



## Support to the Private and Financial Sector in Ghana (PFS)

### Promoting an Inclusive and Sustainable MSME Employment Ecosystem

### Introduction

Micro, Small and Medium Enterprises (MSMEs) in Ghana are critical to achieving economic growth and development. MSMEs form the foundation of private economic activity in Ghana, accounting for approximately 70% of GDP (Institute of Statistical, Social, and Economic Research - ISSER, 2021). MSMEs employ approximately 85% of the workforce in Ghana. However, unemployment remains one of the country's major economic challenges. This was exacerbated by the COVID-19 pandemic.

Currently, some of the biggest obstacles MSMEs in Ghana face are the lack of business skills, low access to credit, high borrowing costs, lack of trained employees, lack of management capacity, and lack of access to the market. In addition, new business streams that contribute to green growth, are still at its infant stage. Job seekers rarely find needs based professional advice, qualification, or placement services. The COVID-19 pandemic has showed the weaknesses of dependency on importation of critical vaccines and the opportunities for developing a vaccine manufacturing hub.

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Government and co-funded by the European Union is supporting the Ghanaian Government to tackle the high rate of unemployment, collaborating in the promotion of green jobs, and supporting local vaccine production via the Support to the Private and Financial Sector (PFS) programme.

### Objective

The Support to the Private and Financial Sectors in Ghana programme aims to improve the employment situation of MSMEs in selected regions of Ghana. The programme is designed to supplement the Ghanaian Government's efforts to improve the framework conditions for employment and income in the Ghanaian private sector, particularly among MSMEs.

Project name	Support to the Private and Financial Sector
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Co-financing	European Union - For Vaccine Production (until 6/2025) - For Migration and Employment Services (until 9/2025)
Focal Areas	Greater Accra, Ashanti, Bono, Bono East and Ahafo Regions
Lead executing agency	The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Political Partner	Ministry of Finance (MoF), Ghana
Duration	01/2023 – 12/2025
Budget	25,4 Mio. €

### Our Approach

As a follow-on to the Programme for Sustainable Economic Development (PSED) which ended in 2022, the programme continues working on the macro level to the meso and micro levels, with a stronger emphasis on a holistic and multi-stakeholder approach. The collaboration with all relevant ecosystem actors over many years allows the programme to contribute to a more green and just transition of the Ghanaian economy.

Supporting and bringing together in a targeted way the employment, financial, and business development service providers will lead to better services and to growth of businesses and job creation.



## Key interventions include:

### Financial services and product development for MSMEs

- Capacity building for selected financial service providers to develop needs based product for MSMEs
- Improving the regulatory framework for MSME financing
- Fostering financial literacy and awareness creation
- Developing Gender Action Plan for Insurance / Finance sector

### Network of Business Development Services

- Facilitating the establishment of Regional Enterprise Development and Employment Promotion Network (EDEP)
- Supporting the capacity building of associations and service providers
- Linking MSMEs/associations to FSPs

### Green job opportunities

- Supporting existing MSME to scale their green and inclusive business model
- Promote transformation of existing MSME to become green and inclusive
- Support government in improving framework conditions for companies with green and inclusive business models

## Employment services

- Supporting the participation of employment service providers in the Regional Enterprise Development and Employment Promotion Network (EDEP)
- Linking migrants to relevant BDS and FSPs
- Assisting job seekers in receiving counselling from employment service providers.

## Support for Vaccine Manufacturing

- Creating jobs in the vaccines and pharmaceutical value chain
- Strengthening the governance capacity of the National Vaccine Institute
- Improving trade and market opportunities for producers of vaccines and identified pharmaceutical products
- Strengthening research, regulatory and development capacities for vaccines and pharmaceutical production

## Outlook by end of 2025



4,200 MSMEs confirm that they have created, maintained or improved jobs according to "good jobs criteria". Of these jobs 40% are projected to be held by women



3,000 MSMEs, of which 40% are women-led MSMEs have purchased a customized financial product from the selected PFI.



2,000 MSMEs, 40% of which are women-led, who have used the services of the network members confirm the benefit for their company.



3,400 job seekers have received initial counseling from employment service providers, of which 50% are adolescents or young adults classified as potential migrants, 50% are women and 5% are returnees.



60 of the supported MSMEs have implemented green production measures in their operations, have become active in green business areas or have been able to scale their existing green business models.

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