



**IMPACT ASSESSMENT OF KWAHU RURAL BANK CREDIT SCHEME ON
BENEFICIARIES IN KWAHU-SOUTH DISTRICT, EASTERN REGION, GHANA**

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Abstract

Credit administration is very important for improving the livelihood of poor peasant farmers. This is because with credit, farmers can have access to improved technologies hence improved output. So many institutions administer credit but the livelihood of beneficiaries seems not to have improved. The inability of people in the study area to access better forms of education, health facilities, employment provision and food security has been a major source of worry to policy makers, researchers and non-governmental organizations.

It is against this background that the Kwahu Rural Bank credit scheme was established in the study area and this has been in operation for over ten years hence the need to assess the effects, positive and negative on beneficiaries.

The general objective of the study is to assess the impact of the credit facility administered by Kwahu Rural Bank on the beneficiaries in the Kwahu South district.

Questionnaire was used to collect primary data from respondents. Secondary data was collected from the offices of Kwahu Rural Bank, Regional Economic Planning, Ministry of Food and Agriculture, other research works, magazines and libraries. The data collected were analyzed using SPSS packages. Chi-square statistical test was also conducted to test the hypotheses set for the study.

The prime income generating activity identified in the study area is farming. 20 beneficiaries are engaging in subsidiary jobs because of the credit scheme. 23 of the beneficiaries representing 86.7% of the total beneficiaries had increased their farm sizes remarkably to 4 or more acres with the credit as compared to only 10% who were engaged in 4 or more acre land before the credit. 83.3% of the beneficiaries now get more than 6 bags but none of the beneficiaries was getting that much before the credit. With the credit, 66.7% of the beneficiaries were able to increase their annual income far above five million cedis. 83.3% of the beneficiaries are now able to provide enough food for the family all year long as compared to only 16.7% who could do that before the credit was introduced. 90% of the beneficiaries were able to access orthodox medical treatment with the scheme as against 20% before the credit scheme. 100.0% of the beneficiaries were able to send their children of school going age to school as compared to 83.3% who could send their children of school going age to school before the credit scheme. Besides, 80.0% of the beneficiaries are able to pay school fees promptly with the credit as compared to only 3.3% who could pay school fees promptly before the credit scheme. 100.0% of the beneficiaries are now involved in bank savings with the credit as against 20.0% who were involved in bank savings before the credit scheme.

In effect, the credit has also improved the livelihood of the benefiting households. To a large extent, the credit scheme is on the right track to achieving its aims and objectives.

Poor road networks that hinders the carting of agricultural produce was identified as the major impediment faced by beneficiaries besides untimeliness and inadequacy of credit.

Based on the lessons learnt from the study, various recommendations were made, which when adopted by the Communities, Kwahu Rural Bank, Policy makers, local and International

Organisations aimed at ensuring perpetuated agricultural development will go a long way to improve productivity, livelihood of beneficiaries and the general economic development.