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GHANA SUPPLY CHAIN DEVELOPMENT PROGRAM

QUARTERLY PERFORMANCE REPORT
OCTOBER - DECEMBER (Q1, FY2016)



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**QUARTERLY PERFORMANCE REPORT
OCTOBER – DECEMBER 2015**

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LIST OF ACRONYMS

Acronym	Definition
ABAC	Anti-Bribery Anti-Corruption
AGI	Association of Ghana Industries
AOR	Agreement Officer's Representative
AWS	American Welding Society
BSP	Business Service Provider
COP	Chief of Party
CSO	Civil Society Organization
DCOP	Deputy Chief of Party
EDC	Enterprise Development Centre
EG	Economic Growth
EHS	Environment, Health & Safety
FTFMS	Feed the Future Monitoring & Evaluation System
GoG	Government of Ghana
GOGSPA	Ghana Oil & Gas Service Providers Association
IP	Implementing Partner
IFC	International Finance Corporation
IOC	International Oil Company
IR	Intermediate Results
JTTC	Jubilee Technical Training Center
LI	Legal Instrument
M&E	Monitoring and Evaluation
MDA	Ministries, Departments and Agencies
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
PIRS	Performance Indicators Reference Sheet
PMP	Performance Management Plan
PSC	Project Steering Committee
QMS	Quality Management Systems
SCD	(Ghana) Supply Chain Development Program
SME	Small and Medium Scale Enterprise
STCCI	Sekondi-Takoradi Regional Chamber of Commerce and Industry
USAID	United States Agency for International Development

1 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 O&G, mining and energy sector supply chains.

The three primary methodologies used to achieve these objectives are: introduction of training and capacity building interventions targeting enhancement of technical managerial qualifications of professionals across the sector(s), strategic and targeted campaigns to combat access to finance issues inherent to the Ghanaian private sector, and increasing market linkages amongst market participants both domestic and international.



The visual represents the SCD Program's proven ability to interface and engage with public and private sector stakeholders associated with the sectors of relevance to the SCD mandate, but more importantly the impact and momentum the program has been able to achieve since inception through to the end of the reporting quarter.

The first quarter of FY2016 saw great success for the Ghana Supply Chain Development (SCD) Program as it furthered a number of exciting partnerships

in addition to stakeholder engagement and technical trainings for SMEs in and around Takoradi. This success was highlighted when the SCD received the Local Content Initiative Award at the annual Ghana Oil and Gas Awards (GOGA) in recognition of its strategic impact on Ghana's burgeoning oil and gas industry. The SCD Program was awarded the 2015 'Local Content Initiative' award for its continued efforts and assistance to building competitiveness and competence of Ghanaian firms to more effectively participate within the industry sector.

In the coming second quarter, the SCD will continue its training and technical assistance program through trainings including advanced Health and Safety (OHSAS 18001: Implementation and Internal Audit, Instrumentation and Control, Legal and Compliance, and others, as well as the second Breakfast Series event focusing on Strategic Networking. Additionally, SCD will continue to focus on partnership development, including the TRACE International Anti-Corruption seminar in January and an increased effort to support the listing of SMEs on the Ghana Alternative Market (GAX).

Finally, the SCD Program will continue to identify opportunities that will strengthen market linkages between buyers and sellers, both domestic and multinational, as well as continuing efforts to further its strategic partnerships with public and private sector stakeholders.

2 WORK PLAN IMPLEMENTATION PROGRESS

Section 2 of this quarterly report highlights the different activities that further the work plan’s implementation, and include (i) training and capacity building, (ii) partnerships and market linkages, and (iii) communications.

Additionally, in **Annex B** of this Quarterly Report a select number of success stories previously submitted to USAID have been included.

2.1 Training and Capacity Building

The SCD program continues to build capacity of Ghanaian SMEs to supply the Oil & Gas sector through training and technical assistance. To date, this has been accomplished through specific technical trainings that enrich the operations of SMEs in the industry.

With high demand and positive feedback for the trainings held by the Program, the first quarter of the fiscal year 2016 started with such trainings that were highly desired by SMEs in the industry.

The trainings held in the first quarter of FY16 were Procurement Best Practices and EHS Awareness, which took place in November and December 2015. Please see below trainings completed and planned for the 1st and 2nd Quarter:

	Subject	Timeframe	Participants	Status	BSP
1	Procurement	Q1	15	Completed	Febert
2	Breakfast Meeting	Q1	65	Completed	SCD
3	EHS Awareness	Q1	28	Completed	Qualms
4	OHSAS18001:2007	Q2	22	Pending (4 th Week Jan)	Qualms
5	Internal Auditing	Q2	22	Planned (1 st Week Feb)	Qualms
6	Legal and Compliance	Q2	22	Planned (4 th Week Feb)	BELA
7	Instrumentation and Control	Q2	15	TBD	TBD
8	Procurement	Q2	15	Planned (1 st Week March)	Febert
9	Breakfast Meeting	Q2	70	Planned (3 rd Week March)	SCD
10	Road Safety	Q2	15	(4 th Week March	TBD

2.1.1 Procurement Training – November 23-25, 2015

The Procurement Best Practices training brought together a new set of SMEs who had not previously attended this training. In order to promote sustainability for the BSPs, the program agreed with its training provider Febert Consult to present two price points to prospective participants. An ‘Early Bird’ fee of GHC450.00 was collected from those registering by November 18th and a ‘Regular Rate’ of GHC650.00 per participant when paid from November 19th – 23rd 2015. The bulk of participants responded to the “Early Bird” offer while two participants opted for the ‘Regular Rate’. This is an indication that SMEs are ready to invest in their capacity building. The training attracted 15 participants and all attended fully and passed their exams.

The SME participants tend to be mid-level personnel within the organization. One point that kept was raised among the participants was the need for their CEOs to attend such a training for them to better understand when they propose certain actions in their companies. This recommendation will be taken into consideration when planning the next procurement training, and the SCD will reach out to company owners and decision makers to attend.

2.1.2 EHS Training - December 17-18, 2015

With Health and Safety remaining as a basic requirement for the IOCs and MNCs from SMEs in the sector, this subject area continues to be in high demand as a relevant and interesting training for SMEs, with 28 participants attending the EHS Awareness Training delivered in December. Due to its importance in the ability of SMEs to effectively bid on and win contracts within the O&G sector, there was no fee charged for participation in this training. However, in order to promote the cost-sharing model, the Program worked with the BSP (Qualms Consult) to sell follow up consulting services to help the SMEs create EHS Policies and Manuals for their businesses. In this manner, the SCD introduced the cost-sharing concept specific to this training with a three-packaged program to allow SMEs choose which level of help they may need from the BSP in order to create EHS policies and manuals specific to their operations. The BSP has been contracted by two SMEs and look forward to recruiting many more for the packages.

A two part continuation of this training called “OHSAS Implementation and Internal Auditing” will be held in the last week of January and the early part of February.

2.1.3 Breakfast Meetings



In addition to conventional trainings, the Program launched its inaugural Breakfast Meeting on December 16th, 2015. These events will present industry experts an opportunity to create awareness and enhance the knowledge of SMEs in various subject areas complimentary to the SCD trainings as well as the operations of SMEs in order to further empower the SMEs. The first Breakfast Meeting involved a panel discussion of three Oil and Gas related Experts who spoke about current trends in EHS. With EHS being essential to working in the Oil and Gas sector, this

maiden Breakfast meeting afforded the SMEs the opportunity to further broaden their knowledge of EHS beyond the theory presented in SCD trainings with the trends in the field worldwide. 65 representatives of 51 SMEs and 8 BSPs were at the event, as well as a representative from Rural Aid Alliance Foundation (RAAF), an NGO.

A survey of the participants indicates that the program was well received and majority of the participants requested that the Breakfast Meetings be held quarterly. Other feedback regarding the session included comments about the delayed start time of the event and the question and answer session, which will be incorporated into future events. Since one of the objectives of the breakfast meeting is to answer questions that cannot be answered during mainstream trainings, increasing the time allocated to participants during Q & A time is essential given that many of SMEs could not get their questions answered in this first breakfast meeting due to time constraints. Talks are underway with experts for the next Breakfast Meeting focused on the topic of “Stakeholder engagement and networking for business.”

It was a great event. It's good that the experts in the industry themselves came out to tell us what they really want and what we can do to improve. I think SCD should do such more meetings and bring the experts out to converse with us, especially the procurement experts. – Alice Darko from Cirillo Consult

2.2 Partnerships and Market Linkages

2.2.1 SCD-Atuabo Free Port Awareness Event

On October 5th, SCD hosted the first Supplier Awareness Event with the Atuabo Freeport (AFP), with approximately 100 people in attendance. The AFP is a massive project that will involve a large investment in the western region. Because it is directly related to the oil and gas industry, SCD believes it will be a significant business opportunity for local SMEs, particularly those SCD has been working with for the past couple of years. Through PYXERA Global's local content development experience in other countries, awareness events have shown significant impact in linking multinationals and local SMEs, thus this event was a practical way of exposing AFP to the various SMEs.



At the event SCD highlighted its program and activities and AFP shared their construction plans and how companies can register on their online procurement portal. Only companies registered will receive and be eligible to bid for tenders, so it is essential for SCD client SMEs to understand this process and be ready for upcoming opportunities. 74 companies were represented at the event, and the SCD hopes to receive information about the number of companies that have registered on AFP's portal shortly.

In addition to the information sharing, networking tables were set up so that AFP representatives were able to meet with SMEs and answer their questions. The networking opportunity helps both sides to manage expectations by better understanding upcoming procurement opportunities and bidding eligibility.

The Ghana Supply Chain Development Program will facilitate several similar events as part of SCD's FY2016 Work Plan so as to increase market linkage opportunities between SMEs and IOCs/other MNCs.

2.2.2 Ghana Alternative Market (GAX)

Access to finance has been a major challenge facing local SMEs operating in the O&G sector. An effort to address this challenge has been taken by SCD, in partnership with FinGAP and BELA (a renowned local law firm) to introduce the Ghana Alternative Market (GAX) to local SMES who the potential to become listed on the stock exchange.



For the past couple of months, SCD has intensified its engagement with select SMEs to assist them in the initial process of getting listed on the GAX. Meetings were arranged for BELA to interact with these SMEs, learn out about their interest in GAX, and begin the listing process with the SMEs ready to take this step. In all, six meetings were held with SMEs which include Conship,

MEA Catering, Danest Engineering, Stresster Engineering, Mobicrane Ltd., and Kwansa Auto. The meetings, which were well received by the SMES, will be followed up with further meetings and presentations to the board members of some of the interested companies.

The GAX presents an alternative source for raising business capital through the stock exchange rather than relying on traditional bank loans. Interested companies are able to raise both equity and debt financing within a period of six to twelve months. USAID FinGAP is supportive of this step taken by SCD and BELA and hopes to incentivize BELA for each SME that they assist in getting listed on the exchange.

2.2.3 TRACE Certification

In May of 2015, SCD started engaging with TRACE International to identify what value can be added to local SMEs in the form of Anti-Bribery Anti-Corruption (ABAC) compliance. As a result, TRACE International embarked on the “Certify the World Campaign” which has led to over thirty SMEs across the SCD network receiving one year of free TRACE Certification.



Following-up on this pilot program, TRACE International, in partnership with the SCD, will organize a complimentary anti-bribery training workshop in Accra for TRACE Certified entities on January 21, 2016. This workshop is designed for TRACE Certified entities, as well as members of TRACE, SMEs in the SCD network, and the Invest in Africa network. Companies that have initiated or completed TRACE certification, an internationally recognized business and compliance credential administered by TRACE, are invited to attend this workshop free of charge.

By becoming TRACE Certified, SMEs advance commercial transparency efforts in Ghana and are considered “champions for change.” Such market leaders serve as valued business partners for multinational companies seeking to do business with suppliers, agents, and consultants in Ghana who share their commitment to commercial transparency. Speakers will include Chief Justice Georgina Wood (Mrs.), Alexandra Wrage (President and Founder, TRACE International) Paul Watson of Tullow Ghana, Poju Adedeji (Director, Legal & Compliance Africa, Baker Hughes), and others.

The table below represents the status of SMEs participating in this campaign.

#	Company Name	Status
1	Seaweld Engineering	CERTIFIED
2	Danesh Services Limited	
3	Wayoe Engineering & Const. Ltd	
4	7 Eleven Energy Service	
5	Stresster Engineering and Construction Ltd.	
6	Danest Engineering Company Ltd	
7	Kwansa Auto Limited	
8	Jonmoore International Limited	
9	Bamg Ghana Ltd	
10	McDan Shipping Company Limited	
11	Parachem Ghana Ltd	
12	Promise Hand Company Limited	UNDER REVIEW BY AN ASSOCIATE
13	Run on Time Engineering	
14	Zodiac Marine Services Company Ltd	

15	Bentsi Enchill Letsa & Ankomah (BELA)	
16	Express Resourcing & Engineering Limited	
17	R W Engineering Ltd	
18	MAC Logistics Ltd	
19	Greenfields Offshore Services Limited	
20	Takoradi Gas Limited	
21	BUH Energy	
22	Yenok Wood Products Limited	IN THE PROCESS OF ENTERING COMPANY INFO INTO ONLINE PORTAL
23	Zoil Services Limited	
24	Febert Consult Ltd	
25	Macro Logistics	
26	Quality Management and Safety Consult Limited (Qualms Group)	
27	Bronzwood Company Ltd.	
28	Mass Logistics Ghana Ltd	
29	FlatC Marine Offshore	
30	GN Electric	
31	Jesus Open Doors Co. Ltd	
32	Texpo Company Ltd	
33	Mobicrane	
34	Ardent Fire Protection Gh	
35	Cirilo	
36	Vital Creations	
37	Genuine 3 Logistics	

2.2.4 Engaging with Multi-National Corporations and IOCs

The SCD program has intensified its engagement with major IOCs and other buyers. The purpose of this engagement is to identify market linkage opportunities for SMEs within SCD network as well as identify how SCD can directly support some of the other local vendors (SMEs) they work with. Some of the MNCs engaged with so far include, FMC, MODEC, Atuabo Freeport, ENI, and Bollere Logistics.

Potential follow up engagements or events that were discussed during the meetings with the MNCs and IOCs are listed in the table below:

#	ITEM	Description
1	Supplier Awareness Event	Co-hosting of an event in Takoradi with buyers would allow buyers to interface and engage with the SME community. Insights into the industry, company plans and procurement opportunities, pre-qualification platforms and frameworks, and more could serve as topics of interest. A similar event was held in October 2015 with Atuabo FreePort and the SCD Program. 84 participants from 74 SMEs were present at the event.
2	Leveraging SCD to identify suitable and qualified SME supplier base to buyers	SCD actively engages with over 160 SMEs in various sectors whom are affiliated with the oil/gas industry. A number of these firms could serve as prospective suppliers to major buyers, and the SCD could partner with these buyers to understand upcoming procurement opportunities oriented towards local SMEs, and facilitate linkages between buyers and competent, capable, and quality oriented suppliers.
3	Identification of new technical areas of focus for SMEs in Ghana	SCD can work collaboratively with buyers to identify new training areas such as invoicing, instrumentations and controls, road safety etc. and perhaps some soft skill trainings like Behavioral Change, Leadership, Effective Networking or others where most IOCs have identified real deficiencies in those areas. Once identified, the SCD Program could structure and implement a training and capacity building campaign for buyers existing supplier base, or to the SME community at large.

2.2.5 Partnerships with other Implementing Partners

SCD has also continued to strengthen its relationship with other implementing partners, including the Sekondi Takoradi Chamber of Commerce, the Western Region Coastal Foundations, and the Enterprise Development Center. Through these partnerships, the SCD is working to identify common grounds where both programs can work collaboratively as well as tap into each other's resources to achieve common goals.

Last quarter, the SCD and EDC shared training calendars signifying each other's preparedness to work in partnership and offer complimentary rather than competing services. Following these discussions, the EDC invited SCD to a Joint Venture Forum organized for SMEs, and extended the invitation to 10 of the SMEs within the SCD network. Below are key highlights of the forum:

EDC Joint Venture Forum

Joint venture formation has been identified as one of the key ways to enable Ghanaian SMEs to acquire capabilities and capacity to become competitive in the industry. On December 3rd, 2015 the Enterprise Development Center (EDC) organized a Joint Venture Forum in Takoradi, which sought to provide a platform for SMEs to learn first-hand about how to enter into joint ventures as well as how to manage such partnerships. Presentations were made by Petroleum Commission, Ghana Investment Promotion Center and Invest in Africa.

Highlights

- Presenters were from Tullow Oil, Ghana Investment Promotion Council (GIPC), Invest in Africa, Petroleum Commission (PC) and Ghana National Petroleum Corporation (GNPC). There was also representation from the Ministry of Petroleum.
- There was a gap in understanding what Joint Venture truly means to the SMEs in the Oil and Gas sector. A separate presentation on Joint Ventures, especially the financial implications of partnership percentage allotting, would have served the SMEs well.
- Invest in Africa indicated that they make their SMEs contribute less than 5% of the training fees for the trainings they organize for their platform.
- SMEs need to capitalize on the provision of a clause in the local content law that obligates multi-national corporations to form partnerships with local SMEs in specific contracts.
- Entering into a JV will help SMEs build the needed capacity and to achieve this, SMEs should adopt the following three words:
 - Agility – SMEs should be agile and flexible in who to select.*
 - Courage – stop fearing but trust each other*
 - Execute – work diligently in every contract they win*

Discussion is also underway with the Western Region Coastal Foundation to join resources to build capacity in logistics and transport for SMEs in this sector.

2.3 Communications

2.3.1 Publication and Distribution of Newsletter

During the first quarter, the SCD modified the newsletter to include more up-to-date information to provide to the SMEs in its network. The modifications of inputs and design have been completed and efforts are being made to complete to finalize and distribute the first edition of the Program's newsletter.

2.3.2 Social Media Activities

The Program continues actively manage the SCD Facebook page. The page serves as a means to market and announce various programs and information the Program has for its network of SMEs, as well as exhibit images from past events. Recent activity on the page indicate that there is improved interaction among users. The page receives an average of 50 views per week with 279 page "likes" at present.

The SCD initiated WhatsApp platform remains very active. The platform is managed by Madam Alice Darko of Cirilo Enterprise, an SCD member SME. The application has been a platform for SMEs to communicate directly with each other as well as for SCD to share information and notices. Some of these topics have included discussing common concerns of member companies and issues arising from training programs offered by SCD, as well as being used as a market linkage platform for members to identify potential market sources within the group and a medium for members to market their companies among each other. Although the WhatsApp platform has been in use for less than a year, many members have benefited from the shared information, knowledge, and intelligence in the industry. For example, last quarter members of the platform posted notices of potential job offers, which resulted in successfully executed contracts. Additionally, members needing industrial suppliers for their operations have been able to access relevant information leading them to reliable sources.

The administrator indicates that plans are underway to make the platform even more interactive in 2016:

- Members will be encouraged to participate more in discussions on topics relevant to business.
- Initiatives aimed at accessing potential jobs and contracts will be carried out on the platform.
- Interactions with consultants/resource persons from the SCD will be encouraged, as a follow-up to training programs.
- Social activities aimed at enhancing corporate relations among members will be organized outside the platform.
- Business tours will be planned and carried out, in conjunction with the SCD.

3 QUARTER 1 PMP REPORTING NARRATIVE

At its inception, the SCD Program began reporting on eight performance indicators which, by the end of FY2014, were reviewed and modified into fourteen indicators that would better enable the Program to report adequately on its performance throughout FY2015. At the beginning of FY2016, the SCD again slightly re-edited three (refer to Indicators 3, 7 and 8 below) out of the fourteen indicators for better performance reporting.

For this reason, the attached Performance Indicators Tracking Table (PITT), included as **Annex A**, contains results for FY2014, FY2015 and FY2016 Quarter One. The table also disaggregates data by several components, including by gender. For almost all of the revised indicators, FY2014 also has no set targets therefore only actual data for FY2014 is shown. The revised Performance Indicators Reference Sheets (PIRS), previously submitted to USAID, outline the revised definitions and methodologies.

While the Performance Indicators Tracking Table in **Annex A** is a snapshot representation of the Program's performance against its stated Fiscal Year targets, this section provides narratives with each of the indicators to substantiate progress that has been made, as well as both aggregated versus disaggregated data.

Indicator 1: Number of individuals from BSPs that have received USG-supported training

Fiscal Year 2016 Target: 10 / FY2016 Q1 Performance: 13

During FY2016 Quarter 1, 13 individuals representing nine Business Service Providers (BSPs) received training in the following four subject areas: IT/Financial (EasyBooks); Procurement Best Practices in Oil and Gas; First Breakfast Meeting Series on Current Trends in EHS; and EHS Awareness and Introduction.

Although the total disaggregated number of participants according to the breakdown is 18¹, the aggregate number of individuals is 13 as shown in the PITT, due to a select few individuals participating in more than one USG supported training during the reporting quarter.

It should be noted that six² of the BSPs that have participated in SCD-funded trainings have also served as lead training entities as contracted by the Program. This is indicative of an enhancement in the quality orientation of BSP training capacities, one of several mandates of the project. BSP *Best Safety Consult* led the first successful cost-share training in Quality Management, held in August 2015, bringing together 4 BSP and 24 SME participants. In November, 2015, BSP *Febert Consult* also facilitated the second successful cost-share training in Procurement Best Practices in Oil and Gas, in which 15 individuals participated. The SCD Program will continue to adopt the cost-share model in subsequent trainings.

Prior to the procurement training, BSP Excellence Consultancy Service (ECS) organized fee-paying training in EasyBooks

SCD trainings have helped improve my ability to package company presentations and tender proposals, enhancing best practices.
- Albert Entsie –Febert Consult

¹ IT/Financial- 4; Procurement II- 2; Breakfast Series - 7; EHS- 5

² Febert Consult; Danest Engineering; B-BOVID; Qualms Group; Bentsi Enchil Letsa & Ankomah (BELA) and Best Safety Consult

(IT/Financial Accounting) with the assistance from the SCD Program for 5 participants from 2 BSPs (Danest Engineering Co. Ltd.; and B-BOVID) and a SME (Genuine 3 Logistics) on October 14, 2015. These three companies had already participated in previous EasyBooks trainings and the software package was previously installed at their offices. However, previous individual participants have left their respective companies and new accountants have been hired, hence the need for training. Companies bearing full cost of the training on their second participation demonstrates its effectiveness as well as usefulness of the tool. It is the first training fully paid for by participants.

Also of particular interest is that aside from BSPs *B-BOVID* and *BELA*, all other SCD partner BSPs have reported an increase in advisory services, consulting services, and contracts awarded since partnership with SCD. Each BSP directly attributes its contractual successes to SCD assistance.

At the end of the first quarter in FY 2016, SCD has already exceeded its set target for the fiscal year by 30%. This is a result of BSPs getting more involved in SCD events particularly in IT/Financial and EHS trainings than expected.

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

Fiscal Year 2016 Target: 0 / FY2016 Q1 Performance: 0

During FY2014, the Program implemented a capacity building effort aimed at enhancing the training skills of Ghanaian business service providers (BSPs). Trainers from five local BSPs participated and were certified under the IFC-Business Edge training of trainers program.

It was believed that the Program would follow up with additional training and capacity building efforts with either this program, or similarly reputable programs. Due to the price of the IFC training, it was and still is believed that better value-for-money certifications could be achieved elsewhere.

During FY2015, SCD sought opportunities to collaborate with other institutions which might have interest in building capacity of BSPs in the western region of Ghana. However, little progress was made. Since no training leading to award of certificates in training skills took place during FY2015, no individual was certified in that regard.

As a result, for FY2016, no plans have been made on getting BSP representatives certified in training skills or related area. Hence, no targets set for FY 2016.

Indicator 3: Number of BSPs that have received and applied business tools as a result of USG support

Fiscal Year 2016 Target: 8 / FY2016 Q1 Performance: 0

During FY2014, SCD partnered with local BSP Excellence Consultancy Services to offer accounting software solutions to both SMEs and BSPs alike. In total, three given BSPs received and implemented the accounting software solutions *EasyBooks* and one additional BSP has integrated or upgraded this accounting software solution in FY2015.

Additionally, six BSPs have begun to utilize the application WhatsApp as a primary tool and form of communication between other BSPs and the private sector SME community. This has led to streamlined correspondence and knowledge sharing amongst 38 users which has facilitated the formalization of contracts.

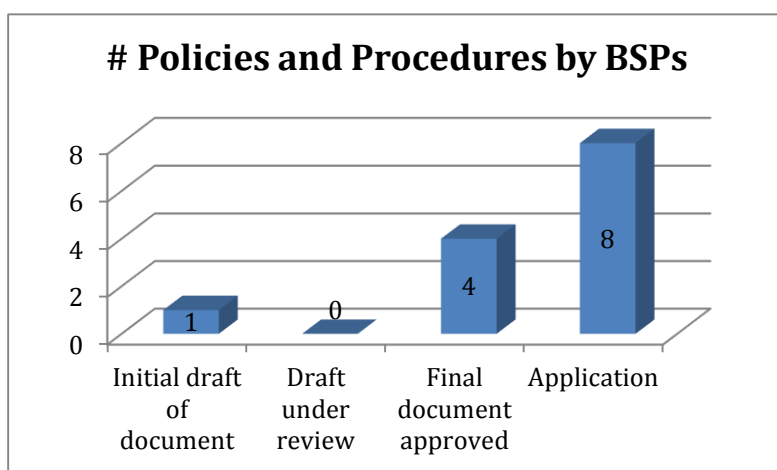
SCD is collaborating with *Excellence Consultancy Services (ECS)* to organize more EasyBooks training sessions on a fee-basis and to make this tool available to more SMEs in FY2016. At the same time, SCD will assist BSPs to make effective use of other application tools that would enhance their businesses.

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

Fiscal Year 2016 Target: 15 / FY2016 Q1 Performance to Date: 13

In addition to training and capacity building, SCD has overseen the introduction of improvement tools and frameworks, or policies and procedures, which are indicative of positive change across operational settings of BSPs and SMEs alike.

By end of FY2015, a total of thirteen policies and procedures have been introduced and implemented across five business service providers, such as EHS, Quality Management, HR, and



Construction and Emergency Preparedness. All policies and procedures are either at approved or implementation stage except for one QMS policy at the first stage (initial draft).

During the first quarter of FY2016, there was no new policy or procedure reported. Continuous follow up will be made to track any more of such policies or 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

Fiscal Year 2016 Target: 0 / FY2016 Q1 Performance: 0

It was envisioned for SCD to undertake surveying with BSP stakeholders to ascertain a level of improved management capability in one of six areas³. The baseline should have been completed to enable an improvement level scoring during mid-term (FY2015) and a second improvement level scoring at the Program’s end (FY2018). However, given the challenge involved in obtaining data necessary for the scoring, SCD changed its plans to measuring management improvement to be reported only at the Program’s end.

As such, the baseline survey is underway and by the end of the first quarter of 2016, twenty BSPs have submitted completed or partially completed assessment forms. Nine (out of twenty)

³ Areas include strategic planning, human resources, finance, marketing, quality and EHS.

assessment forms with complete data have been scored following review of assessment data and site visits. Based on the results (as shown in the table below), BSPs are at different levels in terms of management capabilities.

These BSPs, whether at high or low level in organizational management, have been participating in various SCD trainings which have already led to some visible improvement in their management. One example is Danest Engineering Co. Ltd. that has made improvements leading to their winning of contracts following support from the SCD Program. The table, however, only presents the baseline score as percent. As planned, towards the end of the SCD Program, a second assessment will be conducted to record management improvements made.

SCD continues to follow up with BSPs in order to complete the assessment forms for baseline review and scoring. Once the assessment is completed for all BSPs as well as SMEs, a separate report with scores and analysis will be presented.

BSP Name	Assessment Type	Assessment Date	Strategic/ Business Planning (15)	Personnel Management (25)	Finance (25)	Marketing (15)	Quality Management (10)	Security and Safety (10)	Total	Percentage
CENTRAL EAGLES LTD	Baseline	8-Dec-14	10.5	9.5	22	3	9.5	6	60.5	60.50%
	Final		0	0	0	0	0	0	0	0.00%
FEBERT CONSULT LTD	Baseline	9-Feb-15	7	9	22	2	8	1	49	49.00%
	Final		0	0	0	0	0	0	0	0.00%
B-BOVID LTD	Baseline	27-Mar-15	13	15.5	24	3.5	9	9.5	74.5	74.50%
	Final		0	0	0	0	0	0	0	0.00%
BEST SAFETY CONSULT LTD	Baseline	18-May-15	10	9.5	18.5	6	7	4.5	55.5	55.50%
	Final		0	0	0	0	0	0	0	0.00%
DANEST ENGINEERING CO. LTD	Baseline	8-Jul-15	5	0	10	2	4	1	22	22.00%
	Final		0	0	0	0	0	0	0	0.00%
AFRI CONSULT	Baseline	11-Aug-15	14.5	8.5	4	2	7	1	37	37.00%
	Final		0	0	0	0	0	0	0	0.00%
GRATIS FOUNDATION	Baseline	6-Oct-15	7	8	12	2	4	6	39	39.00%
	Final		0	0	0	0	0	0	0	0.00%
QUALMS GROUP	Baseline	2-Dec-15	12	17	20	2	9.5	8.5	69	69.00%
	Final		0	0	0	0	0	0	0	0.00%
TOP NOTCH BUSINESS GROUP	Baseline	10-Dec-15	5	14.5	19	2	5	7	52.5	52.50%
	Final		0	0	0	0	0	0	0	0.00%

Table 1: BSP Baseline Assessment (Management level)

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

Fiscal Year 2016 Target: 100 / FY2016 Q1 Performance: 74

As an aggregate number, SCD has trained 74 separate individuals across more 44 SMEs, by the end of FY2016 Q1, representing achievement of the FY2016 target by 74% so far.

The total number of trainees increases substantially when disaggregated, as many individuals participated in more than one training area over the quarter. When taken as a disaggregated total, SCD trained 91⁴ in four subject areas during the first quarter of FY2016.

Indicator 7: Number of industry-recognized certificates issued as a result of USG assistance in the oil and gas, power and other related sectors

Fiscal Year 2016 Target: 80 / FY2016 Q1 Performance: 31

During FY2015 Indicator 7 read as *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.*

This indicator has been revised (see above) to focus on counting certificates issued, rather than individuals that have received certificates. The main reason for the change is due to not only individuals receiving certificates, but also companies given the introduction of TRACE certification that began in FY2015.

SCD Program partnership with TRACE that has led to certification of ten SMEs so far on anti-corruption and anti-bribery, with more underway.

Indicator 7 does not include any type of certificate issued under the SCD Program, but focuses on industry-relevant certificates issued to individual trainees or to companies. During FY2016 Q1, 31 such certificates were issued. While 25 certificates went to 25 participants from SMEs in the EHS training, 6 companies were also TRACE certified on anti-corruption and anti-bribery policies.

Given the change in Indicator 7, the data for FY2014 and FY2015 has been updated accordingly as shown on the Performance Indicators Tracking Table. It is worth noting that during FY2015, the first SME Wayoe Engineering Co. Ltd. received TRACE certification, followed by six others⁵ including one BSP, Danest Engineering Co. Ltd during first quarter of FY2016. There are three additional SMEs⁶ that have been TRACE certified to be featured in the next quarterly report. Thus, 10 companies have been certified to date, with more underway.

⁴ IT/Financial- 1; Procurement II- 13; Breakfast Series I- 52; EHS- 25

⁵ 7 Eleven Energy Services; Danesh Services Ltd; Jonmoore International Ltd.; Parachem Ghana Ltd.; Stresster Engineering and Construction Ltd.; and Danest Engineering Co. Ltd.

⁶ McDan Shipping Co. Ltd; BAMG Ltd; and Kwansa Auto Ltd.

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

Fiscal Year 2016 Target: 40 / FY2016 Q1 Performance: 0

During FY2014 and FY2015, 38 SMEs and BSPs either received and applied EasyBooks⁷ Accounting software package or joined the SCD SME/BSP WhatsApp Group, or applied both EasyBooks and WhatsApp. During the first quarter of FY2016, no new SME received and applied business tools.

SCD is organizing more training sessions to make EasyBooks available to more SMEs, in collaboration with BSP *Excellence Consultancy Services*, to be held on a fee-basis. As such during the first quarter of FY2016, ECS organized a one-day fee-based training session where 5 representatives from two BSPs (Danest Engineering Co. Ltd. and B-BOVID) and one SME (Genuine 3 Logistics) attended. These were companies that have already received and applied EasyBooks with training during FY2014. However, they have hired new accountants who needed this training, as explained above (Indicator 1).

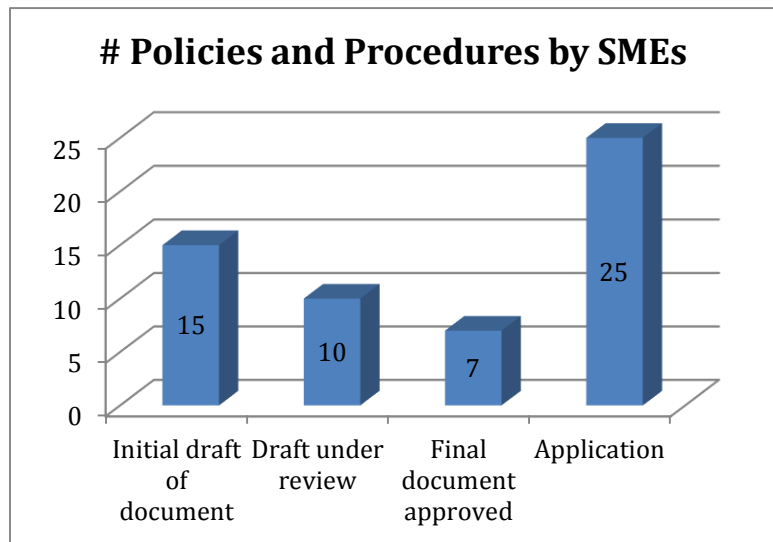
In addition to EasyBooks and WhatsApp, SCD plans to introduce other tools especially social media platforms during the coming year.

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

Fiscal Year 2016 Target: 80 / FY2016 Q1 Performance: 57

As stated in Indicator 4, SCD has overseen the introduction of improvement tools and frameworks, or policies and procedures, which are indicative of positive change across operational settings of BSPs and SMEs alike.

In FY2015, a total of 48 policies and procedures at different stages by 29 separate SMEs have been introduced and implemented. By the end of the first quarter of FY2016, nine new business policies were developed by seven SMEs as a result of the Quality Management Systems (QMS) training that took place in August 2015, and two existing policies on Quality Management moved from stage 1 (initial draft) to stage 3 (final policy approved) and stage 4 (implementation) respectively.



⁷ *EasyBooks*, designed by BSP Excellence Consultancy Service, is a business application tool that has been very useful to SMEs/BSPs for ease of financial reporting, and more importantly, on how real-time data allows for more pro-active decision making across business operations

Hence, by the end of the reporting quarter 57 business policies and procedures (in functions including EHS, QMS, Social and environment, Human Resource Management as well as Finance Policy) were at different stages of development.

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

Fiscal Year 2016 Target: 0 / FY2016 Q1 Performance: 0

It was envisioned for SCD to undertake surveying with SME stakeholders to ascertain level of improved management capability in one of seven areas⁸. The baseline should have therefore been completed to enable an improvement level scoring during mid-term (FY2015) and a second improvement level scoring at the Program's end (FY2018). However, given the challenge involved in obtaining data necessary for the scoring, SCD changed its plans for measuring management improvement to be reported only at the Program's end.

As such, the baseline survey is underway, and by the end of the first quarter of 2016, 50 SMEs have submitted completed or partially completed assessment forms. Out of these 50 SMEs, ten with fully completed assessment forms and having undergone due diligence through site visits have been scored. The results are shown in the table below. Comparing current SME assessment scores to BSP assessment scores, BSPs have relatively better management capabilities. For this reason, SCD trainings are targeted more at SMEs.

SCD continues to follow up with SMEs in order to complete the assessment forms for baseline review and scoring. Once assessment is completed for all SMEs as well as BSPs, a separate report with scores and analysis will be presented. As planned, towards the end of the SCD Program, a second assessment will be conducted to record management improvements made by SMEs.

⁸ Areas include strategic planning, human resources, finance, marketing, quality, EHS and Local Content.

SME Name	Assessment Type	Assessment Date	Strategic/ Business Planning (10)	Personnel Management (15)	Finance (10)	Marketing (10)	Quality Management (15)	Security and Safety (10)	Procurement and Local Content (10)	Total	Percent
NELIS LODGE	Baseline	20-Oct-2014	4.5	2.5	2	4	1	1	4.5	15	18.75%
	Final		0	0	0	0	0	0	0	0	0.00%
KAAK-DAN VENTURES LTD.	Baseline	9-Dec-2014	6	2	0	1	1	0	2	10	12.50%
	Final		0	0	0	0	0	0	0	0	0.00%
ALEX AMISSAH ENTERPRISE	Baseline	8-Dec-2015	2	1	2	0	1	0	2.5	6	7.50%
	Final		0	0	0	0	0	0	0	0	0.00%
FYYNBENFRED ELECTRICAL AND ENGINEERING SERVICES LTD.	Baseline	8-Dec-2015	6	5	3	0	2	4.5	2.5	20.5	25.63%
	Final		0	0	0	0	0	0	0	0	0.00%
DANESH SERVICES LIMITED	Baseline	8-Dec-2015	9	6	5	4.5	3	3	5	30.5	38.13%
	Final		0	0	0	0	0	0	0	0	0.00%
PAA TOM COMPANY LTD	Baseline	9-Dec-2015	5	3	5	2	3	6.5	5.5	24.5	30.63%
	Final		0	0	0	0	0	0	0	0	0.00%
MAC LOGISTICS LTD	Baseline	10-Dec-2015	8	10	2	3	3	2	4	28	35.00%
	Final		0	0	0	0	0	0	0	0	0.00%
ATLIZ DESIGNS	Baseline	10-Dec-2015	3	3	0	5	2	0	3	13	16.25%
	Final		0	0	0	0	0	0	0	0	0.00%
BUH ENERGIE RESOURCES	Baseline	10-Dec-2015	6	6	2	1	3	1	1	19	23.75%
	Final		0	0	0	0	0	0	0	0	0.00%
FRANCALBEN CLEANING SERVICES	Baseline	10-Dec-2015	4	0	2	0	2	0	1	8	10.00%
	Final		0	0	0	0	0	0	0	0	0.00%

Table 2: SME Baseline Assessment (Management Level)

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

Fiscal Year 2016 Target: 60 / FY2016 Q1 Performance: 63

By the end of FY2015, a total of 60 SMEs including six BSPs have been linked to financial institutions. This represents new linkages by fourteen new SMEs during the Q3 of the previous fiscal year. Forty-six SMEs had been linked during events (particularly the “speed dating” event) sponsored or hosted by SCD in FY2014. Of the linkages established in FY2014, two resulted in business loans with local banking institutions.

During FY2016 Q1, the number of SMEs/BSPs at various stages of accessing credit increased from 60 to 63.

While this represents out-performance of the indicator in relation to the target set for FY2016, in reality most of the SMEs linked to financial institutions are still finding it extremely difficult to formalize loan packages with these institutions. This is a serious obstacle and impediment to the growth of SMEs, not just in SCD’s portfolio, but across the Ghanaian economy.

The SCD Program has been working with other implementing partners to identify courses of action to free up access to finance, or identify more affordable capital in the Ghanaian market. One such avenue is public listings on local stock exchanges so as to raise debt financing or issue equity financing. SCD partner SMEs were introduced to the Ghana Alternative Market (GAX) of the Ghana Stock Exchange during a workshop held by USAID FinGAP in collaboration with the Association of Ghana industries in August 2015.

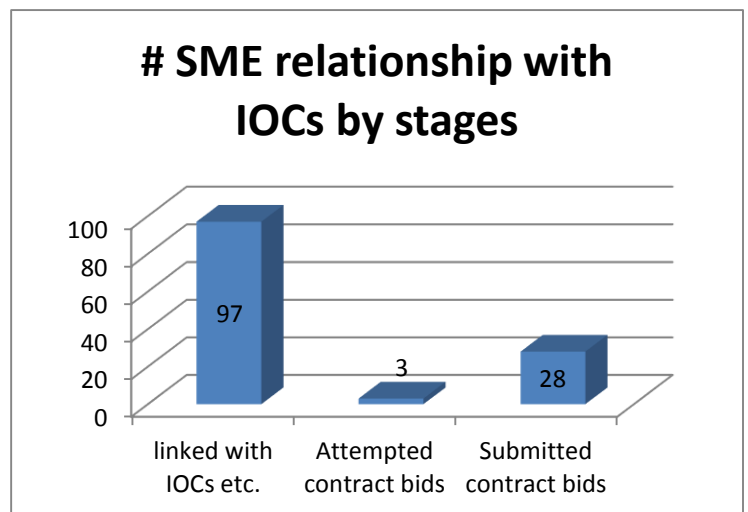
During the first quarter of FY2016, the SCD in collaboration with BSP BELA met with 6 SME participants to provide assistance in getting them listed on the GAX. Follow up will continue in order to monitor progress in their efforts to be listed.

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

Fiscal Year 2016 Target: 120/ FY2016 Q1 Performance: 128

By the end of FY2015, eighty-two SMEs and BSPs were in contact with International Oil Companies (IOCs) and industry actors at different levels. This includes participation in group or individual meetings with IOCs, as well as attempts to participate in procurement cycles.

And during the first quarter of FY2016, the number increased considerably to one hundred and twenty-eight. This increase as a result of the supplier awareness event co-organized by SCD and Atuabo Freeport Project. This event attracted 46 new SMEs including 23 SMEs invited by the Atuabo Freeport Project.



SMEs have shown increasing aptitude in building and sustaining relationships with IOCs. Additionally, market linkage events and platforms will continue to drive numbers and strengthen relationships between buyers and sellers in the marketplace. As shown in the chart above, 3 out of 128 SMEs have moved from linkage with IOCs to the stage of attempts at bidding for contracts but did not complete the bidding process, while 28 have completed and submitted contract bids.

Definitive examples exist which showcase SCD’s impact for SMEs across the industry. One example is *Danest Engineering Company Ltd*, who won a contract with South African steel fabrication company *Belmet* through a local content workshop co-sponsored by SCD.

Although the Program has already outperformed its indicator through end of FY2016 by 7%, enhanced efforts will continue so as to realize new contracts for existing and new clientele of the Program.

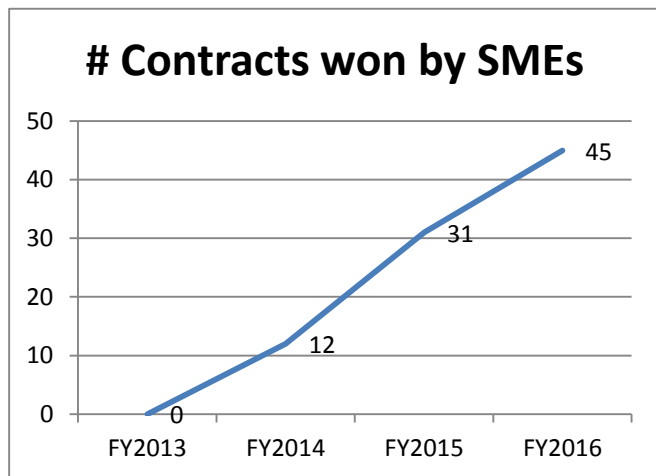
Indicator 13: Number of contracts received by SMEs as a result of USG assistance in the oil and gas, power and other related sectors

Fiscal Year 2016 Target: 40 / FY2016 Q1 Performance: 2

Twelve contracts were awarded to SMEs affiliated with the SCD in FY2014, and in FY2015 the number of new contracts realized amounted to thirty-one in total. During the first quarter in FY2016, two additional contracts were won.

SCD Indicator 14 targets the value of these contracts. Not only have the number of contracts increased year to year, but the value has increased significantly.

Companies associated with awards include the *Ghanaian National Petroleum Company (GNPC)*, *GOIL*, *Tullow*, *Baker Hughes*, *Schlumberger*, *Modec*, *Technip*, *Belmet*, *Weatherford*, *Technip*, *Trana-Tek*, *Haliburton*, *Golden Royal Investments Ltd.*, and *FMC Technologies* as well as mining companies *Goldfields* and *Anglogold Ashanti*.



In total, twenty-one (21) SMEs and BSPs have been awarded 45 contracts to date; all contracts are attributed to USAID SCD assistance.

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

Fiscal Year 2016 Target: \$5,000,000 / FY2016 Performance: \$275,048

In FY2014, twelve contracts were awarded, worth USD \$999,743 while FY2015 saw an increase of 31 contracts valued at USD \$12,023,773 won. By the end of FY2016 Q1, two additional contracts valued at USD \$275,048 were recorded.

To date, the Program has facilitated the winning of 45 contracts, valued at USD \$13,298,564. The values of three contracts were not disclosed by SMEs for confidentiality purposes.

The size of contracts awarded ranges from USD \$250 to USD \$10,000,000.

Note: Due to considerable currency fluctuations with the Ghanaian currency, a new approach was implemented to start from FY 2015 to account for exchange rate volatility.

FY2014 contracts realized had an applied FX rate of 3:1 against the US Dollar. In consultation with USAID METSS, the SCD has implemented a system of using a calculated quarterly average of historical exchange rates as applied for conversion of contract values from FY2015. The source of exchange rates applied is <http://www.oanda.com/currency/historical-rates/>.

4 INTEGRATION OF CROSSCUTTING ISSUES AND USAID FORWARD PRIORITIES

The Project was designed to address relevant USAID Forward priorities. In this section we (1) recap relevant crosscutting issues, and (2) provide a succinct overview of specific Project activities that address these issues.

4.1 Gender Equality and Female Empowerment

The SCD Program continually seeks ways in which to promote gender equality and empower females across the Ghanaian private sector. In an industry predominantly represented by males, the Ghana SCD has been able to attain a capture rate of around 30% of females in its programs. In fiscal years 2014 and 2015, this percentage was 27% and 28% respectively.

During the first quarter of fiscal year 2016, the Program has been able to sustain these levels of female engagement across its trainings. Of the 109 participants trained during the quarter in technical areas including IT Accounting Systems, Procurement, and EHS, 23% were female. Participation in these trainings has the potential to translate to both new employment opportunities for participants as well as promotions and advancements within their respective employers.

The coming quarter and remainder of the fiscal year are anticipated to continue this trend of high female participation, and thus continue to enhance prospects for female entrepreneurs, business owners, management and professionals.

4.2 Sustainability Mechanisms

The SCD Project supports Ghana in developing and enhancing economic prospects for local Ghanaian SMEs and BSPs affiliated with the Oil & Gas, Energy, and Extractives sectors. This is accomplished through targeted capacity building assistance, as well as efforts to enhance and promote market linkages amongst public and private sector participants.

Interventions made by the SCD program are designed to have near-term as well as lasting impact. SCD has begun working on models for trainings, technical assistance, and other events that will ensure longer-term sustainability of programmatic assistance. Discussions with Program beneficiaries during fiscal year 2015 have introduced the concept of programmatic sustainability via fee collection for training services as well as prospects in identifying public private partnerships which could serve to support private sector growth across industry.

Efforts to introduce a viable test-case model for fee collection have proven successful, and the Program has now implemented three trainings where a cost share of upwards of 40% has been borne by participants.

Additionally, the Program has progressed in terms of attaining commitment and support from private sector players in the overall operation of the Ghana SCD Program. During the 1st quarter of FY2016, the SCD co-hosted a Supplier Awareness Event at the Atlantic Hotel with Lonrho, the principal agent and contractor for the Atuabo FreePort, who bore 50% of the event's cost. The event was attended by more than 120 companies in Takoradi.

Additionally, the SCD has formulated a strategic partnership with TRACE International, a leading global Anti-Corruption certifying body. A major aspect of this partnership arrangement is TRACE's offering of more than \$150,000 in certification services to Ghanaian SMEs, as well as co-hosting and fully sponsoring an Anti-Corruption forum to be held in Accra in January 2016.

The SCD continues to identify further prospective partners whom could serve as primary supporters to the Project via provision of technical, managerial, financial or other assistance moving forward.

4.3 Science, Technology and Innovation Impacts

The Program continues to identify opportunities to introduce and utilize innovation and new technology that is replicable and scalable across the Ghanaian marketplace. Utilization of innovative platforms which serve to build efficiencies across business operations (i.e. EasyBooks Accounting software solution), or bridge communications divide amongst market participants (i.e. WhatsApp), have been underway beginning in fiscal year 2015 and continuing through the first quarter of fiscal year 2016. One example of success stemming from such efforts includes a local company learning of, competing and being awarded a service opportunity with an IOC valued at more than USD \$20,000 through the SCD WhatsApp group.

5 IMPLEMENTATION CHALLENGES AND CLIENT CONSTRAINTS

5.1 Dumsor power situation versus Escalating Gas and Electricity Prices

While not as critical an issue as in past quarters, there still remains the 'dumsor' issue in Takoradi. This certainly affects public and private sector operations and productivity results, as well as the operational budget of the SCD Program.

Further complicating this situation, are escalating prices of both gas and electricity needed to support Program operations. Not only are operational costs of running the office generator higher, but recently introduced taxes and tariffs on electricity have significantly increased monthly expenditures for power by 200-300% as compared with the end of FY2015.

Costs are indeed high and serve as a real opportunity cost when measured against other possible programmatic assistance that could be offered to the economic community. The challenge has forced the SCD to shift some resources to cover generator costs.

5.2 Volatility of the Ghanaian Cedi

There was continued volatility of the Ghanaian cedi against the US Dollar which has slightly impacted program as well local SME business operations. During the past reporting quarter, the Ghanaian cedi has fluctuated against the US Dollar by ranges of approximately 12- 15%.

5.3 Suppressed Price of Crude Oil on Economy and Firm Level Performance

The outlook for the oil and gas industry is not positive and over the last reporting quarter, the price of crude has plummeted. This has significantly affected existing operations of domestic and foreign participants in the market, with high attrition amongst companies, a decreased level of service operations in demand, and lower projected future investments into the economy. Commodity prices of crude on the global market are not envisioned to rise over the next reporting quarter, which will indeed affect the ‘Oil City’ of Ghana and economic growth prospects for local firms.

6 PROGRAM MANAGEMENT AND ADMINISTRATION

6.1 Personnel

During the second half of FY2015 and Q1 of FY2016, the Ghana SCD was represented by interim management. Senior Technical Advisor Kyle Gunther represented the SCD Program’s leadership and technical capacities, directing all technical activity as well as strategic work planning that will govern the full fiscal year 2016.

During Q1 of FY2016, the SCD Program sought a long-term management solution, taking extensive efforts to recruit a local Program Director for the SCD moving ahead. A candidate was identified in December and while not hired during Q1, the start date for Mr. KB Wilson is set for late January 2016. With the new addition to the SCD team, efforts will be taken to ensure a seamless transition so the Program can continue to affect positive change amongst the Ghanaian SME community in Takoradi and beyond.

6.2 Financial Management

From the program’s inception through the end of Q1 of fiscal year 2016, the program has spent approximately \$3,247,327.74, representing 66% of the total award. For fiscal year 2016, expenditures through end of Q1 add up to approximately \$258,419.58, representing 24% of the \$1,060,806.55 that is budgeted for fiscal year 2016.

Please refer to the Federal Financial Report (SF 425) which was submitted alongside this quarterly performance report.

6.3 Audit by USAID METSS

A USAID METSS team audited the operating performance of the Ghana SCD in August 2015, to ascertain if the Program was achieving its mandate according to expectations laid out in the Program’s Performance Monitoring Plan (PMP). The team spent two full days with M&E Manager Donna Torsu and program leadership checking SCD records and meeting with SCD clientele to validate progress against project indicators. The comprehensive audit was never finalized due to timing constraints; METSS anticipated returning to SCD offices to finalize the audit during 1st

quarter of fiscal year 2016. Though not yet finalized, all findings to date have been shared with USAID and the Ghana SCD Program. It is envisioned that METSS will complete their audit during the 2nd quarter of this year.

7 PLANNED ACTIVITIES FOR NEXT QUARTER (Q2)

In the coming quarter there are several programmatic areas which shall serve as the focus of operations for SCD.

7.1 Training and Capacity Building of SMEs and BSPs

The Program will continue to offer training and capacity building efforts oriented toward Ghanaian SMEs and BSPs alike. In accordance with the Program's annual work plan, five trainings are scheduled for the second quarter, including OHSAS 18001: Implementation and Internal Auditing (a two part training), Instrumentation and Control, Legal and Compliance, Road Traffic Management, and Arc Welding. Instrumentation and Control and Road Traffic management trainings are the new additions to the suite of training offered by SCD. The Instrumentation and Control will cover the following core training areas:

Industrial Automation Basic

This aspect should form the foundation to build a good understanding about automatic process control. It would cover introduction of sensors / transducers and SMART instrumentation used for measurement of process parameters, the control loop components and focuses on providing inputs related to process control. The course should aim to build a good understanding about the basics of industrial automation and as well as providing the practical aspects of commissioning and troubleshooting. A special emphasis on real life implementations, case studies and international standards would ensure participants to co-relate the theory with their day to day practice. A brief introduction to hierarchical structure of control systems and Programmable Logic Controller communications would enable the participants to appreciate the control pyramid and interfaces to office automation systems.

Pneumatic & Hydraulics Systems

Pneumatics is study of mechanical motion caused by pressurized gases and how this motion can be used to perform engineering tasks. Pneumatics is used mainly in mining and general construction works. Hydraulics on the other hand is used in pressurized fluids to execute a mechanical task. Hydraulics is frequently used in the concepts of turbines, dams, and rivers. Air brakes in buses, air compressors, compressed air engines, jackhammers, and vacuum pumps are some of the most commonly used types of mechanical equipment that are based on pneumatics technology. Commonly seen hydraulics based equipment types are hydraulic presses, hydraulic hoppers, hydraulic cylinders, and hydraulic rams.

Expected Outcome: Essence of training in this area is to equip operators and personnel with relevant skills and knowledge needed to undertake maintenance tasks on various pneumatic and hydraulic systems.

Selection, Operation and maintenance of Safety Valves, Pumps and Compressors

Pumps, valves and compressors find extensive use in petrochemical process plants, water circulation systems, A/C and heating systems, and many other applications. Understanding of how

to operate the pumps & Compressors correctly as well as knowing the appropriate selection maintenance and troubleshooting methods are vital for trouble free plant operation.

Expected Outcome: This training would help participants to gain in-depth knowledge about types of pumps, valves and compressors and the range of their application as well as the preventive, predictive maintenance and troubleshooting of these equipment.

Instrumentation, Maintenance & Calibration

An essential part of owning equipment for operation is keeping the unit working at its optimal performance. The cost of maintaining equipment at its peak performance can be expensive which therefore makes it necessary to extend the peak performance by having the equipment routinely calibrated. By not calibrating your equipment regularly, you risk improper test results, which can result in customers being dissatisfied.

Calibration is required to ensure that the readings made by instruments continue to meet performance specifications and user’s required accuracy. Components will age over time and at some point the readings will no longer be in the specified parameters of the instrument. In order to maintain the integrity of this instrument, a calibration interval must be established. The calibration interval is the responsibility of the end user and is determined by the application measurement accuracy requirements.

Expected Outcome: Through this training, participants would be informed and equipped with the skills and knowledge needed to adopt this practice in their respective companies.

The Road Traffic management training will be targeted towards SMEs who interact with the road traffic system.

Sectors	Clients
Road Users (Vehicle Operators)	<ul style="list-style-type: none"> • Haulage companies • Bus/ coach companies • Couriers/ taxis • Organizations with mobile field force • Organizations with company cars • Organizations with staff travelling by road – post office, rubbish collectors, emergency services etc.
Road Constructors/ Maintainers	<ul style="list-style-type: none"> • Construction companies • Architects • Local authority planning departments

The training curriculum will focus to cover the following topics:

- Introduction to road traffic management
- Implementing road traffic system management
- A self-assessment guide on road traffic management
- Background to traffic management
- Managing traffic during construction
- Safety during road construction
- Principles of a road hierarchy
- Manual for Streets
- Traffic Management and Streetscape

- Pedestrian facilities
- Public Transport facilities
- Road Safety
- General Traffic Management topics

The second Breakfast Series event is being planned for mid-February where industry experts will discuss Strategic Networking. Also during this coming quarter planning will get underway for an Awareness Event to bring together IOCs, MNCs, and other buyers with local SMEs. SCD plans to build on the success of the Atuabo Freeport Awareness event, as well as best practices from other PYXERA Global programs in order to create an event open to a larger audience. The event is currently planned to take place in late quarter 3 of the coming year.

In January, SCD will continue its partnership with TRACE International through the co-hosting of two events, one in Accra and the second in Takoradi. This anti-bribery training workshop for TRACE Certified entities will take place on January 21-22, 2016. The event will feature anti-bribery experts from TRACE International who will discuss enforcement trends and compliance best practices. This will also be an opportunity for the experts to address issues participants encounter during registration process. Other topics will include:

- SME compliance with anti-bribery requirements
- Trace registration process for SMEs at a glance
- The value of TRACE certification, an internationally recognized business and compliance credential

7.2 Meetings, Events and Other

7.2.1 Potential Synergy between SCD and GE Ghana SME development initiative

In August 2015 PYXERA Global entered into discussions with GE O&G Ghana about a potential SME development program in Ghana. Following these discussions, PYXERA Global participated in an SME Development tender issued by GE Ghana. The scope (capacity building of and technical assistance to five SMEs in target sectors) and available budget for GE Ghana initiative are much smaller than PYXERA Global's existing SCD Program - approximately USD \$500,000 over 2 years, with USD \$230,000 dedicated to SME grant program. Due to the nature of tender – SME development in Oil and Gas sector of Ghana – PYXERA Global submitted a proposal which seeks to avoid duplication of efforts and proposes to build upon the SCD Program for the GE SME development model by leveraging the ongoing capacity building activities in a manner that is suited to GE O&G Ghana's objectives and Ghana SCD Program strategy. The proposal budget submitted to GE Ghana accounted for Ghana SCD personnel time and operational expenses, such as office space, travel costs, use of office equipment and technical assistance costs.

In December 2015 our proposal has been selected as best and final and the negotiations are still ongoing. PYXERA Global is currently compiling the original proposal and modifications in one document to share with USAID Ghana. Although the deal has not been secured yet, we would like to seek USAID Ghana guidance on program and cost structure.

If PYXERA Global is successful in securing this private sector funding, the add-on to the existing SCD program will demonstrate our commitment to sustainability and serve as an outstanding

example of public-private partnership built upon an issue-based platform of SME development in the Ghanaian Oil and Gas Industry. The fact that USAID, PYXERA Global and GE Ghana recognize the same challenges in SME development and provide a joint solution that addresses both development and business needs provides a more holistic, longer term view on economic growth in Ghana.

7.2.2 Visit to the SCD Project by the PYXERA Global Board of Directors

Members of the Board of Directors of PYXERA Global, accompanied by CEO Deirdre White, will be visiting the SCD Program in February. This will be the first visit for the Board of Directors to the project, and they will be coming to observe the successes of the project first hand.

7.2.3 Implementing Partners Meetings

The SCD continues to take part in monthly Implementing Partners meetings, typically attended by 6 to 8 donor partners in the western region.

7.2.4 Issuance and Publication of SCD Newsletter

During the reporting quarter, the SCD Newsletter was updated and finalized. The inaugural version will be distributed to SMEs via email.

8 ANNEXES

ANNEX A Performance Indicator Tracking Table

Ghana Supply Chain Development Program																								
Performance Indicators Tracking Table(As of 31/12/2015)																								
USAID - SCD Objective, Results and Indicators	Baseline Value	FY2014 Target	FY2014 Actual	Disaggregates				%FY2015 Actual vs Target	FY2015 Target	FY2015 Actual	Disaggregates				%FY2016 Actual vs Target	FY2016 Target	FY2016 Actual	Disaggregates						
				Sub Actual	Stages						Sub Actual	Stages						Sub Actual	Stages					
					1	2	3					4	1	2					3	4	1	2	3	4
SCD Goal: Increased competitiveness of Ghanaian businesses in oil and gas, power and other related sectors																								
IR 1: Improved capacity of Business Service Providers (BSPs) to serve SMEs																								
SCD IR 1.1 Training and consulting skills of BSPs enhanced to provide quality training and consultancy services to SMEs																								
SCD IR 1.2 Enhanced organizational management capacities of BSPs																								
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				55%	40	22	Male	Fundamentals of Visual Inspection- 2; Procurement II- 2; Legal- 6; EHS- 2; Welding Technology and Blueprint Reading- 5; OHSAS 18001 Implementing- 1; OHSAS 18001 Internal Auditing- 1; QMS- 2; TRACE- 4 Total=25				130%	10	13	Male	IT/Financial- 2; Procurement II- 1; Breakfast Series I- 5; EHS- 4 Total=12			
				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; Legal- 2; EHS- 0; Welding Technology and Blueprint Reading- 1; OHSAS 18001 Implementing- 0; OHSAS 18001 Internal Auditing- 0; QMS- 2; TRACE- 2 Total=7							Female	IT/Financial- 2; Procurement II- 1; Breakfast Series I- 2; EHS- 1 Total= 6			
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				-	0	-	Male	-			
				Female	0							Female	0							Female	-			
3. Number of BSPs that have received and applied business tools as a result of USG support	0	-	3					47%	15	7					0%	8	0							
4. Number of business policies and procedures at different stages of development by BSPs as a result of USG assistance	0	-	-	-	-	-	-	87%	15	13	13	1	0	4	8	87%	15	13	13	1	0	4	8	
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					-	40	-	S. Planning	0					0		S. Planning				
				HR								HR	0							HR				
				Finance								Finance	0							Finance				
				Marketing								Marketing	0							Marketing				
				Quality								Quality	0							Quality				
				EHS								EHS	0							EHS				
SCD IR 2 Improved capacity of SMEs to meet industry supply requirements and standards																								
SCD 2.1 Enhanced capacity of SMEs in business management, procurement, standards and best practices																								
6. Number of individuals from SMEs that have received USG supported training	0	-	148	Male	Procurement- 26; EHS- 47; IT/Accounting- 11; Welding Inspection- 16; General Workshops- 44				96%	150	144	Male	General Workshop- 5; OHSAS 18001 Implementing- 37; OHSAS 18001 Internal Auditing- 34; Fundamentals of Visual Inspection- 9; Procurement II- 14; Welding Technology and Blueprint Reading- 19; EHS- 18; Legal- 23; QMS- 19; TRACE- 16 Total=194				74%	100	74	Male	IT/Financial- 1; Procurement II- 6; Breakfast Series I- 43; EHS- 22 Total= 72			
				Female	Procurement- 14; EHS- 5; IT/Accounting- 8; Welding Inspection- 2; General Workshops- 23							Female	General Workshop- 19; OHSAS 18001 Implementing- 4; OHSAS 18001 Internal Auditing- 5; Fundamentals of Visual Inspection- 1; Procurement II- 9; Welding Technology and Blueprint Reading- 1; EHS- 5; Legal- 9; QMS- 2; TRACE- 11 Total=67							Female	IT/Financial- 0; Procurement II- 7; Breakfast Series I- 9; EHS- 3 Total= 19			
7. Number of industry-recognized certificates issued as a result of USG assistance in the oil and gas, power and other related sectors	0	-	51	Male	EHS- 36; Welding Inspection- 9				151%	100	151	Male	OHSAS 18001 Implementing- 36; OHSAS 18001 Internal Auditing- 4; OHSAS 18001 Internal Auditing- 33; Fundamentals of Welding Visual Inspection- 9; EHS- 18; Welding Technology and Blueprint Reading- 19; QMS- 16 Total=131				39%	80	31	Male	EHS-22			
				Female	EHS- 4; Welding Inspection- 2							Female	OHSAS 18001 Implementing- 4; OHSAS 18001 Internal Auditing- 6; Fundamentals of Visual Inspection- 1; EHS- 5; Welding Technology and Blueprint Reading- 1; QMS- 2 Total=19							Female	EHS-3			
				SMEs	0							SMEs	TRACE-1							SMEs	TRACE- 6			

8. Number of SMEs that have received and applied business tools as a result of USG support	0	-	10					54%	50	27					0%	40	0										
9. Number of business policies and procedures at different stages of development by SMEs as a result of USG assistance	0	-	-					48%	100	48	48	16	6	6	20	71%	80	57	57	15	10	7	25				
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					-	70	-	S. Planning	0					0		S. Planning							
				HR								HR	0							HR							
				Finance								Finance	0							Finance							
				Marketing								Marketing	0							Marketing							
				Quality								Quality	0							Quality							
				EHS								EHS	0							EHS							
				Local Content								Local Content	0							Local Content							
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	42	0	2	120%	50	60	SMEs	54	52	0	2	105%	60	63	SMEs	57	55	0	2			
				BSPs	2	2	0	0				BSPs	6	6	0	0				BSPs	6	6	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	117%	70	82	SMEs	70	42	3	25	107%	120	128	SMEs	113	85	3	25			
				BSPs	8	8	0	0				BSPs	12	10	0	2				BSPs	15	12	0	3			
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	12	SMEs	11					78%	40	31	SMEs	27					5%	40	2	SMEs	2				
				BSPs	1								BSPs	3								BSPs	0				
				JVs	0								JVs	1								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	-	999,743	Single SMEs/BSPs	999,743					802%	1,500,000	12,023,773	Single SMEs/BSPs	11,523,773					6%	5,000,000	275,048	Single SMEs/BSPs	275,048				
				JVs	0								JVs	500,000								JVs	0				

NOTE CHANGES:

1. Changes made in indicators 3 and 8: Use of the term "business tools" instead of "business application tools"
2. Indicator 7 above is a revised version counting certificates rather than individuals. The previous was "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"

*A No target set as no plans to certify more trainers during FY2016

*B To be reported in final report. Baseline forthcoming

ANNEX B Project Success Stories

- B.1 Success Story 1: Fynnbedfred Documents its Successes with Local Operations**
- B.2 Success Story 2: USAID SCD Recognized as ‘Best in Class’ Local Content Initiative**
- B.3 Success Story 3: The Atuabo FreePort offers compelling business opportunities in Ghana**



SNAPSHOT

Fynnbenfred Documents its Successes with Local Operations

USAID assists SMEs to standardize operations



Photo: Standardization of filing systems at Fynnbenfred Electricals office means greater efficiency administratively

Small organizations in need of capacity building are taking advantage of the SCD program.

Fynnbenfred Electricals is one such company who sees the value in these trainings and goes all out to implement what they learn in their operations. Small strides will surely lead to huge outcomes for serious companies poised and ready to handle opportunities in the Oil and Gas industry.

Telling Our Story

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"Don't underestimate the power of small things" applies to local Takoradi Company, Fynnbenfred Electrical Works Enterprise. Established in 2014 to offer equipment installation, repair and maintenance services to organizations in Oil & Gas related sectors, even in a downturn economy Fynnbenfred still sees opportunities all around them.

Fynnbenfred Electrical Works Enterprise has always taken a keen interest in trainings offered by the Ghana Supply Chain Development Program. In the past, the firm has participated in trainings including Foundation Environment Health & Safety (EHS), OHSAS 18001:2007 Implementation & Internal Audit, and Quality Management Systems (QMS).

"Trainings received from SCD have really benefitted us," says Sebastian Nartey, Safety Officer at the company. In a recent visit by the SCD Client Relations team, Celestine Kpende saw first-hand Fynnbenfred's implementation of knowledge and best practices imparted during trainings.

A new and improved filing system has been instituted, with correct labelling and records of pertinent operations kept in order. Previously, client folders and company documentation was in complete disarray. A comprehensive EHS plan of action for the company and its staff has enhanced safety awareness and consciousness across the company and its operations. Lastly, Fynnbenfred has introduced a customer feedback mechanism to gauge level of customer satisfaction and successful job delivery.

Dividends are paying off handsomely. In November 2015, Fynnbenfred Electrical Works Enterprise, in charge of maintenance at the Baker Hughes Takoradi facility, facilitated an external audit of facility operations with auditing firm *FM Global*. "FM Global was very impressed with the work and Fynnbenfred's systematization of document control on premises" noted Mr. Nartey. These steps and the knowledge which led to such administrative efficiencies stemmed directly from participation in SCD trainings.

Fynnbenfred, and companies like it, see a bright future as internal improvements are made to their firms, and look to a growing presence in the Oil & Gas sector in Takoradi, and Ghana.



SNAPSHOT USAID SCD Recognized as 'Best in Class' Local Content Initiative

USAID program heralded for its contributions to SMEs in the oil/gas space



Photo: PYXERA Global VP Harry Pastuszek and Country Director Barbara Gbologah-Quaye receive 'Local Content' award for PYXERA's SCD program in Ghana

Labeled best 'Local Content Initiative 2015' at the 2nd annual GOGA awards held in Accra, Ghana, the USAID funded SCD Program is pleased to be part of an emerging and esteemed class of local and international companies recognized for best-in-class business practices and support initiatives which will further support the development of Ghana's nascent oil and gas sector.

The Ghana Oil and Gas Awards and exhibition (GOGA) was organized in 2014 as an event to bring together players across the industry to recognize and award leading achievements from local and international companies involved in Ghana's oil and gas sector. Structured around 25 distinct award categories representing 'best in class' operations of companies that continue to define and support the further development of the sector, the GOGA awards serve as the premiere oil/gas event of the year in Ghana.

The 2nd annual GOGA awards were held on December 11, 2015 at the Movenpick Hotel in Accra. Key affiliated partners to the event included the Ministry of Energy and Petroleum, the Ghana Oil and Gas Service Providers Association, and this year's key sponsor National Investment Bank.

The USAID Supply Chain Development (SCD) Program was awarded the 2015 'Local Content Initiative' award for its continued efforts and assistance to building competitiveness and competence of Ghanaian firms to more effectively participate within the industry sector. Operating since 2013, the Program has worked with nearly 200 companies to build capacity amongst professionals in areas including Environment, Health & Safety (EHS) and OHSAS 18001:2007, Quality Management Systems (QMS), Procurement, Legal & Compliance Issues for the O&G sector, a multi-modular welding series. Complemented with in-class practical trainings, is firm-level consulting and advisory services oriented toward program participants as well as efforts to promote and strengthen market linkages between buyers and sellers in the market.

SCD interventions have resulted in 45 contracts totaling \$13,298,568 for program clients to date. Major contracts include with IOCs and subcontractors, including Tullow Oil, ENI, Halliburton, Schlumberger, Belmet/ Subsea 7, amongst others. These contracts serve as testimony to the good work being done by SCD as well as the level at which SMEs have attained.

Surely the impact SCD continues to have with Ghanaian SMEs is clear, as recognized recently at the GOGA Awards. The award as raised SCD's profile, "helped to gain peer recognition and heightened visibility within a professional audience" noted the event organizer's CEO.

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SNAPSHOT

The Atuabo FreePort offers compelling business opportunities in Ghana

USAID encourages supplier/buyer communications in the Oil & Gas Industry



Photo: Participants interacting and networking at the SCD Atuabo Freeport supplier awareness event

Negative perceptions about doing direct business with international organizations prevented SMEs from prospects of concluding real transactions. With this Atuabo Free Port supplier event, those perceptions are slowly dissipating. Opportunities for SMEs in construction and operational stages of Atuabo may be realized in early 2016 and into 2017.

Opportunity, some say, is preparedness coupled with perfect timing. On October 5, 2015, a Supplier Awareness event hosted by the Ghana Supply Chain Development (SCD) Program and Atuabo FreePort allowed representation from 74 Ghanaian SMEs to understand future collaborative industry opportunities in/around the western region.

A final investment decision as to be made in November 2015 by the Atuabo consortium will determine prospects ahead for many Takoradi-based enterprises. This October 5th Supplier Awareness event enabled firms to understand construction and operational concerns surrounding what may become the single largest oil/gas related infrastructure investment in the western region, and whole of the country. Local procurement and contracting opportunities will prove monumental toward the growth of the local private sector moving forward, and firms learned of both progress and opportunities with the procurement cycle of Atuabo moving into 2016 and 2017.

To complement details shared on the Atuabo FreePort, SCD highlighted program accomplishments as well as intentions and plans to continue capacity building measures which have benefited local SMEs since 2013. Over 500 individuals stemming from over 120 companies have taken part in industry related trainings focused on areas including EHS, QMS, Effective Procurement, Welding, Legal & Compliance Issues, and IT-related accounting systems. Additionally, many SCD-affiliated companies are taking efforts to certify in accordance to international best practices, ie TRACE certification.

The Supplier Forum was well received, and shows the advancement of networking and relations between multinational buyers and respective SMEs looking to extend business communications and contracts in the oil/gas sector. Ghanaian SMEs have begun registration to Atuabo's vendor portal, an integral step toward establishing relations with the entity.

With prospects of new partnerships in mind, SCD will continue to host similar events to strengthen relationships and bring SMEs into direct contact with additional multinationals operating in the oil, gas and related sectors. With more linkages made in business, more contracts are likely to emerge as results of these events.

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