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SME Performance and Growth Finance: Overcoming Access-to-Capital Barriers in Ghana

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Abstract

Small and medium-sized enterprises (SMEs) play a key role in employment, household income, market diversification and private sector development in Ghana but their capacity to translate entrepreneurial activities into productivity and firm growth still faces challenges due to the lack of appropriate financing. This article critically examines the linkages between growth finance and SME performance in Ghana in terms of how financing constraints emerge and how they can be best overcome. The review consolidates peer-reviewed studies and the latest evidence from the Bank of Ghana, Ghana Statistical Service, Development Bank Ghana, the Ministry of Finance, the World Bank and International Finance Corporation. The analysis reveals five reinforcing constraints: information asymmetry and poor financial record-keeping; collateral and risk-assessment issues; expensive and short-term credit; informality and limited managerial capacity and gender, location, sector and firm-maturity inequalities. The constraints have impacts on performance, as they curtail investment in working capital, technology, skilled labour, market expansion and resilience. There is also evidence that larger amount of loans is not a solution to the financing problem. Maturity matching, risk sharing, credible borrower information, digital transaction histories, managerial capability and financing instruments appropriate for different stages of firm development are all needed to improve the effectiveness of growth finance. Ghana's changing policy landscape – such as the collateral registry, credit referencing, Development Bank Ghana, digital finance, crowdfunding regulation and the SME Growth and Opportunity Programme – offers critical policy blocks. But there is still significant fragmentation, informality, inadequate pipeline preparation and inequitable access. The article suggests a framework for an integrated growth-finance approach that encompasses finance readiness, diversified capital channels, de-risking, capability support and outcome-based monitoring. The overall tenet is a shift from “access to credit,” to “growth capital,” where credit is affordable, suitably structured, and strategically available to boost the performance of SMEs in Ghana.

Key words: *SMEs; access to finance; growth finance; financial inclusion; fintech*

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1. Introduction

SMEs play a strategic role in the Ghanaian economy. They offer livelihoods, serve as gateways to entrepreneurship, are vital for local value chains and often represent the initial step in the formalisation, accumulation of capabilities and access to larger markets for businesses. The Integrated Business Establishment Survey provides a picture of the size and the structural challenge of this enterprise base in 2024. In 2024, there were some 1.9 million business establishments in Ghana, the overwhelming majority of which were micro enterprises, and informality was very prevalent (Ghana Statistical Service [GSS], 2025). This concentration of small firms represents a great potential pool of entrepreneurship, but also the opportunity for the nation to be much more productive if small firms can grow beyond subsistence to investable and growth-oriented firms.

One of the most significant limitations to this transition is finance. Common sources of funding for Ghanaian SMEs include the owners' savings, retained earnings, family finance, supplier credit, and short-term bank facilities. They can be enough for sustaining their operations or even for some short-term working-capital requirements, but are generally not enough to afford equipment investments or digital upgrading, product certification, expansion into new markets or for export preparation and other investments that require several years to yield benefits. While earlier Ghanaian evidence indicated that formal and semi-formal external finance might be positively linked with productivity growth, more recent evidence points to finance being a significant enterprise constraint, as well as a capacity constraint (Osei-Assibey, 2013; Mohammed & Bunyaminu, 2021). In Africa, on average, SMEs that had access to formal loans, which were relatively small in size and low interest, grew their employment more than SMEs with the same other characteristics but without such access to loans (Ayyagari et al., 2020).

However, the financing landscape in Ghana has evolved. Improvements in credit referencing and secured transactions have enhanced information for lenders and expanded the availability of movable security. The Bank of Ghana reported that in 2024, 8,764 unique MSMEs accessed secured credit, which is higher than the number of MSMEs accessing secured credit in 2023 (8,297) and 2022 (7,712) and that movable assets have been especially significant in MSME collateral registration (Bank of Ghana, 2025). Development Bank Ghana (DBG) has developed longer tenor wholesale finance and credit enhancement facilities, which are rolled out via participation of financial institutions. Digital payments and fintech are generating transactions that can be used to assess credit in non-traditional ways, while the capital-market structure is starting to adjust to the presence of crowdfunding and other non-banking means of payment. The SME Growth and Opportunity (SME GO) Programme offered by the Government also offers concessional loans with technical assistance.

Given these developments these are the right times to revisit the issue of SME finance. It is no longer just about the access of SMEs to a loan. It is whether companies can access capital in the right size, at the right price, with the right maturity, and the right riskiness, and whether they have the capabilities to use that capital to generate productivity, resilience and sustainable growth. Thus, this article reviews the key access-to-capital constraints of SMEs in Ghana, assesses financing strategies available to surmount the constraints and proposes policy implications to enhance SMEs' performance. It poses three questions: What are the mechanisms that continue to limit SME access to growth finance in Ghana? How and why does good finance affect the performance and growth of a business? What mixes of financial, institutional and capability interventions show greatest promise to achieve the gap?

2. Conceptual Foundations: From Access to Finance to Growth Finance

Often, access to finance is considered a binary phenomenon: the firm either has or does not have access to external finance. This is too narrow for SME development. Growth finance is the type of financing that is appropriate for investing in productive capacity, and thus must be assessed by several aspects: quantity, accessibility, duration, security, flexibility of repayment, currency risk and extent of financing expanded by

business development services. The short-term overdraft might be considered as an element of formal access to finance but may not be an appropriate finance for machinery that could be expected to generate returns over a five-year period. Again, a patient loan, a partial guarantee or equity investment can allow the same company to grow without disrupting the cash flow.

One of the fundamental reasons for the rationing of small firms is explained by the information asymmetry theory. Entrepreneurs have greater knowledge and information about the business opportunities and cash flows and risks than do lenders, and lenders are at high costs in verifying small, opaque business. This may raise adverse-selection and moral-hazard problems, which, in turn, may cause banks to ask for collateral, demand shorter loan periods, impose risk premia or may refuse potentially good borrowers. SME finance should thus be thought of as an architecture of lending technologies, relationship lending, financial-statement lending, asset-based lending, credit scoring and other technologies, rather than a product, according to Berger and Udell (2006). This is backed by evidence in the Ghanaian context: making a combination of transaction information, relationship information, and credible credit reference information available can enhance the conditions of credit access by SMEs (Gyimah et al., 2022).

Financing behaviour is also explained by pecking-order reasoning. Retained earnings also have minimized disclosure requirements, collateral and loss of control which is why SMEs have a general preference for retained earnings. Internal resources are used first, external equity is the last resort, when debt is needed. This hierarchy can be a problem when profitable companies find themselves in a situation of low internal cash generation. Abor and Biekpe (2007) revealed that firm age, size and asset tangibility impacted on the financing decision of Ghanaian SMEs, thus underscoring the fact that perceptions of the lender on the observable stability of the SMEs affect their financing decision.

Resource based approach introduces the element of performance. Finance without transformation into productive resources and capabilities is of little development value. Capital can enhance productivity or simply fund repeated losses, depending on financial literacy, management accounting, inventory control, digital systems, marketing skills and strategic planning. Financial literacy has been identified to have a positive impact on financing access and firm growth in Ghana (Adomako et al., 2016). Growth finance must therefore be viewed as a co-product of enterprise capability and access to finance.

3. Methodology

The design of this article is Critical Integrative Review. The approach is suitable, since the research question covers firm level empirical research, bank and fintech research, national survey evidence, and regulatory changes and development-finance interventions. However, the review does not aim to create artifically-created firm data but rather leverage available evidence to find mechanisms, convergences and policy gaps. Peer-reviewed journals on SME financing, growth, financial literacy, digital finance, trade credit, financial obstacles and methodologies were considered and academic literature given preference, especially the Ghanaian context and other evidence in Africa. The institutional evidence was obtained from the Bank of Ghana, Ghana Statistical Service, Development Bank Ghana, World Bank and International Finance Corporation (IFC). New sources were emphasized and existing conceptual studies were retained where required to explain financing architecture.

Four analytical phases were used in the synthesis. In a first step, evidence was categorised according to the financing constraint, which was one of the following: information, collateral, price, maturity, informality/capability, and inclusion gap. Second, financing channels were classified as bank lending, development finance and guarantees, digital finance, trade credit, and equity and market-based finance. Third, results reported were translated into SME performance dimensions: sales and productivity, employment, investment, resilience, innovation and market expansion. Lastly, the extent to which policy initiatives are aimed at the underlying mechanism or not merely at higher nominal amounts of funding.

While this approach does not measure a pooled causal effect, and is vulnerable to differences across samples and time, it is appropriate for building a context-sensitive narrative of Ghana's SME Growth Finance Ecosystem.

4. Access-to-Capital Barriers in Ghana

4.1 Information asymmetry, records and credit assessment

The first one is the small volume and quality of verifiable information available about businesses. Many companies in Ghana have incomplete records, do not completely separate their domestic and business income, have poor inventory records and inadequate tax records. These situations prevent banks from determining sustainable cash flows and/or from distinguishing an opaque firm with a high potential from a high-risk borrower. This problem is compounded by the character of Ghana's business population as most of them run an informal business (Ghana Statistics Service, 2025). Informality is not merely a regulatory category, but it also impacts information production required for financing.

This problem can be ameliorated by credit-reference infrastructure. The study by Gyimah et al. (2022) reveals that credit-reference information enhances the relationship between the lending methodologies and access to credit for SMEs in Ghana. The policy implication is that there is a need to incentivize the production of financial histories that are usable. Digital payments, bank transactions, tax records, electronic invoices and platform sales can all be alternative data, provided that lenders have the right analytical ability and data governance is believed. The growing importance of fintech adoption among SMEs in Ghana is due to the fact that the use of digital tools can help to streamline payment processes and provide records that enhance the visibility of business activities (Kraha et al., 2024).

4.2 Collateral constraints and asset mismatch

A second big limitation is collateral requirements, particularly for young companies and service providers that don't have a lot of fixed assets to put up as collateral. Traditional lending models may value land and buildings more highly than the enterprise's productive assets, which are comprised of machinery, receivables, vehicles, inventory and/or purchase orders. Thus, secured-transactions reform is significant. According to the Bank of Ghana Financial Stability Review 2024, there has been a remarkable change in the mix of collateral with more movable objects being used for secured loans and the number of MSMEs accessing secured loans has been increasing over time. The modernisation of the collateral registry and credit information infrastructure is also listed as a tool to mitigate information and security constraints in IFC's Ghana reform case study (IFC, 2025a).

However, legal acceptance of movable security does not imply universal acceptance by lenders. The real challenge lies in the valuation, enforceability, asset monitoring, resale markets, and institutional risk appetite that determine the extent to which movable assets can result in larger or cheaper loans. The policy challenge is thus to strengthen lender ability – to do asset-based and cash-flow lending – not simply keep a register.

4.3 High cost and short tenor, macro-economic risk.

The third obstacle is the cost and nature of debt. High interest rates have a disproportionate impact on SMEs, due to their lower margins, cashflows and limited refinancing options. This means that a facility may be technically available but not available from an economic point of view. Bank risk appetite has also been affected by the historical experiences of inflation, exchange rate fluctuations, sovereign borrowing and financial-sector restructuring in Ghana. According to IFC (2025a), asset-quality concerns, collateral constraints, information asymmetry and lender caution are among the reasons for the financing gap, which IFC estimates to be roughly 13% of Ghana's GDP.

But its tenor is also significant. Working capital loans should match inventories and receivables turnover and medium and long-term loans are needed for fixed investment. If a firm is using short-term debt to

finance a machine, there will be cash-flow compression in the time period before the machine can produce enough cash-flow. One of the mandates of the establishment of Development Bank Ghana is to bridge this missing-middle challenge by providing longer term capital by way of participating financial institutions. As of December 2024, DBG had disbursed GH₵1.62 billion to over 650 businesses, with 10-year loans, and the investments projected to create more than 21,000 jobs (Development Bank Ghana, 2025). It's not just about the quantity, but the maturity transformation.

4.4 Informality, managerial capability and finance readiness

Poor finance readiness can be as limiting as capital – many financing programmes are predicated on it being the limiting constraint. Attrams and Tshehla (2022) cite documentation issues, diversion of funds and managerial weaknesses as issues faced by SMEs in the service sector in Ghana. Poor bookkeeping leads to low creditworthiness, and poor costing can make it difficult to plan repayments of loans; poor governance can lead to a reluctance to invest. Financial Literacy is thus not a side training issue, but a productive skill. Adomako et al. (2016) show that financial literacy helps strengthen the positive association between financial access and firm growth in Ghana.

Formalisation can also enable access through the generation of tax identities, contracts and legal continuity. However, there are compliance costs associated with formalisation and businesses must have a compelling value proposition – access to finance, markets, procurement, insurance or business-development services – to encourage them to formalise. Requiring registration – but not enhancing benefits – is not likely to change financing outcomes.

4.5 Unequal access by gender, geography, sector and firm stage

Capital constraints are not uniform. Women entrepreneurs can have fewer assets registered in their names and can have less banking facilities and advisory services in rural areas. Seasonality and climatic exposure, intangible assets, also pose issues for agriculture and early-stage innovative firms that are not captured in the conventional collateral models. It is thus a segmentation issue. A large, established manufacturer interested in equipment finance needs something altogether different than the young technology firm with limited tangible assets, the female entrepreneur running a trading operation who needs working capital, or the small agribusiness facing the seasonality of cash flows.

Movable-collateral reform seems to have potential for increasing inclusion, but structural gaps remain and policies should be designed to observe who gets capital, on what terms and with what outcomes. Performance indicators should thus be disaggregated by gender and by region, integrated into public programmes and not reported as an additional variable.

5. How Growth Finance Affects SME Performance

The impact of appropriate finance on SME performance is through multiple and interconnected linkages. The most immediate is the adequacy of working-capital. Companies with ample liquidity may be able to buy materials in bulk to decrease per-unit costs, pay lower prices from suppliers, keep up the volume of manufacturing during a downturn in receivables, and accept larger orders. Undercapitalised businesses often have capacity to spare, and they can refuse orders due to a lack of inputs funding. In this regard, trade credit plays a crucial role. Firms in the informal sector in Ghana were also more likely to be using digital payment platforms and to be engaged in the supply and demand of trade credit, indicating that digitalisation would help to improve financing relationships beyond formal bank lending (Abdulai et al., 2024).

The other channel is fixed investment. External funding can be used to purchase machinery, energy efficiency, transport, storage, information systems, quality certification etc. These investments affect productivity and not only consumption smoothing. In Ghana, Osei-Assibey (2013) reported positive associations between formal or semi-formal finance and productivity growth of small enterprises. This helps

to differentiate between growth capital and emergency liquidity: finance has the highest developmental pay-off when it is directed to finance that increases the productive capacity in the future.

Thirdly, financing can contribute to employment growth. The evidence suggests that greater formal finance to SMEs result in more employment, and that larger and lower-cost loans have a larger effect (Ayyagari et al., 2020). For this reason, employment is emerging as an impact indicator in Ghana's development-finance programmes. But if companies are very leveraged or the jobs are short-term, the number of jobs can be misleading. Job performance and productivity, revenue stability and repayment performance and investment completion should be combined in performance assessment.

Fourth, finance can enhance resilience. By allowing companies to ride out payment delays, shifts in the cost of inputs, currency fluctuations or restrictions in supply, cash buffers, credit lines or insurance-linked finance are key to helping businesses cope. History has demonstrated that the key time for companies to have liquidity is before the shock, not after the losses start to materialise. A robust financing system should thus include emergency liquidity as well as restructuring capital for the longer term.

Lastly, finance can facilitate innovation and market access. Digital technologies, e-commerce, standards compliance and export preparation can be costly and the returns are not guaranteed. Quaye et al. (2024) demonstrate that technology uptake and access to new markets for Ghanaian SMEs is limited by various factors, which suggests that finance needs to go hand-in-hand with skills and market linkage. A recent Ghanaian fintech study also indicates that digital finance, with its strategic value, can be more effectively generated when integrated into business operations as opposed to transactions alone (Adaba et al., 2026). Capital thus has an indirect impact on performance through capabilities that affect the degree to which firms can exploit it.

6. Financing Strategies for Overcoming the Gap

6.1 Relationship lending, cash-flow lending and better borrower information

While banks are still playing a dominant role in the SME financing, lending technology must keep pace with the opacity and diversity of small firms. Relationship lending is based on repeated contact to generate soft information about the entrepreneur, whereas cash-flow and transaction-based is based on financial statements, account movements, invoices and digital information. The evidence in the Ghanaian context shows that the combination of lending methodologies and credit reference information can lead to the reduction of rationing (Gyimah et al., 2022). Banks can enhance this model by incorporating feeds from accounting software and histories of merchant payments and verified tax data into credit assessment, subject to consent, privacy and explainability requirements.

6.2 Movable collateral, guarantees and risk sharing

ABM can expand access for landless companies. The move to introduce more movable collateral in Ghana is thus a tangible one. The next step will be the legal framework along with those partial credit guarantees, the facilities for risk-sharing between portfolios and training of the lenders. Guarantees work best when businesses are viable but unable to get funding due to lenders' inability to “take the risk.” However, poorly designed guarantees can reduce underwriting incentives. Programmes should ensure that lenders bear meaningful risk and that the loans are priced transparently and that additionality is reported (whether the guarantee proves to be the deciding factor for a firm that would have been turned down otherwise).

6.3 Development finance and patient capital

Development Bank Ghana offers a solution to maturity and funding problem in the banking system. Wholesale long-term funding can enable partner institutions to offer longer tenors to SMEs while maintaining local origination capabilities. The model is especially applicable to manufacturing industries, agribusiness and other industries with investment cycles of more than a year. Development finance must

not, however, be used as a substitute for commercial discipline. Viability of the project, capacity to repay, and measurable development outcomes should be considered for selection and technical assistance can enhance the quality of the borrower pipeline.

6.4 Fintech, digital payments and alternative data

Digital finance can lower the cost of transactions and render business activity more transparent. The use of fintech in payment remains a growing trend for SMEs in Ghana, and in general, digital financial services can increase access and resilience if the implementation environment is conducive (Anane-Donkor & Dei, 2026). Digital payment information can also enable trade credit and give signals for lender scoring (Abdulai et al., 2024). However, fintech is not inherently inclusive. Algorithmic credit can replicate bias, short-term digital loans can be costly, and fraud can be a problem causing lack of trust. The right policy goal is responsible digital credit – transparent pricing, reasonable affordability evaluations, safeguarding of data, and provision for correction in the event of an automatic decision that is incorrect.

6.5 Trade credit and supply-chain finance

Where banks are not well-informed, but trading partners have a clear understanding of the order history and payment behaviour of a firm, supplier credit is valuable. This information can then be used in the financing of supply-chain finance through the financing of purchase orders, confirmed receivables or invoices. For SMEs who sell to large companies or government bodies, receivables finance can alleviate the working-capital pressure caused by extended payment periods. Digital invoices and verified procurement data help to reduce the risk of fraud and make these instruments more scalable.

6.6 Equity, crowdfunding and capital-market pathways

Not all growth companies are suitable for borrowing. Quasi-equity capital or equity capital may be needed for innovative or early stage businesses with uncertain cash flow. The capital-markets development initiatives in Ghana such as the guidelines for crowdfunding provide opportunities to diversify financing away from banks (Ministry of Finance, 2025a). But, market finance needs protection for investors, disclosure standards, credible intermediaries and a pipeline of investable firms. Public policy should also foster investment readiness, governance and financial reporting, which go hand in hand with rules that allow for new instruments.

7. Ghana's Evolving SME Finance Policy Architecture

In Ghana, the policy landscape is increasingly acknowledging the need for an ecosystem for SME finance, and not just one fund. The collateral registry is tackling asset constraints, credit bureaus are bridging information gaps, DBG is facilitating longer term funding and guarantees, fintech is filling the transaction data, the Ghana Enterprises Agency (GEA) offers business development services, and capital-market reforms are opening other avenues for financing. The SME GO Programme is an example of this holistic approach, where funding is complemented by financial management, tax, compliance, information technology (IT), and business planning and marketing training (Ministry of Finance, 2025b).

The programme also demonstrates the importance of differentiated products. The GEA is made up of loans with a maturity period of 2 years at a nominal interest rate of 10% for qualified SMEs, and grants of up to GH₵150,000 for qualified small businesses, and technical assistance (Ministry of Finance, 2025b). Such instruments are designed to be used to overcome specific expenditure constraints and not to be used as instruments to give general liquidity. While this kind of targeting is beneficial, there is a need to have robust monitoring of outcomes to determine if subsidised funding fosters increased investment and sustained improvements in performance.

There is a significant increase in public business-development assistance, and capability needs are still big. The policy system is increasingly drawing capability as an integral part of SME development as evidenced

by the ambitious targets set in the budget documents of the Ministry of Trade and Industry for enterprise services and financial-literacy training (Ministry of Finance, 2025c). The trick is synchronization. Firms shouldn't be faced with fractured databases, duplicate applications, and varying eligibility criteria between GEA, banks, development programmes and capital-market initiatives. A common SME finance-readiness profile, with consent, could help to minimise duplication and enhance referrals between programmes.

One of the difficulties is impact discipline. Funding agencies regularly report disbursements, number of trained, and/or number of firms reached. These are measures of activity and not growth results. Public programmes should also include investment completion, sales growth, productivity, employment quality, survival, tax formalisation, export participation and repayment. This would move the policy conversation from "how much money did we spend?" to "what productive capacity did we create with the money?

8. An Integrated Growth-Finance Framework for Ghana

The evidence is used to construct a 5-pillared framework. The first pillar is finance readiness – business must have basic accounts, cash-flow forecasts, governance, tax identity and credible plans for the use of funds. The second is diversified capital channels, because different capital combinations of retained earnings, bank credit, trade credit, leasing, development finance, guarantees, equity and crowdfunding are required by different firms. The third is de-risking and information infrastructure via credit bureaus, movable-collateral systems, alternative data and portfolio guarantees. The fourth one is capability support such as financial literacy, digital adoption, management systems and market development. The fifth is outcome monitoring, for programmes are assessed based on productivity, investment, jobs, resilience and inclusion, not only on disbursement.

The finance is viewed as a sequencing problem. Digital payments, bookkeeping services and a small working-capital facility may be the first thing a micro informal enterprise needs. Equipment leasing and receivables finance may be necessary for a growing formal SME. A mature manufacturer might need a loan for an investment that he can pay back over 7 years, an innovative start-up might need equity. Good policy thus provides a "ladder" of financing opportunities for companies to move up, as their information requirements and governance and investment structures change.

Table 1. Access-to-capital barriers and targeted growth-finance responses in Ghana

Barrier	Financing consequence	Priority response	Expected performance channel
Weak records / information asymmetry	Credit rationing; high risk premium	Digital records, credit referencing, cash-flow lending	More approvals; lower screening cost; stronger investment
Limited fixed collateral	Exclusion of young/service firms	Movable collateral, leasing, receivables finance, guarantees	Asset acquisition and working-capital expansion
High cost / short tenor	Maturity mismatch; cash-flow stress	DBG wholesale funding, longer-tenor loans, transparent pricing	Capital investment, productivity and resilience
Informality / low finance readiness	Poor lender visibility and weak proposals	Bookkeeping, formalisation incentives, financial-literacy support	Improved bankability and capital deployment
Gender / location / sector gaps	Unequal access and underinvestment	Segmented products, guarantee targets, regional channels	Broader participation and inclusive growth

Table 2. Suggested SME growth-finance performance scorecard

Dimension	Illustrative indicators	Why it matters
Access	Approval rate; rejection reason; collateral type; gender/region/sector	Tests whether finance is genuinely inclusive

Suitability	Average tenor; effective cost; grace period; financing-to-investment match	Distinguishes nominal access from usable growth finance
Business capability	Quality of accounts; cash-flow forecasting; digital transaction records	Measures finance readiness and information quality
Firm performance	Sales growth; productivity; investment completion; employment	Tracks whether capital creates productive capacity
Resilience	Liquidity buffer; arrears; survival; recovery after shocks	Assesses stability rather than growth alone
Additionality	Share of beneficiaries previously credit constrained; private capital mobilised	Tests whether public support changes market outcomes

9. Discussion

The Ghanaian evidence questions three laid down assumptions. First, it is not just a liquidity issue in the banking sector. With or without funds, the presence of information asymmetry, collateral arrangements and macroeconomic risk can cause credit rationing. Second, if maturities are too short, if a firm does not have the capacity to use funds productively, then cheaper credit is not enough. Third, digitalisation is not a substitute for institutional development. Fintech can lower information frictions, but only if products are cheap, data are reliable and companies adopt digital tools as part of their operations.

These conclusions contribute to an understanding of the apparent paradoxes of empirical evidence. Access to finance is cited as one of the top challenges faced by Ghanaian businesses in some studies, with taxes and competition or other operational issues cited as the biggest challenges in others (Mohammed & Bunyaminu, 2021; Attrams & Tshehla, 2022). There is not one single financing constraint. A company that doesn't have a strong market demand is not competitive just because it has borrowed; a company that has confirmed orders and is rapidly growing can be seriously hampered if it lacks working capital. Policy should not, therefore, assume all SMEs are equally finance constrained.

The evidence also indicates a broader definition of financial inclusion. Ownership of an account and the use of digital payments are key prerequisites, but do not guarantee investment capital. Despite Ghana's digital finance ecosystem being sophisticated compared to many other countries, Ghana continues to experience a critical transition from payments to productive credit and savings through insurance (Anane-Donkor & Dei, 2026). The next step of inclusion, then, should centre on the role of transactional data in enabling appropriately-regulated growth finance.

Lastly, financing is part and parcel of the informal. According to the GSS, the majority of enterprises in Ghana are informal. This reduces lender information and the formal policy instruments available. But formalisation needs to be incentive compatible. If registration facilitates access to finance, procurement, and digital identity and advisory services, there is a clearer path for formalisation for firms. For many small operators, remaining informal is the rational choice when it only adds to their tax exposure and paperwork.

10. Policy and Managerial Implications

Policymakers should focus on strengthening the financing system, rather than offering a string of new funds. Credit infrastructure, movable-collateral enforcement, common SME data standards, guarantee design, development finance and capital-market pathways should be complementary layers. Transparent pricing for publicly supported finance and reporting of results by gender, region, sector and firm size. A national dashboard on SME financing based on these parameters could be maintained to ensure that the approval rates, average tenor, type of collateral, cost of credit, repayment, and investment outcomes and jobs created are tracked.

Banks and NBLs can lessen their overreliance on immovable collateral by using cash-flow and transaction-based underwriting. Scoring can be based on digital payments, e-invoices and verified sales data; model testing should be done for bias and human review should be used as appropriate. The lenders should also

differentiate between working capital products and fixed investment finance and should not be subject to a maturity mismatch.

Additionality shall continue to be the guiding principle for DBG and other development partners. Targeting of long term funding and guarantees should focus on those areas where private financing is limited due to maturity or risk perception or information, instead of on lending that banks would have provided in any event. Technical assistance for the participating financial institutions is also crucial, particularly in agribusiness and other industries which may be mispriced due to lack of expertise.

Finance readiness is infrastructure that can be measured for GEA and enterprise-support providers. The outputs of training must culminate in lender-ready outputs: basic management accounts, cash-flow forecasts, financing plans, digital transaction records and compliance documentation. Companies that do these could be awarded a portable finance-readiness credential acknowledged by participating lenders.

The capital structure should match the use for SME owners. Short operating cycles – short-term debt; equipment and expansion – longer maturities; equity – high uncertainty/innovation. Entrepreneurs should also be aware that digital payment and formal records are strategic assets, as they help to reduce opacity, enhancing bargaining power with the lender and enhance internal decision-making.

11. Limitations and Future Research

This review incorporates evidence from various SME definitions, samples, sectors and macroeconomic conditions. It thus does not offer one causal explanation of the effect of finance on performance. High performance is more likely to attract finance, but finance can also help high performance; some Ghanaian studies are cross sectional and might suffer from reverse causality. Future research should leverage longitudinal enterprise data and the credit-registry data and the phased rollout of the programmes to better estimate causal effects.

Financing heterogeneity is also a topic that requires further research. Comparisons should be made between women-owned and men-owned firms, agribusiness and services, formal and informal firms, and different levels of enterprise maturity, and between Accra and secondary-city enterprises. Digital-credit research should assess the effective annual costs, frequency of borrowing, defaults, algorithmic exclusion and productive investment resulting from digital loans. Finally, public programmes should make administrative data available and publish anony-mized data, as well as consistent definitions of the recipient firms and outcomes of public programmes, so that they can be evaluated independently.

12. Conclusion

Growth finance in Ghana is a strong proxy for SME performance. The continuing obstacle is not just the lack of funds, but rather the mismatch between the characteristics of capital demanded by heterogeneous firms, and the information, collateral, maturity, pricing and capability structure that supply capital. The informality, the lack of records adds to the lender uncertainty, the inability to use fixed assets as collateral results in the exclusion of viable firms, short tenor of expensive loans often makes it difficult for companies to invest in productive assets, and limited managerial skills can make it difficult for companies to convert finance into productivity.

Ghana is making progress with a difference. Available options for movable collateral are gaining in usage, credit-reference systems are becoming better, new financial data is emerging with digital payments, DBG is increasing the risk and duration of financing options, and SME GO is offering both financing and capability building. There are additional steps on the financing ladder through capital-market and crowdfunding reforms. While these efforts are directionally good, there are issues of integration, additionality and outcome measurement.

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