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# GHANA SUPPLY CHAIN DEVELOPMENT PROGRAM

QUARTERLY PERFORMANCE REPORT  
JANUARY – MARCH, 2015 (FY2015 Q2)



April 2015

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**QUARTERLY PERFORMANCE REPORT  
JANUARY – MARCH, 2015**

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## LIST OF ACRONYMS

<b>Acronym</b>	<b>Definition</b>
<b>AGI</b>	Association of Ghana Industries
<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>CSO</b>	Civil Society Organization
<b>DCOP</b>	Deputy Chief of Party
<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>GoG</b>	Government of Ghana
<b>GOGSPA</b>	Ghana Oil & Gas Service Providers Association
<b>IP</b>	Implementing Partner
<b>IFC</b>	International Finance Corporation
<b>IOC</b>	International Oil Company
<b>IR</b>	Intermediate Results
<b>JTTC</b>	Jubilee Technical Training Center
<b>LI</b>	Legal Instrument
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MDA</b>	Ministries, Departments and Agencies
<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>PSC</b>	Project Steering Committee
<b>QMS</b>	Quality Management Systems
<b>SCD</b>	(Ghana) Supply Chain Development Program
<b>SME</b>	Small and Medium Scale Enterprise
<b>STCCI</b>	Sekondi-Takoradi Regional Chamber of Commerce and Industry
<b>USAID</b>	United States Agency for International Development

## EXECUTIVE SUMMARY

PYXERA Global's Ghana Supply Chain Development Program (SCD), based in Takoradi, Ghana, was established in March 2013 as a provider of capacity building services to Ghanaian SMEs in the oil and gas, mining and energy related sectors. The program's goal is to improve the competitiveness of local small and medium enterprises (SMEs) operating in the oil and gas, mining and energy sector supply chain. This goal will be achieved by providing trainings to local SMEs on subjects including: Environment, Health, and Safety; Procurement Best Practices; and Information Technology and Quality Management.

The SCD Program has already achieved some remarkable results in FY2015. Building on the 11 contracts won in FY2014 by participating SMEs who have benefited from SCD trainings, Q2 FY2015 has seen an additional 18 contracts awarded, for a total of 29 contracts with a value of USD \$11,457,384.00. Also, the Program has linked 80 SMEs with IOCs, subcontractors, or other related agencies for building relationships and gaining industry information, surpassing the FY2015 target by 14%. In addition, 51 individuals from SMEs and BSPs have participated in SCD trainings, and 46 SMEs and BSPs are at various stages of accessing credit with support of SCD. The success stories of two of our SMEs, Express Resourcing and Engineering Ltd and Vital Creations Ltd, can be found in the Annexes to this report.

One of the challenges the SCD Program has faced is that many SMEs lack a clear focus and specialty, having so far opted for the flexibility of being a "Jack of all trades." To address this challenge, the SCD program has actively advised SMEs to identify and build on their expertise in order to position and market themselves competitively. Additionally, SCD is looking to engage the services of a BSP to train SMEs on how to hone in on their Unique Selling Proposition and what they bring to the table so they can tell their story well and become more attractive to IOCs and others.

Regarding the financial aspects of the program, with a FY2015 budget of approximately \$1,386,746, the program has spent approximately \$261,787 during Q2 of this fiscal year. Considering the Q1 expenditures of approximately \$325,310, the program finances are in very good shape.

SCD has a strong third quarter planned including training activities in Legal and Compliance Processes in the Oil and Gas sector, Ethics, and Quality Management. All of these areas have been clearly identified as core to the SMEs' stature building efforts within the highly competitive sector. The SCD program is also actively engaging with the Petroleum Commission as a major stakeholder in some of these activities.

# 1. ACTIVITIES

## Overview of Key Activities and Events

The January 1 to March 31, 2015 reporting period has been a very positive one for the Program. The quarter included trainings in the following areas:

- Procurement Best Practices
- Advanced EHS
- Welding visual inspection
- IT accounting software implementation

In addition to the latest trainings, there was increased engagement among the SCD network and staff. SMEs began submitting SCD surveys in greater numbers, thus building the Program's database of information. This process helped SCD determine levels of program impact on contracts won and revealed other tangible success stories. This information boosted overall confidence in the Program among its beneficiaries and other important stakeholders. In particular, many took note of the value and number of contracts won. While the range in contract size varied greatly, the simple fact that the number of contract winners exceeded the initial Program projections was heartening to all concerned.

Following the high level of activities completed at the end of the previous quarter, the Program spent time in January to reflect on successes, challenges, and future opportunities. Given the high expectations of Programs beneficiaries, the Program sought out their input directly to better align upcoming trainings and activities. SCD organized a large stakeholder engagement session centered on gathering feedback and suggestions. This session was coupled with a focus on improving market linkage opportunities for the growing SCD network. Nearly ninety persons attended this stakeholder engagement session, which also featured the Petroleum Commission and Invest In Africa as partners. The PC presented a clear message urging SME registration and collaboration with them on all upstream supply chain matters. While not all the SMEs were fully convinced of the need to register, or how to manage the cost of registration, most were encouraged by the PC's support for SCD programs and plans. Several SMEs immediately registered with the Invest In Africa market linkage database known as the Africa Partners Pool. This Tullow-funded initiative should provide the SCD network with more information and access to supply chain opportunities across sectors (oil & gas, energy, construction, and tourism to name a few). More market linkage activities are planned for the remainder of the fiscal year.

This reporting period also provided the Program with some key learnings that were converted to action with immediate effects. SCD has clearly established a loyal and receptive base of reputable, dependable, and conscientious SMEs (including BSPs). SCD trainings have gained a reputation for being timely, thorough, and comprehensive. In response to feedback and after observing results, all SCD trainings are multi-day events with full pre- and post- testing requirements built in. Certificates are awarded to participants based on attendance and test results. While the pass rate is quite high it is not 100%, which indicates both the depth and rigor of the course content, and conveys more weight to the value of the certificates provided by SCD. For those participants needing extra assistance, the SCD Training Manager and Client Relations Officers (CRO), provide additional support services.

In an effort to build upon lessons learned and to maximize overall Program efficiency, SCD entered

into earnest discussions with its SME network regarding the cost of trainings and activities. This past quarter challenged each SME and the Program to manage costs even more closely due to dwindling resources and increasing costs of living and working in Ghana. The infamous *dumsor* (Ghana's power crisis) issues have hit SMEs hard, yet their expectations for services have not changed. SCD has been able to offer free trainings so far but have held fruitful and constructive discussions with its entire network about how to better manage this aspect going forward in light of increased operating costs due to power issues. The concept of cost-sharing has been introduced and is now widely accepted among the network as a future reality for the Program. Nearly all the SMEs have indicated their support for this concept to begin soon. This financial commitment symbolizes the importance the SMEs place on the training they receive from the Program. In contrast to other supply chain programs and initiatives, the SCD model has established "value for money" to the SMEs. It is important to note that currently the trainings are not really free for the network recipients. As most activities are 3-4 day events, there is both a time and financial commitment for the SMEs to attend. Some travel from Accra, Tema, and Tarkwa. Others, based in Takoradi, often have to either close shop or work at a reduced rate while a key staff person(s), often management level, attends a multi-day training. The material and collateral costs to the SMEs is both acknowledged and appreciated the Program. The contract results became an added inspiration for them as well once the contracts started taking shape and the information was disseminated among the SMEs. Now, the vast majority see the SCD work as a worthwhile dividend-paying investment in their own supply chain development activities.

Trust builds over time and one undeniable result thus far is that many have placed their trust in the SCD Program, its offerings, its BSP trainers, and its commitment to work hard on their behalf. This trust was highlighted during two important USAID program visits during the period. AOR Pearl Ackah met with some key, "success story," SMEs at their premises and learned about their work first-hand. At Kwanza Motors, Vital Creations, and Danest Engineering, Ms. Ackah saw a true commitment to EHS and other safety principles at work. The adoption of a new and improved "safety culture" had a direct payoff to those firms in terms of helping each win important contracts. In the case of Danest Engineering, it also helped them, as a BSP, be contracted for delivery of additional trainings to the SME network. At Kwanza Motors, improved safety practices were instrumental in securing a contract renewal with the Toyota Motor Company as well as receiving an unexpected safety award from Toyota. Vital Creations, a smaller firm introduced to SCD by Baker Hughes (a major US oil services company), "complained" that they now had too much work as a result of improved quality and output - a "complaint" which they were all too happy to report.

Outgoing Ghana Mission Director Jim Bever and West Africa Mission Director Alex Deprez held court with five representatives from the SCD network during their visit. The CEOs and SME Directors held frank and open discussions with the Directors Bever and Deprez about the challenges of accessing finance, dealing with political intransigence and bureaucracy, and managing their businesses in challenging economic times. However, they all concluded that the USAID funds were essential in their own successful developments over the past year and implored the Directors to insure that the current Program funding stream is maintained and even increased. They were honest brokers who described the benefits of the Procurement trainings and overall stakeholder engagement with SCD as welcome assets and essential components of their present plans and future aspirations.

## 1.1 TRAININGS

1. **OHSAS 18001:2007 Internal Auditing (Jan 26-29, 2015):** 22 participants from 21 SMEs attended the 2-day Internal Auditing training which was a follow-up to the OHSAS 18001:2007 Implementing Course held in December, 2014. These OHSAS 18001:2007 trainings provide SMEs with the information and skills needed to prepare and implement occupational health and safety policies and practices that will qualify them for OHSAS certification. The participants were introduced to preliminary EHS trainings during the December, 2014 training. Qualms Group, a BSP whose lead trainer benefited from being a trainee in the May 2014 IFC-Business Edge Training of Trainers organized by SCD, has facilitated all EHS and OHSAS trainings.

SCD identified EHS and OHSAS policies and practices as a key area for capacity building as SMEs rarely meet the extremely high standards expected by the IOCs.

2. **Fundamentals of Welding Visual Inspection (Feb 16-19, 2015):** 12 participants from 10 SMEs attended this 4-day training facilitated by Danest Engineering Co Ltd, one of SCD's Business Service Providers (BSP). This is a follow-up to the Arc Welding and Inspection training that took place in September 2014. This more advanced course helps participating SMEs be more competitive when seeking welding contracts and opportunities. Through interviews and meetings with industry stakeholders, SCD identified a supply gap for quality welding inspectors. As there is a consistent need for skilled welding in the oil and gas industry, welding inspectors who can ensure weld quality at international standards are in high demand, particularly for operations related to Project T.E.N., the Atuabo Freeport, and the Takoradi Port projects.
3. **Procurement Best Practices in Oil and Gas (Mar 30-Apr 2, 2015):** 25 representatives from 25 SMEs participated in the recent Procurement Best Practices training delivered by Ferbert Consult, a Ghanaian business service provider. This procurement training on best practices in the oil and gas industry focused on specific areas of need within the context of Ghana. As with the two SCD trainings mentioned above, this procurement training directly supports local content by awarding the training opportunity to a local BSP. As with many BSPs hired as trainers for SCD trainings, Ferbert previously attended one of SCD's IFC-Business Edge Training of Trainers, which prepared them to lead this procurement training.

## 1.2 MARKET LINKAGES

In an effort to stimulate market linkages and other partnership opportunities for SMEs in the oil and gas industry, SCD partnered with the Petroleum Commission and the African Partner Pool (Invest in Africa) to host a one-day workshop. The event attracted 84 stakeholders (representing 43 SMEs and 5 BSPs) from various sectors. The dual objective was to encourage SME registration with the Petroleum Commission and the African Partner Pool supplier databases as essential steps in gaining visibility among IOCs who look to these lists as their pool of local SMEs. By the end of the event, 16 SMEs/BSPs out of 48 had signed up on the African Partner Pool registry.



## 2. INTERMEDIATE RESULTS – FY2015 Q2

*For data see Annex A: Performance Indicator Tracking Table*

### 2.1 NARRATIVES ON INDICATOR DATA (AS OF MARCH 31, 2015)

During FY2014, SCD reviewed its indicators and made necessary revisions that would enable the Program to more accurately report on its performance. This is the second quarterly report on SCD performance using those revised indicators. For this reason, the attached Performance Indicators Tracking Table (PITT) contains results for both FY2014 and FY2015 to date. Almost all of the revised indicators have no targets for FY2014 so only actual FY2014 data is shown. The revised Performance Indicators Reference Sheets (PIRS), submitted to USAID, outlines revised definitions and methodologies.

#### **IR 1 Improved capacity of Business Service Providers (BSPs) to serve SMEs**

##### **IR 1.1 Training and consulting skills of BSPs enhanced to provide quality training and consultancy services to SMEs**

##### **IR 1.2 Enhanced organizational management capacities of BSPs**

#### **Indicator 1: Number of individuals from BSPs that have received USG-supported training – 4**

During Quarter 2 FY2015, 4 individuals from BSPs, National Vocational Training Institute, Gratis Foundation, and Danest Engineering Co. Ltd, received training in either Fundamentals of Welding Visual Inspection, or Procurement. The Procurement training developed participant’s organizational management capabilities, supporting IR 1.2. More trainings targeting BSPs are slated for the next two quarters of FY2015. The planned trainings include the IFC-Business Edge Training of Trainers, Strategic Marketing, and Proposal Writing. The SCD program expects participation in trainings during the second two quarters of FY2015 to meet the FY2015 target of training 40 individuals from BSPs.

#### **Indicator 2: 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 – 0**

5 individuals participated in the IFC-BE Training of Trainers during the first quarter of FY2015 and were certified as trainers. The next IFC-BE Training of Trainers where more BSP participants will be certified is being planned for the coming months.

#### **Indicator 3: Number of BSPs that have received and applied business application tools as a result of USG support – 1**

In FY2014, Excellence Consultancy Services, a BSP and the creator of EasyBooks accounting software, trained 13 BSPs and SMEs on EasyBooks and installed the software for them. Through this training process, the Excellence CEO, Stephen Damete Yeboah, learned so much about the use of his software and the needs of the SMEs that he has been able to improve and upgrade the software. Moving forward, Excellence Consultancy is updating the software for the companies that have already received it.

*Through training other BSPs and SMEs on his EasyBooks software in FY2014, the Excellence Consultancy Services CEO, Stephen Damete Yeboah, learned so much about the use of his software and the needs of the SMEs that he has been able to improve and upgrade the software.*

**Indicator 4: Number of business policies and procedures at different stages of development by BSPs as a result of USG assistance – 9**

By the end of Quarter 2 FY2015, 3 BSPs, Danest Engineering Ltd, Fermgeo Consult, and Qualms Consult, have developed and advanced a combined 9 policies and procedures to the approval and application stage, as displayed in Figure 1 below. These policies and procedures are in the areas of EHS, Quality Management, Construction, and Emergency Preparedness. These outcomes show progress towards achieving IR 1.2.

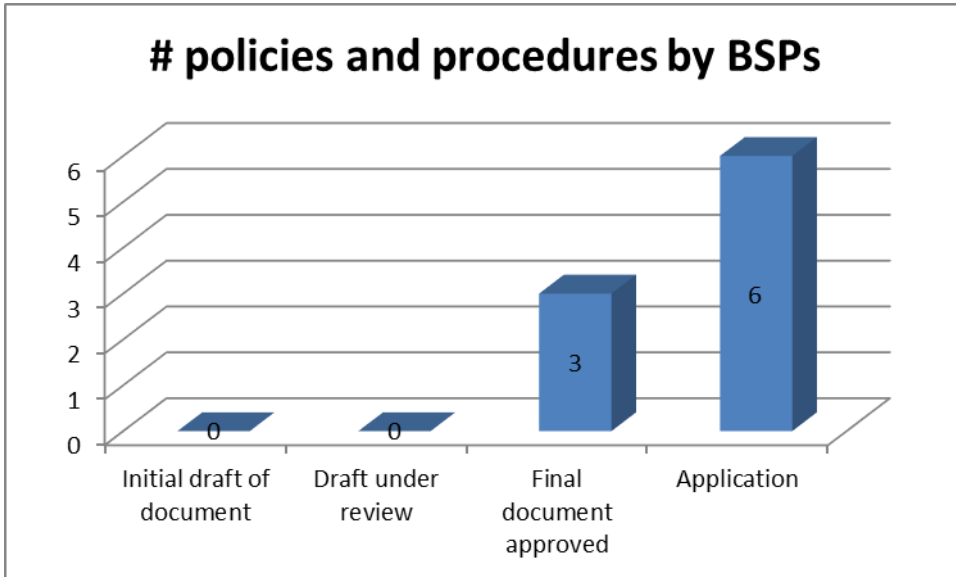


Figure 1: Business policies and procedures developed by BSPs

**Indicator 5: 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**

Indicator 5 will be based on an increase in management assessment scores conducted by SCD. The areas to be assessed are shown under the disaggregate section of the PITT. This indicator is to be reported on only during the mid-term (FY2015) and at the Program’s end (FY2018). The challenge is that baseline data collection for this indicator is yet to be completed, which is a pre-requisite to the mid-term assessment in order to determine any change in scores. This delay is mainly due to late submission of information by BSPs and may delay collection of data for appropriate reporting in FY2015 as scheduled.

**IR 2 Improved capacity of small and medium enterprises (SMEs) to meet industry supply chain requirements and standards**

**IR 2.1 Enhanced capacity of SMEs in business management, procurement, standards and best practices in the industry**

**Indicator 6: Number of individuals from SMEs that have received USG supported training – 47**

By Quarter 2 FY2015, 47 individuals (37 males and 10 females) representing 34 SMEs have taken one or more of the following trainings:

- i. Advanced EHS courses (OHSAS 18001:2007 Implementation followed by OHSAS 18001:2007 Internal Auditing Course), to prepare SMEs committed to following industry standards to earn international certification in occupational health and safety.
- ii. Fundamentals of Visual Welding Inspection
- iii. Procurement Best Practices in Oil and Gas

Disaggregates (breakdown of individuals by types of training and sex) are shown in the PITT. More trainings are planned for the coming months in order to meet the FY2015 target.

Note: Some participants take part in multiple trainings. In order to avoid repetitions in counting, the actual number of individuals is represented at the indicator level. As a result disaggregates may add up to more than the tracking indicator number.

**Indicator 7: 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 – 31**

During Quarter 2 FY2015, 31 individuals from SMES that took part in trainings (OHASA 18001:2007 and Fundamentals of Welding Visual Inspection) have received certification. Through trainings slated for the rest of FY2015 the SCD program will continue to progress toward the FY2015 target numbers.

As in Indicators 1 and 6, the indicator figure represents total individuals not a cumulative number of certificates as delineated in the disaggregates (type of certificates).

**Indicator 8: Number of SMEs that have received and applied business application tools as a result of USG support – 0**

So far in FY2015 no additional business application tools have been received and applied by SMEs. 10 SMEs received and applied the EasyBooks Accounting software package in FY2014, and arrangements are being made to assist more SMEs to install the new upgraded version in the coming months.

**Indicator 9: Number of business policies and procedures at different stages of development by SMEs as a result of USG assistance – 34**

As of Quarter 2 FY2015, 34 business policies and procedures are at four different stages of development by 25 SMEs as shown in the graph below. These policies and procedures are related to areas including EHS, Quality and Personnel Management (HR). The policies were either initially drafted during the quarter or advanced from already existing drafts to approval and application after SMEs participated in SCD trainings, particularly EHS trainings.

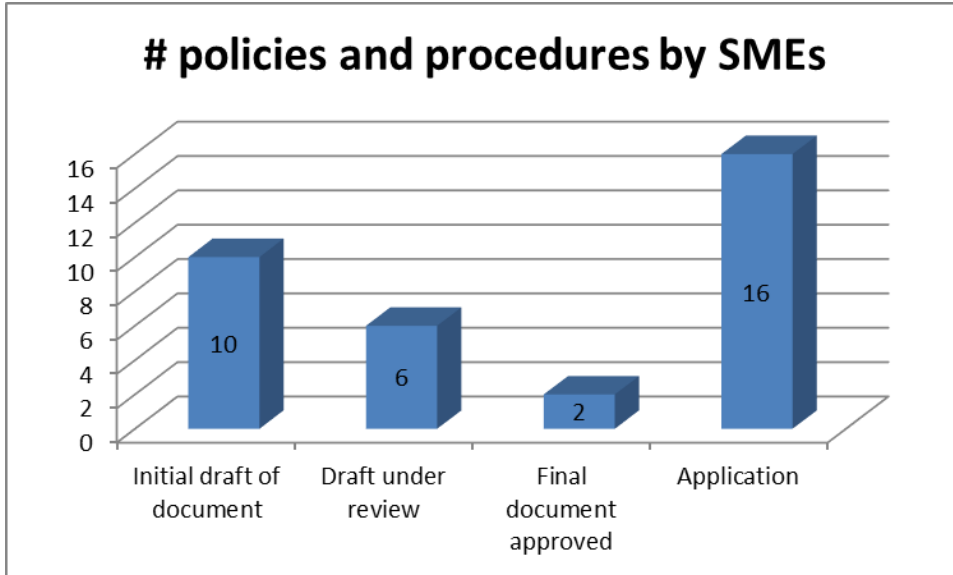


Figure 2: Business policies and procedures developed by SMEs

**Indicator 10: 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**

Indicator 10 will be based on increase in management assessment scores conducted by SCD. The areas to be assessed are shown under disaggregates section of the PITT. This indicator is to be reported on only during mid-term (FY2015) and at the Program’s end (FY2018). The challenge though is that baseline data collection for this indicator is yet to be completed. This is a pre-requisite to the mid-term assessment in order to determine any change in scores. This delay mainly due to late submission of information by SMEs may delay collection of data for appropriate reporting in FY2015 as scheduled.

**IR 2.2: Improved access to finance and market information**

**Indicator 11: Number of SMEs at various stages of accessing credit with support from USG – 46**

During FY2014, 46 SMEs including 2 BSPs took part in SME-Financial Institution “speed dating”. As of Quarter 2 FY2015, 2 SMEs have begun receiving loans from financial institutions met through the “speed dating” event. These 2 SMEs are also in preliminary stages of relationship with other financial institutions. As such, this indicator is non-cumulative of disaggregates (stages).

**Indicator 12: Number of SMEs at different stages of relationship with IOCs, subcontractors or other related agencies for industry information as a result of USG assistance – 80**

By Quarter 2 FY2015, 80 SMEs including BSPs are in contact with International Oil Companies and other industry actors at different levels (from meetings/discussions to submitting contract bids) as shown in the graph below.

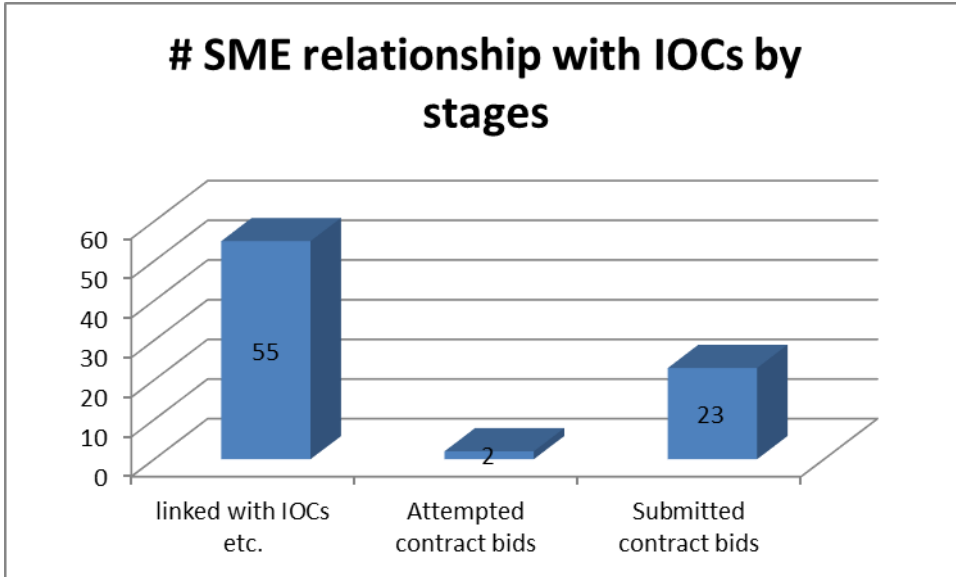


Figure 3: Number of SMEs at different stages of relationship with IOCs, etc.

This indicator has shown significant improvement through SCD assisting an additional 35 SMEs by bringing them closer to industry actors, an increase from 45 SMEs during FY2015 Quarter 1 to a total of 80 SMEs in FY2015 Quarter 2. These numbers were achieved through organizing the workshop on the African Partners Pool, an initiative of Tullow Ghana Ltd managed by Invest in Africa. Opportunities such as this have facilitated winning of contracts by SMEs in the industry.

Prior to FY2015, 37 SMEs including BSPs had come into contact with several multinational companies and others operating in the industry. The current figure (80), exceeds the SCD program’s FY2015 target by 14%.

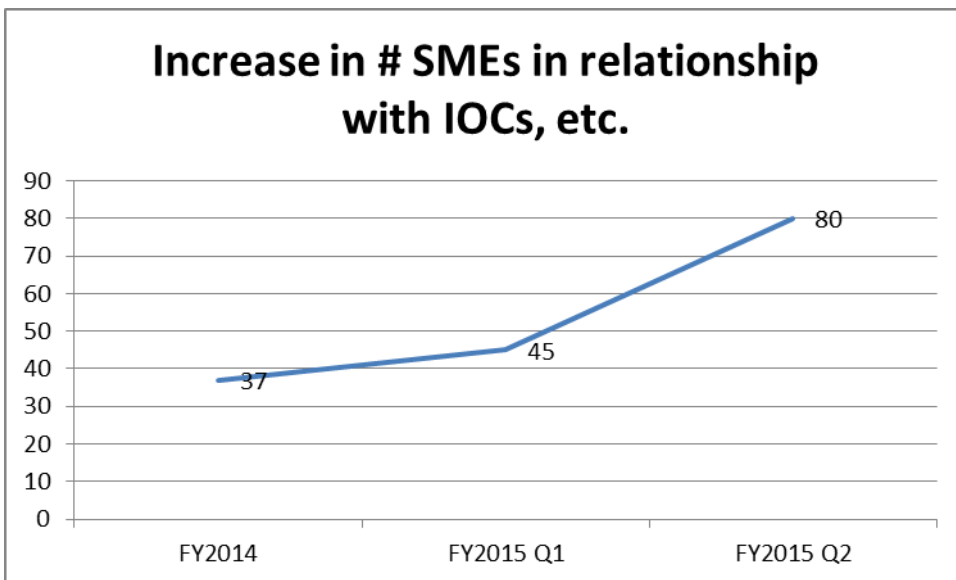


Fig 4: Increase in No. of SMEs at different stages of relationship with IOCs etc.

**Indicator 13: Number of contracts received by SMEs as a result of USG assistance in the oil and gas, power and other related sectors – 18**

So far, by Quarter 2 FY2015, SMEs including BSPs received 18 contracts. Companies that awarded these contracts include the GNPC, Tullow, Baker Hughes, Schlumberger, MODEC, Technip, Belmet, Weatherfords, Technip, Trana-Tek and Halliburton as well as mining companies such as Goldfields and AngloGold Ashanti.

Continuous support to SMEs and follow-up will be done in order to meet indicator target by end of FY2015.

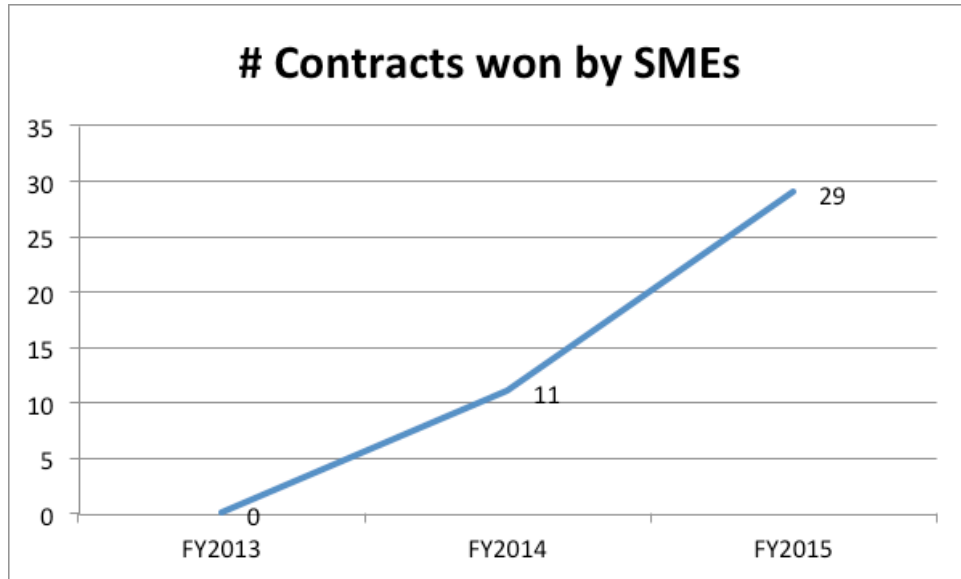


Figure 5: Number of contracts won from program inception to date

**Indicator 14: Value (USD) of contracts received by SMEs as a result of USG assistance in the oil and gas, power and other related sectors - 10,901,974**

The 11 contracts won during FY2014 are valued at USD 555,410 while the 18 won during FY2015 as of Quarter 2 are valued at **USD 10,901,974**. During Quarter 1 of FY2015, the value of contracts won was only USD \$747,973 but Quarter 2 of FY2015 recorded an additional USD \$10,154,001 worth of contracts. It is worth noting that one of these contracts is valued at USD \$10,000,000 and was won by Consolidated Shipping Agencies Ltd. (Conship), an SME that has and continues to receive trainings from SCD. Conship reported that their participation, particularly in EHS and procurement trainings organized by SCD, played a role in winning this contract.

As a result of these 18 contracts, SCD has exceeded its target total contract value for FY2015 by more than six times.

*Consolidated Shipping Agencies Ltd. (Conship) reported the training they received from the Supply Chain Development Program played an important role in helping them win a USD \$10,000,000 contract.*

### 3. STRATEGIC OPPORTUNITIES AND CHALLENGES

#### 3.1 SUCCESS STORIES

The Ghana Supply Chain Development Program is making an impact in the lives of the SMEs and BSPs that are being supported. One SME shared the following insight and benefit received from the SCD program:

When we started as SMEs, we had fears as to how to penetrate the already choked market. But thankfully Ghana Supply Chain Development has prepared and groomed us to overcome our fears. PYXERA Global has created a highway in the desert for us, they built a bridge between us and the IOCs, and have made us believe in ourselves and in our dreams! Ghana Supply Chain Development has given us strength for today and a bigger hope for tomorrow.

– Lilian Asiale, Administrative Manager, Express Resourcing and Engineering Ltd

Asiale's company, Express Resourcing and Engineering Ltd. has developed an active partnership with Genuine 3 Logistics, an SME who they met while both were participating in SCD trainings. Read their story in Annex B.

Specializing in corporate signage, Vital Creations Ltd has repositioned itself to take advantage of the numerous opportunities available to them as a result of the SCD Program's support. Vital Creations moved operations from a small working kiosk to a more established office space in order to better execute contracts won with multi-national oil & gas companies. Abraham Kwaw, Managing Director of the company says, "With these expansions made and continued capacity building trainings being received from the Supply Chain Program, I feel more confident and hopeful to win and execute more contracts." The full story can be found in Annex C.

#### 3.2 STAKEHOLDER ENGAGEMENT

##### 1. USAID VISITS & MEETINGS

- a) **Mission Directors' Visit to SCD:** Outgoing Ghana Mission Director Jim Bever and West Africa Region Mission Director Alex Deprez met with a group of SCD stakeholders during a visit to the SCD offices on February 20, 2015, as part of their Western Region projects tour. For nearly two hours, prominent members of the oil & gas SME sector exchanged views with the Directors covering key concerns such as the difficulties in accessing finance, the need for more technical certifications, and the importance of maintaining donor support for capacity building. It was a unique opportunity for all involved and one that the SMEs greatly appreciated. Mission Director Bever's presence was noteworthy because as his first official activity in Ghana he spoke at the inauguration of the SCD offices in November 2013.
- b) **USAID AOR Visit to SCD:** The SCD team met with AOR (Agreement Officer's Representative) Pearl Ackah on February 11, 2015 who followed the meeting with a series of site visits and briefings from program beneficiaries (SMEs), each of whom had participated in the full slate of SCD trainings. Each SME visited had also won contracts over the past year that they attributed to SCD intervention and support. During the site visits, the AOR was able to

discuss project success, challenges and offer welcome guidance for upcoming activities. A follow-up visit is planned for May 2015.

- c) **Western Region USAID Implementing Partners (IP):** SCD hosted the first gathering of Western Region USAID IPs on March 26, 2015 with 15 members from 10 Programs in the Western Region attending. The gathering served as a fruitful forum for exchange of ideas and development of possible collaborations. The partners plan to gather at different venues on monthly basis.

### **3.3 CHALLENGES AND MITIGATING ACTIONS**

1. A common challenge faced by SMEs walking in the door is that they have become a “Jack of all trades” type of business. This limits the quality of any one of their offerings, hampering their ability to win contracts.

To address this challenge, the SCD program has actively advised SMEs identify and build on their expertise in order to position and market themselves competitively. Additionally they have been encouraged to share information and develop partnerships among themselves when they may have complementary specialties, enabling them to deliver on contracts and opportunities awarded more efficiently.

2. Electrical power failures still put a strain on program budgets, as generators must be run at significant cost to keep operations running. The program may have to address the impact of the additional costs should they continue to grow.

### **3.4 LESSONS LEARNED**

1. SCD Program has observed that SMEs should be encouraged to start specializing, so that they can identify what value they add to the industry and become more competitive. In this regard, SCD can engage the services of a BSP to train SMEs on how to hone in on their Unique Selling Proposition and what they bring to the table so that they can also tell their story well and become more attractive to the IOCs. This must not be confused with business re-branding.

## **4. PLANNED ACTIVITIES FOR NEXT QUARTER**

1. In order to create the most benefit for SMEs across the Ghanaian oil & gas sector, SCD is working to develop a closer relationship with the Petroleum Commission. By working with the Petroleum commission and promoting SME registration with the Petroleum Commission, SCD will be able to reach more SMEs and offer trainings and events in coordination with the Petroleum Commission.
2. After receiving comments from the CEO of Conship about how much he and his organization benefited from the SCD trainings, and observing the added benefits of direct CEO engagement with trainings, SCD will be developing an annual dialogue with SME CEOs. Through this open dialogue SCD will focus on advising CEOs on how to conduct long-term planning and knowledge transfer. In addition SCD will consistently be able to receive the perspective and insight of the CEOs on how their companies have benefited from SCD programs, and areas in which they could use more support.



Ghana Supply Chain Development Program

Performance Indicators Tracking Table(As of 31/03/2015)

USAID - SCD Objective, Results and Indicators	Baseline Value	FY2014 Target	FY2014 Actual	Disaggregates					%FY2015 Actual vs Target	FY2015 Target	FY2015 Actual	Disaggregates						
				Stages								Stages						
				Sub Actual	1	2	3	4				Sub Actual	1	2	3	4		
<b>SCD Goal: Increased competitiveness of Ghanaian businesses in oil and gas, power and other related sectors</b>																		
<b>IR 1: Improved capacity of Business Service Providers (BSPs) to serve SMEs</b>																		
<b>SCD IR 1.1 Training and consulting skills of BSPs enhanced to provide quality training and consultancy services to SMEs</b>																		
<b>SCD IR 1.2 Enhanced organizational management capacities of BSPs</b>																		
1. Number of individuals from BSPs that have received USG-supported training	0	-	53	Male	Training of Trainers- 5; EHS- 2; IT/Accounting- 4; Welding Inspection- 4; General Workshops- 33					10%	40	4	Male	Fundamentals of Visual Inspection- 2; Procurement II- 2				
				Female	Training of Trainers- 0; EHS- 0; IT/Accounting- 1; Welding Inspection- 0; General Workshops- 9								Female	Fundamentals of Visual Inspection- 0; Procurement II- 0				
2. 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	0	-	5	Male	5					0%	10	0	Male	0				
				Female	0								Female	0				
3. Number of BSPs that have received and applied business application tools as a result of USG support	0	-	4						7%	15	1							
4. Number of business policies and procedures at different stages of development by BSPs as a result of USG assistance	0	-	-	-	-	-	-	-	60%	15	9	9	0	0	3	6		
5. 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	0	-		S. Planning						0%	40	0	S. Planning	0				
				HR									HR	0				
				Finance									Finance	0				
				Marketing									Marketing	0				
				Quality									Quality	0				
				EHS									EHS	0				
<b>SCD IR 2 Improved capacity of SMEs to meet industry supply requirements and standards</b>																		
<b>SCD 2.1 Enhanced capacity of SMEs in business management, procurement, standards and best practices</b>																		
6. Number of individuals from SMEs that have received USG supported training	0	-	149	Male	Procurement- 26; EHS- 47; IT/Accounting- 11; Welding Inspection- 16; General Workshops 43					31%	150	47	Male	OHSAS 18001 Implementing- 20; OHSAS 18001 Internal Auditing- 20; Fundamentals of Visual Inspection- 9; Procurement II- 14				
				Female	Procurement- 14; EHS- 5; IT/Accounting- 8; Welding Inspection- 2; General Workshops- 23								Female	OHSAS 18001 Implementing- 2; OHSAS 18001 Internal Auditing- 2; Fundamentals of Visual Inspection- 1; Procurement II- 9				
7. 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	0	-	48	Male	EHS- 36; Welding Inspection- 9					31%	100	31	Male	OHSAS 18001 Implementing- 19; OHSAS 18001 Internal Auditing- 19; Fundamentals of Welding Visual Inspection- 11				
				Female	EHS- 4; Welding Inspection- 2								Female	OHSAS 18001 Implementing- 2; OHSAS 18001 Internal Auditing- 2; Fundamentals of Visual Inspection- 1				
8. Number of SMEs that have received and applied business application tools as a result of USG support	0	-	10						0%	50	0							
9. Number of business policies and procedures at different stages of development by SMEs as a result of USG assistance	0	-	-	-	-	-	-	-	34%	100	34	34	10	6	2	16		
10. 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	0	-		S. Planning						0%	70	0	S. Planning	0				
				HR									HR	0				
				Finance									Finance	0				
				Marketing									Marketing	0				
				Quality									Quality	0				
				EHS									EHS	0				
				Local Content									Local Content	0				

SCD IR 2.2 Improved access to finance and market information																
11. Number of SMEs at various stages of accessing credit with support from USG	0	-	46	SMEs	44	44	0	2	92%	50	46	SMEs	44	44	0	2
				BSPs	2	2	0	0				BSPs	2	2	0	0
12. Number of SMEs at different stages of relationship with IOCs, subcontractors or other related agencies for industry information as a result of USG assistance	0	-	37	SMEs	29	29	0	0	114%	70	80	SMEs	68	45	2	21
				BSPs	8	8	0	0				BSPs	12	10	0	2
13. Number of contracts received by SMEs as a result of USG assistance in the oil and gas, power and other related sectors	0	15	11	SMEs	10				45%	40	18	SMEs	16			
				BSPs	1							BSPs	2			
				JVs	0							JVs	0			
14. Value (USD) of contracts received by SMEs as a result of USG assistance in the oil and gas, power and other related sectors	0	-	555,410	Single SMEs/BSPs	555,410				727%	1,500,000	10,901,974	Single SMEs/BSPs	10,901,974			
				JVs	0							JVs	0			



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## SNAPSHOT INSPIRED PARTNERSHIP

### Partnership Inspired Through SCD Intervention



Photo:  
Lilian Asiale, EREL, with her new partner  
Stephen Akpaglo, G3

*After getting to know each other at various SCD trainings, Express Resourcing and Engineering Ltd and Genuine 3 Logistics, two SMEs in the SCD network, realized their areas of expertise were complementary and decided they could both benefit from partnering to complete larger more complex projects. They now provide referrals for each other and partner on contracts, realizing greater success together than either expected to achieve independently.*

Express Resourcing and Engineering Limited (EREL) and Genuine 3 Logistics are two Small to Medium Enterprises (SMEs) working with the USAID Ghana Supply Chain Development (SCD) Program in Takoradi, Ghana. Through SCDs SME capacity building programs in the oil and gas, power and other related sectors, including trainings and linkages with businesses and markets, SCD is leaving its mark in the lives of its partners.

EREL and Genuine 3 became acquainted at various SCD trainings. As they learned more about each other during the trainings they realized they could complement each other in the highly competitive oil and gas sector. Lilian Asiale, administrative manager of EREL said, “after the procurement training, the staff members of both companies met to discuss a possible joint venture (JV).” Express Resourcing and Engineering is focused on equipment supplies, installations, repair, and maintenance while Genuine 3 is a logistics company specializing in freight forwarding and fleet management. For Stephen Akpaglo, Genuine 3 Takoradi Branch Manager, they “receive more engineering requests” and with Express Resource’s “good records,” it was a win - win situation for them to collaborate on contracts and marketing activities. Even though the Joint Venture has not been formalized yet, they have started partnering on jobs and marketing for each other.

Jobs related to transport and logistics are referred to G3 Logistics while those related to equipment supplies are referred to EREL. At least one member from each team is included when on marketing visits to other companies. G3 Logistics has referred Baj Freight and FMC Technologies to EREL for a prospective contract, while EREL has referred Zoil to G3 Logistics.

Lilian says, “not only has SCD given us a chance to partner with another company but also brought us under one umbrella as SMEs and we are using the services of each other to execute our jobs.” With a promising start to their partnership, these two SMEs look bound to achieve great success.



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## SNAPSHOT VITAL CREATIONS LTD.

### Vital Creations Ltd. Repositions Itself



Photo:  
Kwaw in his new office complex

*Prior to its engagement with the Ghana Supply Chain Development Program, Vital Creations Ltd., an embroidery and printing company, was run out of a small kiosk. The Managing Director of Vital Creations, Abraham Kwaw, explains how the success his company saw after participating in SCD trainings resulted in their relocation to a new office complex. The SCD Program not only helped build their capacity but also expanded their vision of what their business could be. Here is the story in Kwaw's own words:*

Vital Creations Ltd. Managing Director, Abraham Kwaw:

“In the early part of 2014, I heard about the Ghana Supply Chain Development Program and decided to enroll in their training program. Apart from the technical trainings, our engagement with them has also opened us to a whole lot of opportunities including new clients being made almost at every event they invite us to attend. Their training events exposed us to other players in the industry like the Petroleum Commission, Tullow, Subsea 7, Technip, Belmet etc. Despite more contacts being established and contracts coming, one thing that kept on drawing us back was an office space that could contain bigger machines. Operating in a kiosk was not attractive to most of these multi-national companies, which even made some doubt our capability to execute their contracts. Being in the SCD network and attending trainings with other bigger companies like Macro, Conship, and Zeal made me realize the need to reposition my company. The exposure and marketing opportunity that came with our engagement made me realize that I could no longer continue to operate in my old place. This compelled me to speed up with the construction of my new office space.”

So far, three rooms have been completed and furnished. One is dedicated to the Managing Director's office and customers waiting lounge, the other two contain embroidery machines and a large format digital printer. With the new equipment and space, Vital Creations has added more products to their services including posters, banners, window decals, point of sale displays, floor graphics, light box prints, digital wallpaper, fabrics and textiles, industrial sewing, billboards etc. Best of all, they have been able to hire five additional employees!

Kwaw clearly expressed his excitement and appreciation to the SCD team, “With these expansions made and continued capacity building trainings being received from the SCD Program, I feel more confident and hopeful of winning and executing more contracts.”