Webinar on:
Survey to Assess the Impact of COVID-19 on Service Delivery to MSMEs

Presented by:
Alex Kojo Boahoma,
Senior M&E Officer, GrEEn Project
25th June, 2020

Going GrEEn for a sustainable future!
Content

- Project Overview
- Objectives of the webinar and house rules
- Study Objectives
- Background information on respondents
- Challenges imposed by COVID-19
- Coping measures adopted by service providers
- Additional Support Needed
- Policy proposals from respondents
About the GrEEn Project

Sustainable and climate resilient local economies, green jobs and development

Green and climate resilient local economic development

Improved employability and entrepreneurship capabilities

Local ecosystem that supports youth employment & MSMEs

**Result 1:** Local economies are stimulated and short-term job opportunities for *youth, women and returnees* are created through green and climate resilient investments.

**Result 2:** Employability and entrepreneurship capabilities of *youth, women and returnees* are improved in sectors of economic opportunities, for the benefit of green and climate resilient local economies.

**Result 3:** Increased access and usage of financial services, leveraging remittances, adapted to the needs of (i) *youth, women and returnees* benefiting from cash for work schemes and (ii) local communities and MSMEs.

**Result 4:** SMEs, offering decent and sustainable jobs to *youth, women and returnees*, are incubated and/or accelerated and contribute to green and climate resilient local economies.

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**Project duration:** 11/2019 – 11/2023

**Target regions:** Ashanti & Western

**Target sectors:** Agriculture, Energy, Water
Purpose of Webinar

- To present the findings of the COVID-19 survey to respondents and other participants for feedback and validation.

- To share key lessons from the survey with service providers and policy makers to improve service provision.
Survey to Assess the Impact of COVID-19 on Service Delivery to MSMEs in Ghana

Presentation of Findings
Study Objectives

- **Objective 1:** Assess the challenges posed by COVID-19 to the operations of service providers now and during the recovery period

- **Objective 2:** Explore coping measures initiated by service providers to mitigate the impacts of COVID-19 on their operations

- **Objective 3:** Establish the additional support needed to enable service providers continue providing support to MSMEs during and after the crisis

- **Objective 4:** Identify existing opportunities that service providers can leverage to continue provision of services to MSMEs
# Scope of the Study

## Service Providers

- Public sector/Government institutions at national and sub-national levels
- Technical training service providers
- Agribusiness/other agric sector service providers
- Incubation and acceleration hubs
- Business membership organisations
- Industry associations
- Individual/Freelance consultants

## Thematic Scope

- Challenges
- Coping Mechanisms
- Support Needed
- Policy Proposals
Background of Respondents
Profile of Respondents

- Women: 20%
- Men: 80%

Sectoral Distribution of Respondents

- Public/Civil Service: 22%
- Private: 42%
- Non-Governmental: 26%
- Social Enterprise: 1%
- Industry Association: 7%
Economic Activities Supported

- Clean/Renewable Energy
- Agri-business
- Youth development
- Manufacturing
- Construction
- General Trading
- Oil and Gas
- Import and Export
- Financial Services
- Travel & Tour
- Shipping
- Transport
- Social Enterprises
- ICT
### Services Provided to MSMEs by Survey Respondents

<table>
<thead>
<tr>
<th>Private Sector Respondents</th>
<th>Public Sector Respondents</th>
<th>Respondents from NGOs</th>
<th>Industry Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Business development and advisory services</td>
<td>• Business advisory services</td>
<td>• Business Advocacy</td>
<td>• Training</td>
</tr>
<tr>
<td>• Market research</td>
<td>• Financial assistance (soft loans)</td>
<td>• Enterprise Development</td>
<td>• Research and development</td>
</tr>
<tr>
<td>• Market access and trade linkages</td>
<td>• Training and Education services to MSMEs</td>
<td>• Financial intermediation: Loans, savings, investment advisory</td>
<td>• Market Linkage Services</td>
</tr>
<tr>
<td>• Operational set-up</td>
<td>• Skills development and training</td>
<td>• Market systems research</td>
<td>• Advocacy</td>
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<tr>
<td>• Investment readiness services</td>
<td>• Market research for MSMEs</td>
<td>• Trade missions</td>
<td>• Export Documentation</td>
</tr>
<tr>
<td>• Enterprise resilience development</td>
<td>• Identification and development of new business opportunities</td>
<td>• Health and safety training,</td>
<td>• Alternative Dispute Resolution</td>
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<tr>
<td>• Human resource retainer services</td>
<td>• Organisation of fairs</td>
<td>• Local supplier development</td>
<td>• Trade Missions</td>
</tr>
<tr>
<td>• Incubation, acceleration and Investment Readiness Support</td>
<td>• Youth enterprise development</td>
<td>• Business match making</td>
<td>• Business match making</td>
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<tr>
<td>• Accounting Services</td>
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</tbody>
</table>

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**SNV**

**GrEEn**
Proportion of Service Providers Affected by COVID-19

Private Sector Respondents

- Increased demand for mechanization services (land preparation) and agro-inputs;
- Service provision has not been affected because we are a digital platform

Respondents from NGOs

- Opportunities to innovate through the development of a virtual learning platform
Challenges Imposed by COVID-19
## Impact on Different Categories of Respondents

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<th>Private Sector Respondents</th>
<th>Public Sector</th>
<th>NGOs and Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Reduced number of clients</td>
<td>- Loan repayments have ceased</td>
<td>- Inability to hold meetings</td>
</tr>
<tr>
<td>- Small businesses are unwilling to pay for services because of the slow down</td>
<td>- Government subvention not coming as expected</td>
<td>- Inability to undertake outreach/marketing</td>
</tr>
<tr>
<td>- Suspended and cancelled contracts</td>
<td>- Inability to hold meetings with clients</td>
<td>- Members are unable to pay membership fees</td>
</tr>
<tr>
<td>- Low productivity of staff</td>
<td>- Inability to provide capacity support/trainings</td>
<td>- Inability to hold regular programmes to source for sponsorship.</td>
</tr>
<tr>
<td>- Disbursement and recovery of loans seriously affected</td>
<td></td>
<td>- Demand for project services reduced significantly and by implication, revenue.</td>
</tr>
<tr>
<td>- Decreased savings mobilisation/deposits</td>
<td></td>
<td>- Increased expenses.</td>
</tr>
<tr>
<td>- High withdrawals (affecting balance especially for microfinance companies)</td>
<td>- Inability to undertake outreach/marketing</td>
<td>- Disbursement and recovery of loans seriously affected</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Difficulty in organizing training sessions for learners and enterprises</td>
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<td></td>
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<tr>
<td>- Inability to undertake outreach/marketing</td>
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</tr>
</tbody>
</table>
Services Affected by the Pandemic

- Training: 85%
- Coaching/Mentoring/Advisory Services: 72%
- Marketing and Outreach services: 55%
- Financial services: 45%
- Others (Conferences, Market research etc): 13%
- ICT: 9%

Service Capacity Lost

Fig. 6: Proportion of Service Capacity Lost
COVID-19 Impact on Revenues

- Reduce Significantly: 68%
- Reduce Slightly: 14%
- Stay the same: 7%
- Increase Slightly: 6%
- Increase Significantly: 4%

Figure 8: Sources of Funding for Service Providers

- Government Funding: 24%
- Donor Funding: 54%
- Private Capital/Equity: 32%
- Fees Charged on Services: 65%
- Others: 16%
Estimated time to return to pre-virus state

Estimated Time to Return to Normal Operations

- **Less than 3 months**: 22%
- **3-6 Months**: 23%
- **6-12 Months**: 43%
- **More than 1 year**: 9%
- **Never**: 3%

**SNV**
Coping Measures
Business Continuity

PROPORTION WITH CONTINUITY ARRANGEMENTS

- Yes, we have a written business plan: 30%
- Yes, but it is not a written-out plan: 44%
- No, we do not have a business continuity plan: 19%
- Other, Specify: 6%

- Are the quality of contingency good enough to match the constraints imposed by COVID-19?
- Do the service providers not have the capacity to introduce the changes needed?
- Are the changes required of a systems nature, rather than individual level response?
### Tools and Approaches for Service Continuity

1. Introducing automation into our processes: 28%
2. Renegotiating existing agreements with clients: 33%
3. Working remotely from home: 64%
4. Partnering with other service providers to continue service provision: 42%
5. Move all services to online/distance services: 25%
6. Offer a mix of face-to-face and online/distance services: 63%
7. Introduce new services: 42%
8. Introduce new products: 38%
9. Work with different MSMEs: 20%
## Preferred Coping Tools

<table>
<thead>
<tr>
<th>Communication Tool/Approach</th>
<th>Which tools would you like to use in your service provision to MSMEs during and after the COVID-19 crisis?</th>
<th>Which of these tools have you used in the past?</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media</td>
<td>75%</td>
<td>64%</td>
<td>11%</td>
</tr>
<tr>
<td>Video conferences and webinars</td>
<td>56%</td>
<td>30%</td>
<td>26%</td>
</tr>
<tr>
<td>Interactive radio programmes</td>
<td>53%</td>
<td>41%</td>
<td>12%</td>
</tr>
<tr>
<td>Online learning platforms</td>
<td>45%</td>
<td>25%</td>
<td>20%</td>
</tr>
<tr>
<td>Distribute written material through email (e.g. manuals, assignments)</td>
<td>45%</td>
<td>53%</td>
<td>8%</td>
</tr>
<tr>
<td>Call-centres/Hot lines to offer support through phone</td>
<td>42%</td>
<td>23%</td>
<td>19%</td>
</tr>
<tr>
<td>Videos</td>
<td>30%</td>
<td>9%</td>
<td>21%</td>
</tr>
<tr>
<td>YouTube</td>
<td>28%</td>
<td>11%</td>
<td>17%</td>
</tr>
<tr>
<td>Blogs and discussion forums on a website</td>
<td>25%</td>
<td>9%</td>
<td>16%</td>
</tr>
<tr>
<td>Podcasts</td>
<td>13%</td>
<td>2%</td>
<td>11%</td>
</tr>
</tbody>
</table>
Service Continuity - Challenges

- How suitable are these tools/approaches for providing certain types of services?
- How adept are service providers to appropriately use these tools?

- Our customers are not open to using digital tools – they prefer face-to-face interaction (58%)
- Poor internet network/service; Limited mobility (48%)
- Challenges managing remote teams (47%)
- Our customers do not have access to internet (41%)
- Our staff do not have access to space conducive to working remotely (23%)
- We do not have the digital tools and content needed (17%)
Bringing it all Together
Additional Support Needed
Additional Support Needed

**Industry Associations**
- Support to organize online/distance Learning
- Support in developing online resources.
- Technical support to train members on digital business options
- Technical Assistance to conduct R&D, Product Development
- Funding in a form of grant
- Financial support for members

**NGOs & Others**
- Training on using digital platforms
- Support for our partners to enable them transition to online work.
- Training of staff and supervisors on how to work effectively from home.
- Funding in a form of grant
- Support to meet capital expenditure needed to support online work and work from home.
Policy Recommendations

**GOVERNANCE**
- Transforming NBSSI into an authority to take full control of issues pertaining to MSMEs’ development

**TAXES**
- Tax breaks for businesses
- Suspend penalties on late tax returns

**RENTS**
- Enforce rent laws/regulations
- Work with property owners to suspend rent payment

**SUBSIDIES**
- Reduction in data charges
- Reduction of utility bills
- Partial payments of staff salaries

**STATUTORY PAYMENTS**
- Suspend penalties on late filing of SSNIT and PAYE returns

**FINANCIAL AID**
- Provision of grants and concessionary loans
- Reduce interest rates

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Implications and GrEEn Project Response

- Support to SMEs to integrate resilience into business planning
- Collaborating with public and private sector to develop content for online training
- Coaching and mentoring services
- Business Plan Competition and Challenge Fund for green businesses
- Green and Market-place web-based platforms
- Exploring the possibility of virtual job fairs
Questions

- What services can be digitized? How suitable are these tools/approaches for providing different types of services? How adept are service providers to appropriately use these tools? How do we ensure that some SMEs are not excluded?

- What capacity support do service providers require for continued service provision?

- How can industry associations continue to provide services to their members during this period of the pandemic?

- What kinds of system level changes should be introduced to improve the ecosystem for service provision?
Upcoming Webinars

1. Agricultural Sector Market Scan
   • Thursday, 2\textsuperscript{nd} July, 2020

2. WASH Sector Market Scan
   • Thursday, 9\textsuperscript{th} July, 2020
COVID-19 Essentials

Symptoms
- High fever
- Cough
- Sore throat
- Head ache

Contagion
- Air by cough or sneeze
- Personal contact
- Contaminated objects
- Animal contact

Prevention
- Wash your hands often
- Wear a face mask
- Avoid contact with sick people
- Always cover your cough or sneeze

THANK YOU

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