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Acronyms

Acronym	Definition
AGI	Association of Ghana Industries
AOR	Agreement Officer's Representative
B - BOVID	Building Business on Values, Integrity and Dignity
BSP	Business Service Provider
CoP	Chief of Party
CSR	Corporate Social Responsibility
DCoP	Deputy Chief of Party
DQA	Data Quality Assessment
EDC	Enterprise Development Centre
EG	Economic Growth
EHS	Environment, Health & Safety
FTFMS	Feed the Future Monitoring & Evaluation System
GOGSPA	Ghana Oil & Gas Service Providers Association
IOC	International Oil Company
IFC	International Finance Corporation
IR	Intermediate Results
LI	Legal Instrument
M & E	Monitoring and Evaluation
METSS	Monitoring and Evaluation Technical Support System
MoEP	Ministry of Energy & Petroleum
MoTI	Ministry of Trade & Industry
MOU	Memorandum of Understanding
O&G	Oil and Gas
PMP	Performance Management Plan
PSC	Project Steering Committee
QMS	Quality Management Systems
SCD	Supply Chain Development
SME	Small and Medium Scale Enterprise
STRCCI	Sekondi-Takoradi Regional Chamber of Commerce and Industry
ToT	Trainer of Trainers
USAID	United States Agency for International Development
WISTA	Women in Shipping and Trading Association

1. Introduction

The recent reporting period was an active one for the SCD Program. Engagements with stakeholders, program participants, and sector representatives significantly increased over the period, which spurred planning for upcoming trainings, added meaningful information to the SCD database, and created new opportunities for BSPs and SMEs to grow. During the period, SCD gained stature within the sector by forging new relationships with the Petroleum Commission and some of its key member organizations. Despite some staffing challenges, and delays to planned events, this period was critical in terms of establishing better collaboration with SCD Program stakeholders, mutual understanding and important feedback for future activities.

Program Goal and Expected Results

The Performance Management Plan (PMP) outlines the Program’s goal and objectives and presents a comprehensive monitoring plan designed to achieve deliverables and set the programmatic targets. The overall goal of the SCD Program is to increase competitiveness of SMEs including BSPs in oil and gas and other related sectors. This goal is in line with USAID’s Development Objective 2, Sustainable and Broadly Shared Economic Growth, as spelled out in the 2013-2017 Development Cooperation Strategy for Ghana.

In order to achieve the Program’s goal, expected intermediate results (IR) have been set to guide approach and interventions. The table below shows summary of initial expected IRs of the SCD Program:

USAID Development Objective 2: Sustainable and broadly shared economic growth	
<i>SCD Goal: Increase competitiveness of SMEs in oil and gas and other related sectors in Ghana</i>	
SCD IR 1: Improved capacity of BSPs to serve SMEs	SCD IR 2: Improved capacity of SMEs to meet supply requirements and standards
SCD IR 1.1: Training and consulting abilities of BSPs strengthened	IR 2.1: Increased access to training and capacity building
SCD IR 1.2: Organizational capacities of BSPs built to obtain long-term sustainability	IR 2.2: Increased understanding of SMEs on procurement requirements, standards and best practices
	IR 2.3: Improved access to market and finance

Table 1: Program goal and expected results

The PMP contains the SCD results framework which includes eight key performance indicators identified to measure the above goal. Based on evolving information, feedback, and engagement with BSPs, SMEs and other stakeholders within the relevant sectors, these indicators were revisited during the period. Review will be finalized and duly submitted for USAID approval in coordination with the year-end Data Quality Assessment (DQA).

2. Program Activities

During the reporting period, most of the activities undertaken moved from SME and BSP identification and assessments to organization of BSP certified trainings and SME workshops and continuous engagement with the Program's stakeholders. The Program worked to provide necessary support to program partners and continued its collaborative engagement with key stakeholders.

a. SCD IR 1: Improved capacity of BSPs to serve SMEs

IR 1.1: Training and consulting abilities of BSPs strengthened

IR 1.2: Organizational capacities of BSPs built to obtain long-term sustainability

i. Training of Trainers (ToT) for BSPs

The purpose of SCD's engagement with BSPs is to ensure quality delivery and sustainable impact. 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 (see list in report, Annex I) took part in a Training of Trainers event (ToT) organized according to the International Finance Corporation (IFC) - Business Edge model. This training was designed to augment BSP skills in facilitation of interactive training. Background experience and qualifications of the participants include Tax Management; Environment, Health and Safety (EHS), Quality Management, Finance Management, and Human Resource Management. Upon completion, participants were expected to effectively:

- Describe characteristics, preferences and expectations of the adult learner in general and, SMEs in particular
- Describe competencies required of a trainer
- Prepare for training
- Identify own and others' learning style and implications for training
- Introduce a training session
- Present training content
- Create and use visual aids to support training
- Demonstrate new and effective facilitation skills, behaviors and techniques

- Ask and answer questions appropriately
- Follow guidelines for giving and receiving constructive feedback
- Conclude a training session
- Manage difficult situations in the classroom
- Conduct five-minute introduction to a training session
- Conduct fifteen-minute excerpt of a training session
- Evaluate own strengths and areas for improvement as a trainer



BSPs, Jonathan Mensah (Best Safety Consult), Albert Entsie (Febert Consult) and Tawiah Adjei (Qualms Consult) working on a tabletop exercise during ToT.

This four-day ToT was held from May 19 - 22, 2014 and activities which took place during the workshop are shown in the table below.

CONTENT

1	<ul style="list-style-type: none"> • Introduction to the workshop • Our learners, our starting point • Trainer competencies • Key Competency 1: Preparing for training <ul style="list-style-type: none"> ○ Creating comfortable learning environments ○ Learning styles (Kolb) • Reflection and review
2	<ul style="list-style-type: none"> • Key Competency 2: Conducting training <ul style="list-style-type: none"> ○ Key Competency 2.1: Introducing a training session (GLOSS) ○ Key Competency 2.2: Presenting training content (EASE) <ul style="list-style-type: none"> ▪ Using media effectively <ul style="list-style-type: none"> • Flipchart clinic ▪ Asking and answering questions ○ Key Competency 2.3: Giving and receiving feedback (FEED) • Short practice preparation (GLOSS 5-minute presentation) <ul style="list-style-type: none"> • Reflection and review
	<ul style="list-style-type: none"> • Evening preparation
3	<ul style="list-style-type: none"> • <i>Short practice presentations</i> • Key Competency 2: Conducting training (cont'd) <ul style="list-style-type: none"> ○ Key Competency 2.4: Concluding a training session (OFF) • Professional classroom management techniques <ul style="list-style-type: none"> ○ Using projectors and slides effectively ○ Managing session time ○ Managing difficult circumstances ○ Using non-verbal language ○ Creating comfortable learning environments (reprise) ○ Being sensitive to gender <ul style="list-style-type: none"> • Long practice preparation (EASE 15-minute presentation) • Reflection and review

The Business Edge Methodology that was used during this training was new to participants and they found the experience enhancing and challenging. The overall feedback from participants was favorable and led to collaboration amongst them. The detailed ToT report and evaluations of the workshop are attached in Annex I.

ii. **BSP Proposal Review and Selection**

Local BSPs, equipped with new skills and committed to their organizational capacity development, continue to propose and suggest suitable trainings or advisory services for SMEs. During workshops held for BSPs in Accra and Takoradi in December 2013, participants were encouraged to submit proposals within their own areas of expertise. The request for proposals was aimed to examine BSPs' understanding of the SCD Program and to better understand the areas in which they can provide technical support to SMEs. By the end of the reporting quarter, SCD program received and reviewed twenty (20) proposals. Out of these proposals, the Program made final decision about involving six (6) BSPs for potential SME trainings. These BSPs include:

- Rainbow Consult – ToT
- Qualms Consult – EHS
- Excellence Consulting – IT
- Afri-Consult – SME development
- Danest – Welding certification
- B-BOVID – SME development

Other proposals are under active consideration as well – all for Q4 delivery.

b. SCD IR 2: Improved capacity of SMEs to meet supply requirements and standards

IR 2.1: Increased access to training and capacity building

IR 2.2: Increased understanding of SMEs on procurement requirements, standards and best practices

IR 2.3: Improved access to market and finance

i. Continuous SME Engagements/Assessment

As reported in the previous quarter, nearly all of the identified SMEs had received assessment forms and begun submitting their responses. By the end of this reporting quarter, 26 out of 36 assessments were completed (or partially completed) and entered into *Salesforce*, SCD's online database system. Interactions with SMEs, including their own response to SCD questionnaires, revealed that most SMEs do not have Environment, Health and Safety (EHS) policies in place. The surveys revealed that few have any type of Quality Management Systems (QMS) either. Most of the SME surveys also revealed significant IT gaps in their work products and processes. Aside these commonly identified gaps, some SMEs also demonstrated needs for technical support in areas ranging from operational management to welding. Based on the above information, and SCD's ongoing engagement with the SMEs, plans are currently in place to deliver EHS and IT trainings early in the next quarter.

ii. SME Workshop

SCD Program organized its first workshop for SMEs on April 15, 2014 in Takoradi, following earlier workshops held with BSPs in Takoradi and Accra. This workshop, dubbed, “Engagement for Partnership”, brought together a total of 60 participants representing 35 SMEs (see Annex II), members from the Sekondi-Takoradi and Tarkwa Chambers of Commerce, some commercial banks, and media (visit [Viasat 1 TV coverage](#)). Participating SMEs came from different sectors including engineering, logistics and supply, construction, welding and fabrication, hospitality, clothing and textiles, graphics and designs, networking, air conditioning services and maintenance, fire management, equipment hiring and heavy machinery suppliers.

The workshop model created a platform for SCD to give in-depth information about the Program and present training opportunities available to SMEs. That same approach proved successful with the initial BSP workshops last year. Most importantly, however, the workshop gave participants the chance to discuss their issues, express their concerns, offer suggestions and solutions the Program should address. Some of the major concerns and responses were as follows:

SME Concerns	SCD Response
Frustration with workshops, trainings, events which do not appear to meet participants’ expectations	Seek SME direct input to plan relevant activities
Access to Finance; Banking practices	Convene all-day event with Banks / Institutions and SMEs to exchange information, build relationships
Poor communications from International Oil Companies (IOCs) and key contractors regarding procurement opportunities	Build direct linkage through supplier awareness events with IOCs /others with specific targeting of SMEs in SCD Program
SME mistrust / suspicion of new programs and need to share information	Assure SMEs of SCD approach – to build long-term relations with them, provide direct assistance to SMEs with resources, and work exclusively to build and enhance local content

To identify issues that may affect SCD engagement with SMEs and how to prevent or address them if/when they arise, participants took part in a group exercise to share their views. The table below outlines key challenges and suggested solutions that were discussed.

SME Challenges	SME Identified Solutions
O&G and other companies inability to identify qualified SMEs	Establishment of SME/SCD coordination group to assist companies identify qualified SMEs.
Identification of SME needs	Continued engagement with local SMEs

Unwillingness of SMEs to open up to SCD program. Lack of cooperation from SMEs	Transparency and effective communication between SCD and SMEs to encourage SMEs to share information and work with the Program
Most SMEs lack required certifications in order to be linked up with the oil and gas industry. Lack of assistance to SMEs with recognized international certifications	SCD Program should identify and link up with international recognized regulatory bodies to assist with certification for local SMEs
SME lack of training, especially in understanding Procurement Act and procurement process	In-house training by SMEs and SCD on issues related to procurement processes in the oil and gas industry
SME lack of finance to take up opportunities in the industry	SCD to have partnership with financial institutions and also set up a mutual fund to assist SMEs financially
Political constraints in SCD engagements with Government	Program should not be politicized.
Time punctuality on the part of SMEs	Time management training
Standard practices i.e. SMEs lack understanding/knowledge about some standardized practices in the industry.	Motivation by SMEs to attain better rates of compliance with standards
High expectations of SMEs from SCD	SCD should orient/ sensitize/educate to manage expectations of the program and focus on opportunities rather than problems
SMEs lack effective managerial and oversight systems particularly in areas of supervision, auditing, record keeping, EHS, etc.	Manpower development programs by SCD
Ineffective relationship building across key sector partners leading to lack of trust/transparency, poor accountability, political interferences/discrimination.	SCD to organize training in these areas and help improve institutional audit system
Lack of genuine business setup. Some businesses are set on forgery of company documents and/or for fraudulent activities	Good monitoring system
IOCs do not show interest in local companies	Training of SMEs to international standard
SMEs from different fields or sectors coming together	SCD to narrow scope of engagement
Difficulty in networking among local companies	Common platform to share business information
Inadequate information regarding policies by banks	SCD to involve financial institutions
Difficulty in keeping SMEs in business	Continuous monitoring of SME activities



Participants trying to reach a consensus during a group exercise during an SME Workshop

The final session of the workshop covered a presentation on the recently passed Local Content legislation, ***Petroleum Local Content and Local Participation Regulations (L. I. 2204)***. Participants were educated on what the law stipulates, how relevant the SCD program is in achieving the set targets and what the current opportunities are for local SMEs. Principally, ***L. I. 2204*** seeks to:

- 1. Promote maximization of value addition and job creation through the use of local expertise, goods and services, businesses and financing in the petroleum industry value chain and their retention in the country;*
- 2. Develop local capacities in the petroleum industry value chain through education, trainings, skills transfer and expertise development;*
- 3. Achieve minimum local employment level and in-country spend for the provision of goods and services in the petroleum industry value chain;*
- 4. Increase the capability and international competitiveness of domestic businesses;*
- 5. Create petroleum and related supporting industries that will sustain economic development;*
- 6. Achieve and maintain a degree of control for Ghanaians over development initiatives for local stakeholders;*
- 7. Provide for a robust and transparent monitoring and reporting system to ensure delivery of local content objectives;*

8. Provide for submission of the local content plan and related sub-plans by contractors, licensees and any other allied entity involved in the petroleum industry.

Key local content targets (local goods, services and personnel) established according to the law are shown in the table below:

Item	Start	5 years	10 years
Goods and Services	10%	50%	60%
Management	30%	50%	70%
Technical	20%	50%	70%
Other Staff	80%	90%	100%

The Goods and Services category is the most relevant to SCD and its current participant network. Participants were made aware that implementation of this law represents supply chain (i.e. procurement) opportunities for SMEs, which should be recognized and understood by them. SMEs must meet industry requirements and standards which SCD support, along with collaboration across the sector, should offer.

See full report of SME workshop in Annex III.



Group photo – SME Workshop April 2014

iii. SME-Bank “Speed Dating”

Doing business with the oil and gas industry can be capital intensive. One objective of the SCD Program is to link SMEs to sources of finance. Against that backdrop, SCD is using the concept of “speed dating”¹ to achieve this aim. During this quarter, a scoping trip was made to several financial institutions including banks, savings and loans and microfinance institutions to discuss SCD’s idea of organizing a bank networking session for SMEs. Both SMEs and financial institutions were excited to have a platform where they could interact with each other.

SCD’s first SME-Financial Institution “Speed Dating” event took place on Friday May 16, 2014 at the Raybow International Hotel in Takoradi. Arguably, it was also the first event of its kind to be held in the region. Representatives from 20 SMEs and 11 financial institutions participated. Two major sessions took place during the event. First, SMEs and financial institutions were grouped separately to discuss challenges encountered in doing business with each other as well as possible solutions. Findings from this group exercise and perspectives of both SMEs and financial institutions are shown in the tables below:

Findings by financial institutions

Challenges	Solutions
<ul style="list-style-type: none"> • Poor record keeping • Inadequate and invalid documents • Unrealistic amount of borrowing • Difficulty understanding client business nature • Impulsive attitude • Poor management style • Multiple borrowing • Lack of collateral • Short-term focus • Dishonesty by some SMEs • Lack of good succession plan • Poor documentation • Lack of proper investment plan match • Lack of proper cash flow control 	<ul style="list-style-type: none"> • Adopt good record keeping practice • Correct and valid documents must be used • Realistic amount of borrowing request • Availability of company data to financial institutions for better understanding of client’s business • Adopt better management systems. Separate personal interest from work. • Good collateral systems in place • SMEs should consider long term gains in their activities • SMEs should be trustworthy in actions • Develop a good succession plan • Accurate and excellent documentation • Match profits per business • Plan sales and business operations

¹ An organized social activity in which people seeking romantic relationships have a series of short conversations with potential partners in order to determine whether there is mutual interest. (Source: www.oxforddictionaries.com)

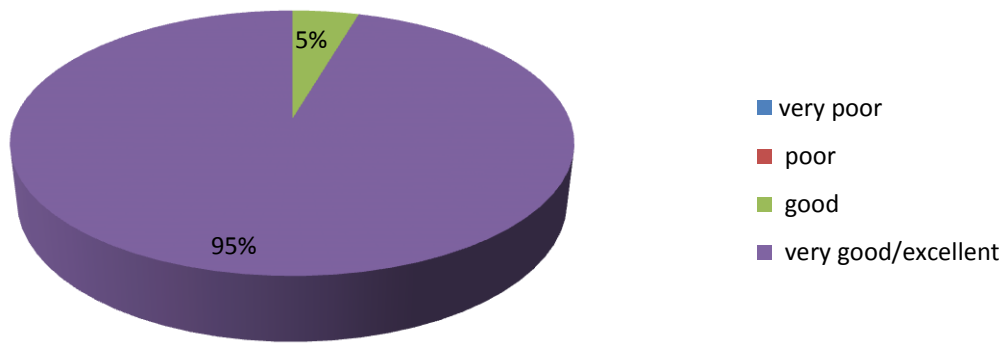
Findings by SMEs

Challenges	Solutions
<ul style="list-style-type: none"> • Unwillingness by financial institutions to work with SMEs • Bureaucracy and lots of documentations • Financial institutions do not follow-up on whether purpose for loan was successful • High interest rates but short periods to pay • Complex collateral agreements • Unavailability of start-up capital • Delayed access to loans • Mistrust and lack of interest in activities of SMEs • Financial institutions show less interest for investment in the manufacturing and services sectors • Financial Institutions focusing too much on profits and paying less attention to customer relationship 	<ul style="list-style-type: none"> • Financial institutions should have a designated unit for SMEs • Revised process and requirements for loans to suit SMEs • Partner SMEs by serving and monitoring SME growth • Reduced, flexible and longer repayment periods should be designed for SMEs • Flexible collateral agreements where guarantors can sign • Set up units to aide start-ups • Decentralize operations for faster processing of loans • Financial institutions should familiarize themselves with activities of SMEs • Take interest in all businesses • Financial institutions should be more interested in clients satisfaction

The second part consisted of the actual speed dating session where SMEs and financial institutions were paired for rotational face-to-face interactions. As described in the report (Annex IV) of the event, overall, this event was successful in getting majority of SMEs connections with financial institutions. Below is a summary of feedback from participants:

- a. **95%** agreed that the event was very good or excellent
- b. **90%** have learnt lessons that will help improve their businesses
- c. **89%** would recommend this SME-Bank “speed dating” to others
- d. **94%** made connections and intend to follow up
- e. **89** matches (“yes” from both sides-SMEs and Financial Institutions) were formed and would like to meet again
- f. **45** matches were uncertain about meeting again

% Speed Dating Event Overall Evaluation



Follow-ups will be made to track progress of the above connections. Already, one SME has informed SCD that the connections have led to receiving a loan from one of the financial institutions. Other SMEs are also in the process of submitting loan applications. More details on the outcome of the “speed dating” will be shared in the next report once the follow-ups are completed.



Mrs. Dinah Konney (Yenok Wood Products) presenting her SME to a representative of Bank at Speed Dating Event

iv. Fishmongers SME Workshop

Kosmos Energy, one of the Jubilee Partners, has been in discussion with SCD to find ways to offer greater support and capacity building for two local cooperatives within their supply chain seeking to enhance business opportunities. After a series of meetings and an SCD staff site visit, a workshop was held for two fishmonger (fishmongers in Ghana are predominantly women) associations from Ankobra and Ekpu. Located in Ellembelle and Jomoro Districts, respectively, Ankobra and Ekpu are two important fishing villages in the Western Region. Kosmos has committed to supporting the two fishmonger (women) associations there as a pilot project to build capacity of the associations. Both communities already have improved community ovens and storage facilities courtesy of Kosmos.

In order to organize a workshop with the Kosmos supported fishmonger associations SCD met with Omark Consult Ltd, a local organization through which Kosmos had provided previous trainings. In addition to collaborating with Omark and Kosmos in organizing the workshop, SCD engaged B-BOVID Ltd., another local organization, to provide assistance with the workshop organization. B-BOVID (visit www.bbovid.com) is one of SCD's identified BSPs who has already established itself in the Region through the delivery of trainings, stakeholder engagement, and a keen understanding of the needs of the oil & gas sector.

With the assistance from B-Bovid and Omark Consult Ltd SCD organized a one-day workshop for 15 members from the two associations on June 24, 2014, at the B-BOVID facility located near Takoradi. The members chosen for the workshop were model cooperative members who all agreed to work as a "pilot project" for their respective communities. Participants were given the opportunity to introduce themselves to the SCD program, discuss issues affecting fish mongering and present areas where B-BOVID could potentially provide support to them. After presentations from both SCD and B-BOVID, the fishmongers had an opportunity to tour B-BOVID facilities. The fishmongers expressed increased interest in improving their business planning and development. SCD will continue discussions with Kosmos in order to chart a way forward within the Program to maintain this important initiative. The support demonstrated by Kosmos both for the affected communities and SCD has been critical to achieving early positive results (report and evaluations in Annex V).



SCD M & E Specialist facilitating a group discussion by fishmongers

v. **SME Engagement and Certified Training**

The workshops held so far provided extensive knowledge and exchanges between SCD and SMEs regarding the Program.. The SCD program used the results and findings from SME and oil and gas industry engagements to develop specific SME training programs aimed at closing some of the gaps identified during the oil and gas sector demand analysis and SME workshops. . Through the engagements with SMEs, BSPs and oil and gas companies and their tier 1 contractors the SCD program identified EHS practices and IT skills as immediate priorities for SME development.. SCD program selected qualified local BSPs to provide EHS and IT trainings.

3. Stakeholder Engagements

a. Demand and Supply Analysis

In May, Robert (Bob) Webster from PYXERA Global headquarters in Washington, DC, visited the SCD program in Takoradi. Bob provided key short-term technical assistance following the departure of the SCD Deputy Chief of Party (see “staffing” section below). One important

aspect of his work was to provide additional support to SCD program in conducting a demand and supply survey of the oil and gas sector as it relates to the SCD Program. He was able to meet with several stakeholders and discuss procurement needs in the oil and gas sector. The stakeholders with whom he met include Kosmos, Baker Hughes, Petroleum Commission, Ministry of Trade and Industry (MoTI), Hess, Technip, Invest in Africa, the Ghana Oil and Gas Service Providers Association (GOGSPA), and many of the SCD program's network of SMEs. The engagement with these stakeholders was extremely helpful in validating information on SME gaps, capacity building needs and procurement opportunities.

b. Petroleum Commission

During this quarter SCD established a working relationship with the Petroleum Commission. Several interactions occurred, mainly with Dr. Juliette Twumasi-Anokye (Local Content Coordinator) and her team. The Commission has demonstrated increased interest in the SCD Program. Dr. Twumasi-Anokye has been keen on helping to address collaboration issues with the EDC as she agreed that it is an obstacle to achieving local content development goals. The Commission then sought the support and assistance of SCD to organize a local content workshop in Takoradi, in collaboration with the EDC, Tullow, other IOCs and key stakeholders, slated for July 2-3, 2014.

Unfortunately, the workshop was postponed and SCD has yet to receive any updated information on a new date. The workshop would include a full platform for dissemination of supply chain and procurement opportunities affiliated with T.E.N.² Project. The event would also be an opportunity for SMEs and BSPs within the SCD Program to directly engage with IOCs. Prior to plans for this workshop, the Commission and SCD also discussed possibilities of establishing a MoU between the Commission (with EDC) and SCD. Though this is not a new idea, and significant time and effort has already been spent to pursue such a MoU, SCD is still willing to revisit the laudable concept.

c. Kosmos:

Among all IOCs, Kosmos has shown the greatest latitude and interest in engaging with SCD. In addition to the work with fishmongers, Kosmos completed a demand survey questionnaire for SCD (the only IOC to do so), and has availed key Department Heads (Corporate Affairs, Commercial, CSR) to meet and supportively engage with the Program.

² T.E.N. – Twenboa, Enyenra, and Ntomme oil production fields are the recent Tullow find that is estimated to exceed the size and scope of the current operational Jubilee Field

d. Tullow:

Despite their close connection with EDC (and MoEP), this quarter saw some important, initial engagement steps with Tullow. In addition to meeting with Tullow staff at other engagements, CoP and Tullow's Supply Chain Manager, Paul Watson, met formally on June 4, 2014 at Tullow's Accra office. Paul was keen to understand the lack of cooperation and collaboration with EDC, which falls within his mandate, and pledged to take affirmative steps to improve the relationship. Both Paul and the CoP were hopeful to formalize improved collaborative efforts at the planned Petroleum Commission event slated for July.

e. Baker Hughes, Technip:

These are two important contractors with extensive work with major IOCs (Tullow, Hess, and Kosmos). Both met with SCD as part of the demand analysis engagements. The information provided about their own supply chain work was instrumental in helping validate and clarify gaps, needs, and opportunities for SMEs. Further, both firms agreed in principle, to participate in SCD awareness events in which each firm would supply key Department representatives to meet with SMEs and discuss "*How to Do Business with _____*" respectively. The SCD program plans to host 1-2 awareness events in the next quarter.

f. Invest in Africa (IIA):

Initially launched by Tullow in 2012, Invest in Africa now has other key partners such as EY, Lonhro Plc, and Ecobank. They are focused on addressing challenges for companies, especially SMEs, in doing business in Ghana. CoP has participated in their roundtable forums and IIA's Director met with SCD as part of the demand analysis. IIA is also developing a comprehensive database and is in discussions with SCD about how both organizations can share data beneficial to SMEs and other key stakeholders in the sector.

g. Ministry of Trade and Industry (MoTI):

The SCD team hosted a group from MoTI for a full-day working visit on May 9, 2014, led by K.N. Atuahene (Acting Director, Domestic Trade Department). This meeting discussed concrete ways to proceed with developing a joint action plan based on the MoU between SCD and MoTI. Though the MoU is a non-binding document, it does set out some objectives that will require collaborative efforts to occur. MoTI has not yet identified SMEs for SCD engagement, but in other respects have been supportive of all SCD activities to date. Other discussions also included planning on a proposed SCD Program Advisory Committee.

h. WISTA:

SCD attended a two-day conference organized by the Women in Shipping and Trading Association (WISTA) in Takoradi from May 28-30, 2014. The theme for this 5th Annual Africa conference was “Women in Maritime, Oil and Gas”. SCD used this event as a platform to reach out to additional SMEs and stakeholders. The CoP shared information about the SCD program and encouraged participants to take advantage of benefits therein. Discussions were held with the Ghana Shippers Authority, some women-owned SMEs, and other participants who were interested in the Program.

4. Administration/Operations

a. Staffing

- **M&E Specialist**
Ms. Donna Torsu joined the SCD team in June, 2014. Donna, who is originally from Accra, Ghana, was an Atlas Corps fellow at Pyxera Global’s Head Office and specialized in M&E and communications for various PYXERA Global programs.
- **Recruitment - Deputy Chief of Party**
An advertisement was placed in the Business and Financial Times newspaper in May and several candidates were selected from both that search and one (Devex) initiated by the Head Office. Interviews were held and it is expected that a new Deputy will be selected early in the coming quarter.
- **Training Manger**
SCD selected a Training Manager in April. The candidate came on-board and conducted the ToT for the Program. Unexpectedly, the Training Manager decided to leave the position. SCD’s training plans and schedule continued unabated. A replacement will be sought for the position.

b. Staff Development – M&E

SCD’s Monitoring & Evaluation Specialist participated in a two-day training conducted by USAID/METSS at Tamale from June 17-18. The workshop discussed the directives and principles to follow regarding program implementation and use of the monitoring system (FTFMS). It is understood that a new system is to be created to capture all indicators including custom indicators, such as those used by SCD, for the purpose of tracking important indicators outside FTFMS. The training was also beneficial for SCD and it plans to be working closely with METSS

on a number of areas including review of performance indicators and Data Quality Assessments.

c. Resignation – Deputy Chief of Party

Catherine Nelson resigned from her position as Deputy Chief of Party effective April 9, 2014.

5. Program Results Achieved

To date, SCD has conducted, sponsored and/or managed workshops, capacity building events, access to finance activities and ongoing engagements with its stakeholders. By the end of the reporting quarter, **37 BSPs** with expertise in various fields including EHS, IT, Quality Management, Enterprise Development, Training and Consulting, Accounting and Human Resources Management have been identified and included in SCD’s provider network. **36 BSPs** (21 in Takoradi and 15 in Accra) participated in SCD’s “Partnership for Engagement” workshops. Five of these providers have also received additional certified training based on the International Finance Corporation’s Business Edge Model. This was delivered as a Training of Trainers (ToT) activity. Through this intervention, SCD will be engaging with two successful participants from the ToT and work with them to provide trainings and consultancy services to selected SMEs in the coming quarter. SCD will strengthen capacity of more BSPs, through the delivery of additional ToT programs, to continue building SME capacity.

Regarding SMEs, **35 companies** (refer to Annex II) and **2 fishmonger community collaborative associations** (see Annex VI) participated in the SCD “Engagement for Opportunity” workshops. SCD workshops have been successful in increasing awareness and motivation of SMEs in learning more about procurement opportunities in the oil and gas sector. . The workshops validated current information on needs and interests related to training and skills development. The workshops also highlighted SME concerns over gaps in communications and support from IOCs. One participant, Paa Tom Company Ltd., - a Takoradi fabrication/construction business, had this to say about the SME workshop: *“...the Engagement for Opportunity workshop actually exposed our lapses, failures and ignorance in what we were doing or how we were ruining and mismanaging our companies; sometimes thinking it was rather the IOCs who were not informed enough to do business with us”*.

Out of **39 SMEs** (identified by SCD by the end of the quarter), **20** have been formally linked with **11 financial institutions** through SCD’s bank speed dating event. Initially launched in Takoradi, the event gave participants the opportunity to explore business financing opportunities with banks and other lenders. Participants described this event as “unique”, “educating”, “useful”, “fulfilling”, “too tremendous”, and “an eye opener”. For nearly all, there had not been such a

platform to interact with financial institutions in a collaborative setting. By the end of the quarter, some of the SMEs had found matches (financial institution partners) and were at different stages in loan application processes.

In order to better describe, define, monitor and evaluate SCD program activities, guidance was identified in the definition of training as spelled out in USAID ADS Chapter 253. The USAID document describes (participant) training as “the transfer of knowledge, skills, or attitudes (KSAs) through structured learning and follow-up activities, or through less structured means, to solve problems or fill identified performance gaps. Training can consist of long-term academic degree programs, short- or long-term non-degree technical courses in academic or in other settings, non-academic seminars, workshops, conferences, on-the-job learning experiences, observational study tours, or distance learning exercises or interventions.”

SCD’s performance tracking table below demonstrates some of interim results described in this report. As the program scope has evolved to its current state, SCD needed to evaluate the indicators to better align them with the actual and upcoming activities. Discussions with METSS and USAID will take place in the next quarter to finalize this effort. Some of the indicators in the table thus far are still relevant to demonstrate activity to date.

USAID - SCD Objective, Results and Indicators	Baseline Value	FY2014 Target	FY2014 Actual	FY2015 Target	FY2015 Actual	FY2016 Target	FY2016 Actual	FY2017 Target	FY2017 Actual	FY2018 Target	FY2018 Actual	LOP Target	LOP Actual	% Actual vs Target
Indicator 5: Number of SMEs person hours of capacity building related training supported by USG assistance	0	4000 (80hrs/ person)	290	8000										
Indicator 6: Number of training and capacity building tools developed	0	3	2	5										
SCD 2.2 Increased SMEs' understanding of sectors' procurement requirements, standards and best practices														
Indicator 7: Number of SMEs/Individuals achieving specified industry specification	0	20 (40 % of SMEs)	0	40										
SCD- IR 2.3 Improved market and finance information, access and linkages														
Indicator 8: Number and value of contracts received by SMEs trained with USG assistance	0	15	0	30										

Table 3: Performance Indicators Tracking Table as of June 30, 2014

6. Challenges and Lessons Learned

While stakeholder engagement continues to be the strength of the SCD Program, effective collaboration with the EDC and some of its partners remains ineffective. This has posed challenges for SMEs and BSPs working with SCD. Poor collaboration among some key stakeholders in the oil & gas sector has hindered the scope and delivery of services to local companies. Services are performed independently without the benefit of pooling resources, skill, knowledge and information. SCD has redoubled its efforts over the past quarter to work directly with other IOCs, contractors, and newer stakeholders including banks and financial institutions. The lack of better engagement still affects relations and prevents coordinating efforts to deliver more effective SME trainings – the main deliverable of all the programs.

The Program has learned from its own collaboration efforts and less than favorable responses from some key potential partners. The oil & gas, power, and other sectors remain vibrant sources of opportunity for SMEs. Most key stakeholders are focusing on the Local Content law and its implications for their businesses and programs. SCD will continue to work directly with all interested partners and stakeholders having direct interests in improving SME competitiveness. Toward the end of this quarter hopeful signs appeared as evidenced by collaboration with the Petroleum Commission, Kosmos and others. Direct engagement is now underway with key partners that will benefit the BSPs and SMEs served by the Program.

7. Conclusion

SCD is poised for an active period in the next quarter, based on the planning and momentum achieved this quarter. Much of the groundwork to increase impact and improve pace of activities has been set. Better strategic partnerships are also in place. Specific subject-matter trainings are planned for all the SMEs in the SCD network, along with the continuation of other engagement activities such as Access to Finance and business enhancement planning activities with BSPs and SMEs.

8. Annex

(See attachments)