

**“BRIDGES ACROSS BORDERS”  
Fostering Outsourcing Partnership  
in  
Financial Services & Information Technology  
6-9 November 2007**

**Accra, Ghana**

PRESENTATION ON THE *BUSINESS  
DEVELOPMENT SERVICES FUND*

AT THE GHANA OUTSOURCING  
SUMMIT AT THE NOVOTEL HOTEL.  
TUESDAY 6<sup>TH</sup> NOV. 2007

By Francis Kusi  
(IDA/IFC/GOG MSME Project Coordinator)

PROJECT BACKGROUND

- MSMEs account for 90% of registered businesses in Ghana.
- They provide the bulk of private sector employment.
- They also play a crucial role in economic growth and poverty reduction.

## BACKGROUND

---

- MSMEs have to overcome a number of market failures that have the effect of diminishing supply responses from intermediaries.
- Lower levels of investment, productivity, and employment

## THE BDS FUND

---

- ***The Business Development Services Fund (BDS Fund) is a cost sharing mechanism ( matching grant mechanism-MGM )provides up to 50% cost sharing for eligible services***
- Supports micro, small and medium enterprises pay for the cost of using consultancy/experts' services or technical assistance to enhance the growth of their business.

## FUND SIZE

---

- ***The size of the fund currently is US\$7.2 million.***
- ***MSMEs can access from US\$2000-US\$200,000.00***
- ***Banks from US\$2000-US\$2m.***

## OBJECTIVES

---

- To stimulate the market and build relevant local capacities for the provision of direct non-financial services to enterprises
- To demonstrate (to MSMEs) that it is worth having recourse to external providers of **direct support to enterprises** (by individual consultants and/or by specialized BDS providers)

## RATIONALE

---

- To build sustainable capacities for all types of **providers of direct non-financial services enterprises**.
- **BDS Fund** supports **specialized BDS providers, national consulting groups (NCGs), and other enterprise and trade development support structures (ETSS)**, in so far they are involved in direct support to enterprise development in the areas of
  - **products and market development**
  - **and management development.**

## RATIONALE

---

- Selected service providers will also benefit from an integrated business services fund under the BDS Fund to fund selected business equipment to facilitate delivery of services to SMEs.
- The integrated BDS is based on pre-established qualification criteria and for a limited range of equipment

## Targeted Beneficiaries.

- Micro, small and medium enterprises that add value.
- ICT Companies
- Clusters of micro, small and medium enterprises
- Business membership organizations (BMOs)/Associations.
- Banks
- Business Development Service Providers

## MAIN BDS FUND WINDOWS

Recipients	Access to Finance	Non-financial services		Results indicators
		Firms	Clusters/Assoc.	
Firms	A1. Clients of banks (actual or potential)	B1. MSMEs (priority sub-sectors; other)	C1. Groups of firms organized by Assoc. or in clusters	Firm growth, productivity, employment; access to fin.
Service providers	A2. Banks (participating and other)	B2. BDS suppliers	C2. BMOs (to develop own capacity)	% of services provide to MSMEs
Results: market	Repayment; Follow-on loans to MSMEs	Subsequent commercial BDS purchases	Improved sustainability	

## ELIGIBILITY CRITERIA

- Locally/Foreign Privately- owned- profit making enterprises.
- Registered Business and Industry Associations.
- NGOs with commercial orientation
- Should be operating in the country
- Should not be engaged in any practices that do not conform to Ghanaian laws or be harmful to the environment.
- 50% contribution to the cost of service.

## ELIGIBLE SERVICES

- Company expansion planning
- Institution of quality management systems
- Production /Efficiency Cost Reduction;
- Market Research
- Joint venture searches
- Loan facilitation
- Development/delivery of training modules

## APPLICATION PROCEDURES

- Registration with the BDS Fund
- Submission of completed application forms
- Business Proposal

**THANK YOU**