most entrepreneurs 82% had not recommended P2P as a financing option for other entrepreneurs in the sector and 59.3% had taken the P2P loan once. It was also clear that respondents did not see P2P as only source of funding and about 52% actively sought out other sources funding which may be cheaper using financial institutions as their source of information.

Clients who took P2P loans highlighted noticeable growth in their financial performance in respect of the five variables of sales volume, fixed assets, current assets and net profit.

The program has been able to achieve its target program outcomes for loans directed to MSMEs and institutions exceeding the target by 21%. It has however only been able to provide loans to about 583 households (HH) which represents 49% of the program target for individual loans to households.

5.3 Conclusion

The study as run assessed the impact loans on the taken under the P2P program had on the growth of the businesses which took the loans. It also sought to evaluate the knowledge and awareness of business owners' about source(s) of financing which will be available to financing their businesses albeit in a very specialized sector.

It is very clear from the results of the study that funding to business, plays a significant role in the growth of a business when applied to the purpose. All four financial metrics of growth measured showed that the businesses taken the loans recorded significant improvements in the metrics which had been measured. The quality of service provide to consumers of services provided by the businesses who took the P2P loans also showed improvement with owners

convinced that their level of service to clients has improved. This supports the fact that with the right finance structures and sources, businesses in the WASH sector can grow and build a viable ecosystem which will reduce the burden on governments directly financing WASH needs for the nations. The profit focus of businesses generate the cash flow to undertake maintenance of equipment and structures where investments has been made to enable a sustained cycle of profits and investments which will engender growth and development in the WASH sector.

The study also found that Financial Intermediaries (FIs) can play a very important role in creating awareness about suitable funding options for businesses who need them. FIs employ primarily the channel of relationship management which adopts individual engagements with business owners and collaborations with fund providers in the form of road shows; which may include media broadcasts, interactions with business associations amongst other avenues generate the needed awareness for suitable funding sources.

5.4 Recommendations

Finance to the WASH sector has mainly been driven by the governmental and donor support directly to beneficiaries of the investments. It is however necessary that innovative approaches to financing this sector which is critical to the welfare of every society is pursued to drive sustainability and improve access to basic water, sanitation and hygiene needs of individuals in the society.

- Financing is crucial for the growth of the sector as the study identified, all businesses who took the P2P loan showed exhibited improvements in the growth metrics measured. It is will therefore be recommended for the sustainable growth of the sector and it related services that financing partnerships which make funding accessible at concessionary rates should be pursued by policy makers and donor partnerships to

develop a thriving WASH service sector which creates employment opportunities and improves access to basic WASH needs.

- Financial Intermediaries have built expertise and infrastructure developing financing models and selling financing products to their market and would be useful to create awareness and direct funds to the points of need. It is recommended that fund providers fall on the capability the FI business network to effectively create awareness about the financing opportunities for businesses who have need. The funding structures should also build in safe guards which ensure that the thresholds for business to access the concessionary funding is flexible but with stringent monitoring mechanism to ensure funds loaned are repaid.
- The study focused on the impact of finance on MSMEs and the awareness of business owners to availability of concessionary funding for the WASH sector. The researcher recommends that further studies are undertaken to determine the effectiveness of funding to the WASH sector channeled through the municipal authorities in improving and sustaining access to water and sanitation for local communities.

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8. What is the ownership structure? 1. Ghanaian owned [] 2. Foreign owned []

3. Mixed ownership (Local and Foreign) []

9. What specific products do you deal in?

.....
.....
.....
.....

Part C- Sources of Finance & Awareness

10. How did you find out about P2P financing?

1. P2P Roadshow [] 2. Fidelity Bank RM [] 3. Business Associations []

4. Others please specify

.....
.....
.....
.....

11. Why did choose to access P2P finance? (*You may choose more than one option*)

1. Ease of access to funding []

2. Flexible Criteria []

3. Less expensive source of funding []

4. Structure suits business model []

5. Others reasons not stated above; please specify

.....
.....
.....
.....

12. Have you recommended P2P facility to others?

1. Yes

2. No

20. If Yes, what was the source;

1. Own funds [] 2. Family & Friends [] 3. Bank Loans (normal) []

4. Microfinance loans []

5.Others please specify

.....
.....
.....
.....

21. Do you actively seek information about cheaper financing?

1. Yes [] 2.No []

22. If Yes, where do you seek such information? (*You may choose more than one option*)

1. Government agencies [] 2. Donor Agencies [] 3. Financial Institutions []

4. Business Associations []

5.Others please specify

.....
.....
.....
.....

23. What barriers do you face in trying to access such information on financing from the sources you have highlighted?

Please

specify..... If

No, why have you do you not actively seek information on cheaper financing options?

Please

specify.....

.....

Part D - Impact of Financing on Business

24. Complete below to assess impact of loan on your business.

Growth Metric - Financial	Before P2P Loan (GHS)	After P2P loan (GHS)
Sales Volume		
Assets		
Fixed assets		
Current Assets		
Net Profit before Tax reported		

Growth Metric - General	Before P2P Loan	After P2P loan
Quality of Product or Service provided <i>(Scale of 1 – 5, 5 being the highest quality)</i>		
Production Capacity / month		
Number of Employees		
Market Share		