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# Annual Report 2014

## Ghana Supply Chain Development Program

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## Acronyms

<b>Acronym</b>	<b>Definition</b>
<b>AOR</b>	Agreement Officer's Representative
<b>AWS</b>	American Welding Society
<b>BSP</b>	Business Service Provider
<b>COP</b>	Chief of Party
<b>CSR</b>	Corporate Social Responsibility
<b>DCOP</b>	Deputy Chief of Party
<b>DQA</b>	Data Quality Assessment
<b>EDC</b>	Enterprise Development Centre
<b>EG</b>	Economic Growth
<b>EHS</b>	Environment, Health & Safety
<b>FTFMS</b>	Feed the Future Monitoring & Evaluation System
<b>GOGSPA</b>	Ghana Oil & Gas Service Providers Association
<b>IOC</b>	International Oil Company
<b>IFC</b>	International Finance Corporation
<b>IR</b>	Intermediate Results
<b>LI</b>	Legal Instrument
<b>M&amp;E</b>	Monitoring and Evaluation
<b>METSS</b>	Monitoring and Evaluation Technical Support System
<b>MOEP</b>	Ministry of Energy & Petroleum
<b>MOTI</b>	Ministry of Trade & Industry
<b>MOU</b>	Memorandum of Understanding
<b>O&amp;G</b>	Oil and Gas
<b>PIRS</b>	Performance Indicators Reference Sheet
<b>PMP</b>	Performance Management Plan
<b>SCD</b>	(Ghana) Supply Chain Development Program
<b>SME</b>	Small and Medium Scale Enterprise
<b>TOT</b>	Trainer of Trainers
<b>USAID</b>	United States Agency for International Development

## **1. Program Overview - Ghana Supply Chain Development Program**

In March 2013, the Ghana Supply Chain Development Program (SCD) sought to establish itself as a fundamental provider of capacity building services to Ghanaian SMEs in the oil & gas, power and other related sectors. Implemented by Pyxera Global, this 5-year, US\$4.88 million grant aims to improve the capacity of local SMEs, including business service providers (BSPs), to participate more effectively in the emerging oil and gas industry. The SCD Program undertook multiple stakeholder outreach events at the start of the program activities and attempted to establish working relations with the Ministry of Energy and Petroleum (MOEP) and Enterprise Development Center (EDC). Although the initial efforts were not quite successful, the Program continuous outreach to these stakeholders yielded positive results and the most recent developments, such as public statements calling for EDC – SCD collaboration coming from the Energy Minister, The Petroleum Commission CEO, Tullow and others show promise for the development of formal relationships.

In the first several months of activity, SCD Program managed to establish key relationships with partners such as the Ghana Oil and Gas Provider's Association (GOGSPA), the Association of Ghana Industries (AGI), the Ghana Chamber of Commerce and Invest in Africa beneficial to SMEs and essential to implementing trainings and other activities supporting SME growth and development. The bulk of activity in FY 2013 centered on start-up activities, which included identification and selection of BSPs, gap analysis of local SME/BSP sector, and demand assessment of select leading oil and gas companies to help guide program design and development, based on needs and interests of the sector. At the start of FY 2014, the SCD Program was positioned to begin working closely with SMEs to deliver trainings and other interventions.

SCD has a broadly defined MoU with the Ghana Ministry of Trade and Industry (MOTI). Although MOTI has not played an active role in SCD activities, they continue to offer support to the program, by attending some program events, and promoting SCD at public events as an asset for Ghanaian SMEs. Although SCD does not have a formal relationship with the Ghana Ministry of Energy and Petroleum (MOEP), one of the highlight achievements of this reporting period has been the evolving relationship with Ghana's Petroleum Commission (PC). The Commission - government's regulatory body for the oil & gas sector - has firmly established its position over the past year. SCD co-organized a major stakeholder event with the PC this past year, followed by the PC's CEO chairing and delivering the keynote address at an SCD training event – Access to Finance Speed Dating - in Accra. It is expected that the PC partnership will continue to flourish and offer more precise direction to the SCD Program.

Overall, the Program work during the reporting period is characterized by four broad themes which encompass the full scope of activities. These themes of building relationships, understanding SMEs, developing proposals and delivering trainings were instrumental in keeping project activities relevant to the needs of SMEs. Through regular interactions, feedback and exchanges with a core group of SMEs, BSPs, and other stakeholders, SCD staff developed reliable information to help manage expectations. SCD staff is identified to work closely with SMEs are Client Relations Officers (CRO). It is among their specific tasks to maintain regular

and meaningful communications with the SMEs. Not only are ideas and information freely shared, but also specific efforts are made to link companies, encourage new ventures and share “best practice” information and strategies.

Building relationships - The SCD team built close relationships with more than 100 SMEs over the year. Working extensively with more than half of them, these SMEs are now part of the SCD network. Out of this network SCD identified and selected a number of BSPs for additional training and capacity building. Twenty BSPs who participated in the SCD workshops fully embraced the Program’s concepts and later designed and submitted proposals to SCD. Five BSP proposals were selected for training delivery to SMEs, as part of the SCD Program. Other proposals remain under consideration for future services, while new proposals are also being developed by BSPs.

The Program also maintains relationships with key opinion leaders, sector advocates, CSOs and community leaders – all of whom play important roles in Ghana’s oil sector. In some cases, these relationships helped SCD better manage SME expectations by demonstrating the programs’ commitment to work collaboratively across the sector. The results of Program’s cross sector collaboration were evidenced at the Petroleum Commission’s two-day oil and gas sector supply chain opportunities networking event last August, where nearly 100 separate SCD Program’s SMEs attended and participated in the event.

Understanding SMEs – This process is a key element for SCD as it is essential to develop a keen understanding of the SMEs, their needs and concerns. SCD considers every local business involved in the sector to be an SME – and this definition is shared by the PC, EDC and others. That understanding creates a platform for SMEs ranging from larger, more established business such as *Seaweld Engineering, Macro Engineering* and *Conship* to other smaller, but also well-structured businesses such as *Paa Tom Company Ltd.* or *Kwansa Motors* – all of whom have benefitted from various SCD trainings and support services. Through this process, SCD is able to better understand and manage expectations of SMEs. SME expectations continue to evolve as they gain knowledge of the sector and its opportunities. Often time these expectations are realistic and feasible, though many SMEs have unrealistic expectations which must be corrected. Working closely with SMEs helps SCD provide relevant training and support.

Developing Proposals – A key aspect of SCD’s work with BSPs has been focused on working directly with the service providers to identify, design and ultimately, develop proposals for trainings, workshops, events, and other engagement activities. While working to build capacity of selected BSPs through trainings and business advisory services, SCD also worked to identify qualified BSPs for the delivery of select trainings to SMEs. As a targeted outcome of SCD’s initial BSP Workshops, (Engagement for Partnership) SCD received and assessed more than 30 training delivery proposals from local BSPs. Over the course of several months, SCD Program worked with select BSPs to edit and refine their proposals according to the industry standards. SCD Program’s continuous support and guidance in the proposal development process helped to improve BSPs’ capacity in creating quality training proposals and delivering successful trainings.

Delivering Trainings –Effective delivery of trainings, and stakeholder outreach and networking events are essential to successful implementation of the Program and achievement of sustainable results. . Although the Ghanaian market is saturated with training, workshop and networking event offerings for local SMEs quality oil and gas sector relevant trainings offered by SCD Program attracted a growing number of SMEs interested in gaining tangible benefits from their participation in trainings and networking events. . These SMEs have consistently given high ratings to SCD trainings in terms of effectiveness, relevance, and applicability to their needs and interests.

The original Program goal, to increase competitiveness of Ghanaian businesses in oil and gas, power and other related sectors, is still relevant and serves as a realistic guide for all SCD activities. Based in Takoradi, Ghana’s “oil city”, SCD principally serves SMEs in the oil & gas sector, though not exclusively, with notable participation of SMEs located in both Tema (maritime services) and Tarkwa (mining operations). The Program continues to attract interest from SMEs across a wide range of services, though SCD staff works diligently to properly advise those SMEs of the limited program scope and directs them to other sources of support.

The objectives listed below continue to direct the Program in different stages. Program activities related to specific objectives are strategically planned over the life of the Program so that some are more relevant in years 1-3, while others will be integrated more directly in Program activities in years 4-5.

- **To build the capacity of Ghanaian firms to supply to the oil and gas sector**
  - Major focus of all current activities, communications and outreach
  - Certified technical trainings continue at advanced levels in identified technical areas
  - Gap analysis, demand survey and stakeholder mapping recommendations refine and improve scope of activities
  - Petroleum Commission affiliation adds legitimacy and supports program activities
- **To create market linkages between Ghanaian firms and the oil and gas sector**
  - Supplier networking events continue
  - Stakeholder engagement within oil & gas sector prioritized
  - Access to finance networking events with SMEs and financial institutions
  - Joint venture / partnership promotion among SMEs
- **To increase the understanding of Ghanaian firms of the procurement requirements and standards of the oil and gas sector**
  - Best practices training continue in advanced subjects
  - Support stakeholder engagement with Petroleum Commission activities and initiatives
  - Promote Petroleum Commission registration of SMEs in SCD network
  - Maintain existing direct program linkage with major contractors (Baker Hughes), sub-contractors (Seaweld) and industry associations (GOGSPA)

- **To increase the capacity of local business service providers to serve Ghanaian businesses**
  - BSP capacity building training (TOT) continues
  - BSP delivery of SCD trainings remains a standard feature of SCD program
  - BSP business development activities and partnerships promoted within SCD's wider network
- **To create a sustainable program governed and funded by oil and gas stakeholders**
  - Pyxera Global model program – SCD type (five-year) program inherited by a local organization with support from oil and gas private (oil and gas companies) and public (oil and gas government institutions) sector stakeholders (ex. *Centro de Apoio Empresarial* – Angola)

## 2. FY 2014 Key Achievements

SCD counts many aspects of this year's work among its achievements. Strategic stakeholder relations have built trust and acceptance among SMEs. On numerous occasions SCD Program's SME beneficiaries had stated that their involvement with SCD led to tangible improvements in business practices and approaches. In addition to SMEs, BSPs, involved in the SCD Program, are poised to offer more services while also enhancing their own skills and organizational capabilities. SCD created linkages among Program's SMEs led to direct business opportunities, joint proposal development and innovative entrepreneurial plans. The SCD Program's "success stories" include the award of a welding testing contract for a seasoned welding expert, who owns a small welding consulting business; implementation of the best practice EHS standards at a Takoradi construction yard; and certification of a lead trainer for an emerging local service provider. (See Annex 1 – Project Success Stories).

The past year project activities (listed below) helped the Program achieve important milestones and gain a competitive advantage in the market of SME capacity building services.

### a. Petroleum Commission Local Content Workshop – Project T.E.N.<sup>1</sup>

The Petroleum Commission, in collaboration with the SCD and the Enterprise Development Centre (EDC), organized a two-day workshop for SMEs to promote local content policy and local participation in Ghana's oil and gas sector. The name of the workshop was "*Creating Opportunities for Local Content and Participation in the Upstream Petroleum Industry in Ghana*". The event brought together representatives from the PC, the Jubilee Partners (Tullow, Kosmos, Anadarko, PetroSA, and GNPC) and major contractors for the TEN Project, Ghana's next-in-line commercial oilfield. The TEN Project will be Ghana's second largest oilfield and expects to see "first oil" in 2016. Specific project demands and contracting opportunities for current and planned work on the TEN Project represent significant opportunity for Ghanaian SMEs within the supply chain – from smaller sub-contracts to larger direct service contracts. IOC contractors

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<sup>1</sup> Project T.E.N. is a Jubilee Partner's oilfield development located in the Gulf of Guinea. The name refers to three adjacent fields know as Twenboa, Enyenra and Ntomme.

and subcontractors directly engaged with local SMEs and discussed the procurement opportunities.

The SCD Program used the forum to promote its trainings by showcasing participants and their work. SCD Program's SMEs gave presentations about the impact of their involvement with SCD and the impact of their engagement with SCD. The specific focus on SCD's technical trainings in EHS, IT, Procurement and Welding Inspection was of great interest to the IOCs and contractors present. SCD used the opportunity to promote the goal of the Program, link SMEs to industry sources, and forges a stronger partnership with the PC. More than 100 SCD Program invitees attended the event and these included SMEs, BSPs, banks/financial institutions, and other relevant stakeholders. This was an important engagement, and first collaborative networking effort linking SCD with both the PC and MoEP.

### **b. SME-Bank "Speed Dating"**

Doing business with the oil and gas industry can be capital intensive, and for SMEs, often the costs associated with relatively small contracts can be prohibitive. One objective of the SCD Program is to link SMEs to sources of finance through SME- bank "speed dating" events. The main goal of this networking event is to bring together the financial institutions and SME sector to discuss the needs of each sector and SME banking trends and explore SME financing opportunities. SCD's first "Speed Dating" event took place on May 16, 2014 at the Raybow International Hotel in Takoradi. The event, the first of its kind to be held in the region, attracted representatives from 20 SMEs and 11 financial institutions.

Two major sessions took place during the event. During the first session, SMEs and financial institutions were grouped separately to discuss challenges encountered in doing business with each other as well as possible solutions. This was followed by the second session during which each SME was matched with a bank/financial institution. Upon the conclusion of each individual meeting, both parties completed information cards which indicated if further meetings were merited. The overwhelming response was that more meetings should occur among the parties. This initial contact created ongoing relationships which are still underway, in several cases – all with the intention to reach mutually beneficial financial arrangements.

A second, larger "Speed Dating" took place in Accra over two days in September. The event brought together SMEs and financial institutions that were introduced to the objectives and accomplishments of the SCD Program on the first day, while the second day was dedicated to the SME-bank networking activities. SCD used two days for this event because it attracted new SMEs to the program, generally from Accra. Two different sessions were held on the second day. The first session involved group discussions on issues confronting SMEs and financial institutions in relating with each other. The second session focused on one-on-one interactions between the participating SMEs and financial institutions. Below are some testimonials from participants:



*"I believe this is one of the best interactions that we have had...many of the Oil & Gas meetings have been talks. This is the first time we are meeting these financial institutions which has brought about new ideas."- EboHazel of Ferguson Concept, Takoradi*

*"The speed dating has given us the common platform to meet with SMEs under one roof to discuss our challenges which I know will open a lot of business opportunities for both of us" - Adu Kuraaku of Eximguaranty Bank, Accra*

*"I am very impressed; the speed dating is very different, result oriented, pragmatic and very practical" - George Twumasi of Gratis Foundations, Takoradi*



### **c. Environment, Health and Safety**

Environment, Health and Safety (EHS) management is a key area for the oil and gas sector. Poor EHS awareness, absence of EHS policies and risk assessment procedures are some of the key reasons why local SMEs fail to compete more effectively with international counterparts. The SCD Program worked with SMEs to improve their EHS management systems and provided on-site assistance drafting EHS policies and conducting risk assessment procedures. SCD staff along with skilled EHS practitioners (*Qualms Consult and Best Safety Consult*) worked extensively with SMEs in order to improve EHS processes and procedures. Participants came from selected suppliers and service providers in the oil & gas sector, most of whom have offices or work-sites in Takoradi.

An additional two-day EHS training session was also conducted for SMEs identified by Baker Hughes (a major U.S. oil & gas contractor) as part of their existing supply chain. The multi-day training was followed up with on-site activities. In all, a total of 22 SMEs in Takoradi, Sekondi, Tarkwa, and Tema were visited for the on-site activities. The EHS consultant worked with the company's representative(s) to achieve the following:

- Draft and adopt company-specific EHS policy
- Conduct review of existing policies for EHS compliance
- Conduct risk assessment process with the company representatives

- Implement regular site inspection schedules



#### d. Procurement Best Practices

An important issue facing all local SMEs is to effectively compete in the procurement processes of IOCs and others. Close collaboration with IOCs and the PC provides SMEs with potential procurement opportunities in the oil and gas sector. However lack of the sufficient knowledge about the standard processes and procedures creates major barriers for local SMEs to successfully participate in the oil and gas sector procurement. In order to close this knowledge gap, SCD Program - with the assistance from an international consultancy, Neo-Edge, which specializes in organization of consulting services to the oil and gas sector – organized a specialized “Oil and Gas Procurement Best Practices” training. The main objectives of the training, which attracted 40 SMEs from different backgrounds, were to:

- Describe procurement processes and procedures in the oil and gas
- Provide understanding of tendering and contracting processes specific to oil and gas
- Describe and practice how to manage the tendering and negotiation process
- Discuss and analyze how to deal with typical negotiation situations
- Inspire and motivate SMEs to better identify and explore opportunities

Over a rigorous four days, the SMEs used classroom instruction, practical assignments, and lecture-based learning to enhance their competency in this important area. Neo-Edge engaged the services of two prominent Ghanaians to help deliver the training – Dr. Kwabena Donkor, Member of Parliament and Chair of the Select Committee on Energy (also first PC Chairman) and Justice Georgina Mensah, a member of the judiciary experienced in procurement law and practice. Their insights and engagement with trainees offered unique access within the sector. Dr. Donkor provided trainees with additional contacts and sources of information for their own development. He encouraged SMEs to form partnerships with each other, seek joint ventures

with international firms, and register annually with the Petroleum Commission. Both guests also shared their own contact information with the SCD network and encouraged SMEs to seek their advice. Ongoing engagements and discussion with some SMEs continue based on those interactions, and future engagements with Dr. Donkor, particularly, are envisioned through the Petroleum Commission. Participants earned proficiency certificates upon completion of the full course content and successful performance on a final exam.

### e. ICT Capacity Building

The first ICT training program took place over several weeks in July/August after many SMEs stressed the need to improve skills in this area. The ICT training involved the application of MS Excel Essentials-1 and EasyBooks® Accounting software. The EasyBooks® software is also noteworthy because it is both locally designed and produced – a Ghanaian product. Training was offered to 21 selected SMEs/BSPs and focused on effective and efficient data capture and reporting for management decision-making, improved adherence to statutory reporting requirements, and implementation of more efficient systems overall. Participants were given two days of hands-on, applicable and customized MS Excel Essentials-1 training and three days of practical training in the use of the EasyBooks® Accounting System. Each participant firm was given training materials on CD and the EasyBooks® Accounting System software.

Independent assessment by all participating SMEs/BSPs indicated that the first ICT Capacity Building Training Program had been very successful. They also called for regular follow-ups to ensure that the knowledge and skills acquired are well applied. Some participant comments reflected their support for the training.

- *“It was overall a good training. A lot of useful and timely knowledge has been learnt and will be practiced accordingly” (Irene Sylvia Dakurah of Zodiac Marine Services)*
- *“It was unique and helpful to my business operations....I strongly recommend a follow-up Basic Accounting course for non-accountants” (Daniel Kwarkyi of Danest Engineering)*



## f. Arc Welding Inspection and Quality Control

From SCD's initial engagement with local firms until now, one craft which is often mentioned as needing support is welding. It's a skill widely practiced among Ghanaian SMEs, though poorly regulated or supervised. This affects local welder's ability to compete more effectively for IOC work, though plenty of work exists. The TEN Project, the Atuabo Freeport, the new Takoradi harbor and the Tema shipyard are all large current projects with extensive welding needs in the foreseeable future. SCD maintains direct ties with those projects in order to enhance opportunities for trained SMEs to work there.

Eighteen individuals from 12 SMEs and 2 BSPs took part in 30-hour training on Arc Welding Inspection and Quality Control. This training, conducted by Danest Engineering, sought to introduce to participants job processes and quality standards that meet industry requirements. This course was designed for SME personnel in engineering, quality control, management and welding supervisors. Specific attention was given to current opportunities in the oil and gas, mining, construction and services industry including recent projects. These include work at a power plant, a gas plant, a shipyard and dry dock, a tank farm, and extensive pipeline and structural works – all located in the Western Region.

Daniel Kwarkyi, CEO of Danest Engineering, is an AWS Certified Welding Inspector and a beneficiary of most SCD trainings to date. One of Ghana's most experienced welding experts, he was able to not only benefit from but also deliver training on behalf of SCD. He took full advantage of the opportunity to develop his business through his engagement with SCD. Danest Engineering won a significant contract with a South African steel fabrication company (Belmet Ghana, Ltd.) to provide welding services and training related to the TEN Project. (See Annex 1 – Project Success Stories)

## g. Training of Trainers

An important purpose of SCD's engagement with BSPs is to ensure quality delivery and sustainable impact of their work, particularly as delivered to SMEs who are in the SCD network. As capacity of BSPs is improved, they will be able to continue providing quality training and advisory services to SMEs beyond the life of the SCD Program. In line with this objective, five BSPs took part in a Training of Trainers (TOT) workshop. The training incorporated the International Finance Corporation's (IFC) *Business Edge* program for this activity. *Business Edge* was specifically designed as business training for developing countries in order to strengthen the management skills of owners, managers and staff of local firms. This initial four-day training augmented BSP skills in facilitation of interactive training, adult learning practices, improved presentation tools and enhanced reporting techniques. Each participant successfully completed the four-day process, including practical assignments and earned the IFC certificate.

As a further outcome of this training, two of the trainees (*Qualms Consult* and *Best Safety Consult*) later formed a partnership to help SCD deliver its first EHS training. Both firms submitted proposals to SCD for EHS training. After rigorous review, SCD selected *Qualms* as

the service provider, who in turn, reached out to *Best Safety* to help in the delivery of the training. It proved to be a successful partnership that remains in force today.

### 3. FY 2014 Indicators, Performance and Targets

The qualitative program data is contained in the table below and described in the narrative which follows. Overall, some key indicators were met and exceeded while others fared less well. Due in large part to the dynamic nature of industry activities and concurrent SME needs, SCD felt that some improvement with the program's indicators was needed. Working closely with METSS, culminating in a year-end internal workshop concluded that a revised set of indicators should be adopted. The revised indicators should more clearly reflect appropriate ways to measure output, and most importantly, will help identify and document impact of activities. (See section 4 – PMP/Annual Workplan).

#### a. Performance Indicators Tracking Table (As of September 30, 2014)

USAID - SCD Objective, Results and Indicators	Baseline Value	FY2014 Target	FY2014 Actual	% Actual vs. Target
<b>SCD Goal: Increased competitiveness of SMEs in the oil and gas, power and other sectors</b>				
<b>IR 1: Improved capacity of BSPs to serve SMEs</b>				
<b>SCD IR 1.1 Training and consulting abilities of BSPs strengthened</b>				
<b>SCD IR 1.2 Organizational capacities of BSPs built for long-term sustainability</b>				
<b>Indicator 1:</b> Number of BSPs which have received USG supported training		20	38	190
<b>Indicator 2:</b> Number of BSP person hours of capacity building related training supported by USG assistance		1600 (80hrs/person)	740	46
<b>Indicator 3:</b> Number of BSPs certified to deliver SME training and consultancy services		12 (60% of BSPs)	5	42
<b>SCD IR 2 Improved capacity of SMEs to meet sectors' supply requirements and standards</b>				
<b>SCD IR 2.1. Increased access to training and capacity building</b>				

<b>Indicator 4:</b> Number of SMEs/ individuals who have received USG supported training	0	50	58	116
<b>Indicator 5:</b> Number of SMEs person hours of capacity building related training supported by USG assistance	0	4000 (80hrs/person)	3227	81
<b>Indicator 6:</b> Number of training and capacity building tools developed	0	3	-	-
<b>SCD 2.2 Increased SMEs' understanding of sectors' procurement requirements, standards and best practices</b>				
<b>Indicator 7:</b> Number of SMEs/Individuals achieving specified industry certification	0	20 (40% of SMEs)	51	255
<b>SCD- IR 2.3 Improved market and finance information, access and linkages</b>				
<b>Indicator 8:</b> Number and value of contracts received by SMEs trained with USG assistance	0	15	-	-

- **Indicator 1: Number of BSPs who have received USG supported training - 38**

This indicator refers to 38 BSPs from which staff representatives have taken part in SCD trainings. The SCD Program's target of 20 BSPs trained in FY 2014 was exceeded by 18 additional BSPs. The BSP trainings include 2 general workshops and 4 technical (IFC Business Edge Training of Trainers; IT/Financial; EHS Awareness and Introduction; and Arc Welding Inspection and Quality Control) trainings. All 38 BSPs participated in 2 general workshops and 9 BSPs have taken part in technical trainings. At the inception of the project, the SCD Program targeted all BSPs to take part in the technical trainings. However additional BSP assessment indicated that not all BSPs were quite ready for the technical trainings. These BSPs required additional general workshops prior to including them to the technical trainings.

- **Indicator 2: Number of BSP person hours of capacity building related training supported by USG assistance - 740**

General workshops take less number of hours in comparison with technical trainings organized by SCD. Given the fewer number of BSPs that took part in technical trainings during the reporting year, there is a deviation of -860 hours on this indicator. This deviation was due, in

large part, to incorrect forecasting of the actual hours needed for trainings. This indicator has undergone revision and will be dropped in subsequent reporting. (See table below)

- **Indicator 3: Number of BSPs certified to deliver SME training and consultancy services - 5**

Out of 9 BSPs from which staff representatives received technical training, 5 BSPs participated in the IFC Business Edge Training of Trainers. 5 employees from each of these 5 BSPs took part in the training and received certification as qualified Trainers. It is worth noting that this certification goes to individuals and not companies. For this reason, this indicator counts number of individuals rather than BSPs (companies). The indicator has therefore undergone revision and the changes will be reflected in subsequent reporting. (See table below)

- **Indicator 4: Number of SMEs/ individuals who have received USG supported training - 58**

Similar to Indicator 1, Indicator 4 includes 58 SMEs - with more than 100 individuals-who took part in 2 general workshops and 4 technical trainings(EHS Awareness and Introduction; IT/Financial; Arc Welding Inspection and Quality Control; and Procurement Best Practices in Oil and Gas) . This indicator accounts for a deviation of +8 (thus exceeding target). Although the indicator could include data for both SMEs and Individuals, only one side of data (number of SMEs) could be reported on the Performance Indicator Tracking Table. Given the compound nature of this indicator, a revised version will be reported on in subsequent reporting to ensure clarity. (See table below)

- **Indicator 5: Number of SME person hours of capacity building related training supported by USG assistance - 3227**

As explained under Indicator 2 above, the inclusion of general workshops (with less number of hours) is a factor for the deviation of -773 hours on Indicator 5 as well. Additionally, although representatives from 51 SMEs (out of 58) took part in technical trainings, the number of hours spent (particularly in EHS and welding inspection) focused only on modules at introductory level in order to prepare participants for higher/advanced levels in the coming months. Like indicator 2, this indicator will also be dropped. (See table below)

- **Indicator 6: Number of training and capacity building tools developed - 0**

With reference to the PIRS, Indicator 6 is defined as *“training and capacity building tools or manuals that will be developed by the Project to facilitate the delivery of training and capacity programs to the SMEs”*. Based on this definition, SCD is unable to report specific data as BSPs were rather engaged by the Program to adapt existing training materials or manuals for various subject areas. For this purpose, 5 Ghanaian BSPs and 1 international BSP were recruited to lead the trainings. It is worth noting that, the SCD Program has, however, designed a Banking Guide and a BSP Directory as resources for SCD participants. These are yet to be finalized, but will be produced and disseminated in FY 2015. This indicator, as part of the indicator review process has been dropped and will not feature in subsequent reporting. (See table below)

- **Indicator 7: Number of SMEs/Individuals achieving specified industry certification - 51**

Indicator 7, although suggests reporting data on both SMEs and individuals, focuses on individuals as certificates have been issued in the name of individuals. Other type of industry certification such as those pertaining to ISOs are issued in the name of companies, however, at this level, only individuals have received certificates in EHS and welding inspection which are recognized by the oil and gas industry. 51 individuals representing 45 SMEs qualified for these certificates after receiving trainings organized by SCD.

- **Indicator 8: Number and value of contracts received by SMEs trained with USG assistance - (pending)**

The final tally for this indicator is incomplete. SCD has recently explained more clearly to SMEs that this indicator should view the term contract in its broadest sense in order to encompass revenue from sales, purchase orders, service agreements and partnerships. This is an impact indicator and due to its compound nature, it has undergone review and will be split into two separate indicators for subsequent reporting, by which time also specific data may be available. (See table below)

Another important SCD activity has been its work on access to finance education and information. Given the fact that the oil and gas industry is capital intensive, SCD is committed to ensuring that SMEs including BSPs are linked with financial institutions (through “speed dating”) for information on credit and other forms of financial assistance. By the end of the reporting year two “speed dating” sessions have been organized by SCD with the following results thus far. It should be noted that these are ongoing engagements that will continue to be monitored.

- Number of SMEs and BSPs in contact with Financial Institutions – 44
- Number of SMEs receiving loans from financial institutions – 2
- Value of loans received by SMEs – Ghc 6,000

Though the area of access to finance is vitally important to SMEs, it was not represented by any indicator to capture data appropriately. A new indicator has been created and will be reported on subsequently. (See table below)

In sum, all 8 current indicators have been reviewed for their practical importance and program relevance. The revisions do not change the scope or program objectives, but do provide a better basis for future data collection and analysis.

#### **4. PMP / Annual Workplan**

The PMP (See Annex 2 - PMP) remains the guiding document for overall program delivery activities. As described above, the bulk of the document is unchanged and remains relevant and appropriate to support achievement of the goal and objectives. As SCD gained deeper understanding through stakeholder engagement and industry gap analysis, it was evident that improved tools were needed to more effectively collect, record and assess data. By improving the tools through revision of indicators SCD will be in a better position to identify and assess



impacts of the trainings as well. The revised indicators are listed below. Based on With METSS guidance and assistance with the development of revised indicators the SCD program decided that including more specific indicators would be helpful to enhance the program's monitoring and evaluation activities. Furthermore internal discussions as well as feedback from Program's SMEs, provided assurance that revised indicators could help the program report the results more effectively. By increasing the number of indicators from 8 to 14, SCD will be in a better position to collect more relevant data which will offer a greater opportunity to identify and assess impacts. The revised indicators are listed below:

#### a. Revised Indicators Table

<b>Indicator 1</b>	Number of individuals from BSPs that have received USG-supported training
<b>Indicator 2</b>	Number of individuals certified to deliver SME trainings and consultancy services as a result of USG support to the oil and gas, power and other related sectors
<b>Indicator 3</b>	Number of BSPs that have received and applied business application tools as a result of USG support
<b>Indicator 4</b>	Number of business policies and procedures at different stages of development by BSPs as a result of USG assistance
<b>Indicator 5</b>	Number of BSPs that have improved management (score in percent) as a result of USG assistance in the oil and gas, power and other related sectors
<b>Indicator 6</b>	Number of individuals from SMEs that have received USG supported training
<b>Indicator 7</b>	Number of Individuals from SMEs that have received certification as a result of USG assistance in the oil and gas, power and other related sectors
<b>Indicator 8</b>	Number of SMEs that have received and applied business application tools as a result of USG support
<b>Indicator 9</b>	Number business policies and procedures at different stages of development by SMEs as a result of USG assistance
<b>Indicator 10</b>	Number of SMEs that have improved in management (score in percent) as a result of USG assistance in the oil and gas, power and other related sectors
<b>Indicator 11</b>	Number of SMEs at various stages of accessing credit with support from USG
<b>Indicator 12</b>	Number of SMEs at different stages of relationship with IOCs, subcontractors or other related agencies for industry information as a result of USG assistance
<b>Indicator 13</b>	Number of contracts received by SMEs as a result of USG assistance in the oil and gas, power and other related sectors
<b>Indicator 14</b>	Value (USD) of contracts received by SMEs as a result of USG assistance in the oil and gas, power and other related sectors

The above-listed indicators reflect the increased scope of activities planned for the FY 2015. The details of the planned activities are included in the Annual Workplan and activity chart (See Annex 3 – FY 2015 Workplan) submitted to USAID at the end of the reporting period. Based on the overall scope, impact and assessment of this past year's activities, the Program is ready to

undertake more deliverables next year and achieve greater results. The table below indicates targets for the remainder of the project and represents an optimistic forecast of future impacts.

### b. Indicators and Targets 2015 - 2018

Indicators	Targets				LOP
	FY2015	FY2016	FY2017	FY2018	
Number of individuals from BSPs that have received USG-supported training	40	20	20		40
Number of individuals certified to deliver SME trainings and consultancy services as a result of USG support to the oil and gas, power and other related sectors	10	10	5		30
Number of BSPs that have received and applied business application tools as a result of USG support	15	10	10		35
Number of business policies and procedures at different stages of development by BSPs as a result of USG assistance	15	20	20		20
Number of BSPs that have improved management (score in percent) as a result of USG assistance in the oil and gas, power and other related sectors	40			40	40
Number of individuals from SMEs that have received USG supported training	150	100	70		200
Number of Individuals from SMEs that have received certification as a result of USG assistance in the oil and gas, power and other related sectors	100	70	50		150
Number of SMEs that have received and applied business application tools as a result of USG support	50	30	30		70
Number of business policies and procedures at different stages of development by SMEs as a result of USG assistance	100	120	120		120
Number of SMEs that have improved in management (score in percent) as a result of USG assistance in the oil and gas, power and other related sectors	70			70	70

Number of SMEs at various stages of accessing credit with support from USG	50	50	50		50
Number of SMEs at different stages of relationship with IOCs, subcontractors or other related agencies for industry information as a result of USG assistance	70	70	70		70
Number of contracts received by SMEs as a result of USG assistance in the oil and gas, power and other related sectors	40	30	30		100
Value (USD) of contracts received by SMEs as a result of USG assistance in the oil and gas, power and other related sectors	1,500,000	1,000,000	1,000,000		3,500,000

## 5. Conclusion

The FY 2014 ended on many positive notes. The final quarter was the most active for the SCD Program. Targeted public communications, stakeholder outreach events and relevant SME trainings began to yield results and enhance the Program's position and relationships with the oil and gas stakeholders such as the Petroleum Commission, Tullow, Baker Hughes and several other contractors. SCD gained much needed recognition at the appropriate levels and with key stakeholders. This was clearly in evidence over the latter half of the year as SCD played a leading role in the PC's main stakeholder event, delivered multi-day, certificated trainings covering four major thematic areas (EHS, IT, Procurement and Welding), and culminated the year with a comprehensive review and planning session internally and with those stakeholders who successfully completed trainings throughout the year.

SMEs and BSPs benefited significantly from their involvement with SCD. Those who were most active regularly report to SCD some of the tangible and intangible benefits of their association with the Program. While the SMEs and BSPs have other options and opportunities for their own development, including the EDC, those which have worked with SCD now have an affiliation with the others in the same network, and are viewed by the PC, Tullow and others, as being part of the SCD network. Together they are collaborating and finding ways to apply skills and techniques gained from the Program.

- SCD listens to SMEs/BSPs and takes their suggestions into account, at all stages of program identification, design and implementation
- SCD trainings are challenging, appropriate, and technically-focused, interactive learning sessions
- Use of Ghanaian BSPs as service delivery partners is a unique feature of the SCD Program

- SCD's focus on Access to Finance through "Speed Dating" presented a model approach to address a challenging problem common to all SMEs
- Joint ventures and other partnerships among SMEs have formed and others are under consideration
- SMEs and BSPs in the SCD network have employed knowledge gained through EHS and IT trainings to upgrade their own businesses, policies and practices
- SCD support of activities and provision of training for in welding inspection/quality control led to direct engagement and contracting between one SME program beneficiary and one Project T.E.N. subcontractor

Based on the results achieved thus far, and particularly the support expressed by those who have benefitted from the work, SCD is well-positioned to deliver improved trainings and events in the coming year. Collaboration issues no longer will delay implementation, as the key regulatory agency has included SCD as part of its own Local Content mandate, and key contractors including IOC's are in discussion with SCD for the direct provision of services to selected SMEs in the supply chain.

The impact of SCD's work continues to take shape as both the SCD team and its main beneficiaries remain in close communication to share information and provide necessary data to help measure and monitor outcomes and to help determine impacts. What is clear at this stage of the Program is the following - SMEs and BSPs who have taken advantage of SCD offerings and services are now better equipped to understand the oil and gas supply chain and its opportunities, are well-positioned to seek tender offers and ultimately contracts from within the sector. They have grown as business entities and gained much needed confidence in themselves and the sector. They have demonstrated a sincere commitment to the goal and objectives of the Program, including a willingness to contribute to their own success by giving of their own time and resources to attend and successfully complete the offerings. Enthusiasm for next level trainings, more advanced certificates and expanded contracting opportunities will be the driving force for the coming year – and the SCD Program is ready to meet the challenge.

## Annexes

1. Project Success Stories
  - A. Danest and SCD
  - B. Qualms Consult Success Story
  - C. Paa Tom Success Story
  - D. Baj Freight Success Story
  - E. Kwansa Success Story
  - F. Vetrotech Success Story
  
2. PMP Updated
  - A. Performance Indicators Reference Sheets
  
3. FY 2015 Workplan
  - A. FY 2015 Workplan Chart
  - B. Training Calendar
  
4. Video link to Viasat coverage (SCD successes) below.

<https://www.youtube.com/channel/UCIGkOT13rUBN-vCAZkF795Q?spfreload=10>

