



USAID | **GHANA**
FROM THE AMERICAN PEOPLE

GHANA SUPPLY CHAIN DEVELOPMENT PROGRAM

QUARTERLY PERFORMANCE REPORT
JANUARY - MARCH (Q2, FY2016)



Photo Credit: SCD

This publication was produced by PYXERA Global for review by the United States Agency for International Development

GHANA SUPPLY CHAIN DEVELOPMENT PROGRAM

**QUARTERLY PERFORMANCE REPORT
JANUARY – MARCH 2016**

Grant No. AID-G-13-00002

Period of Grant Performance: March 21, 2013 to March 20, 2018

Place of Performance: Ghana, Western Region

Contact

Harry Pastuszek
Vice-President, Enterprise and Community Development

1030 15th St NW Suite 730 East
Washington, DC 20005

Tel: +1 (202) 530 - 7678
E-mail: hpastuszek@pyxeraglobal.org
Web: www.pyxeraglobal.org

This report is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents the responsibility of the program and do not necessarily reflect the views of USAID or the United States Government.

TABLE OF CONTENTS

LIST OF ACRONYMS	4
1 EXECUTIVE SUMMARY	5
2 WORK PLAN IMPLEMENTATION PROGRESS	7
2.1 TRAINING AND CAPACITY BUILDING.....	7
2.2 PARTNERSHIPS AND MARKET LINKAGES.....	9
2.3 COMMUNICATIONS.....	11
3 QUARTER 2 PMP REPORTING NARRATIVE	11
INDICATOR 1.....	12
INDICATOR 2.....	12
INDICATOR 3.....	13
INDICATOR 4.....	13
INDICATOR 5.....	13
INDICATOR 6.....	16
INDICATOR 7.....	16
INDICATOR 8.....	17
INDICATOR 9.....	17
INDICATOR 10.....	18
INDICATOR 11.....	20
INDICATOR 12.....	20
INDICATOR 13.....	21
INDICATOR 14.....	21
4 INTEGRATION OF CROSSCUTTING ISSUES AND USAID FORWARD PRIORITIES	22
4.1 GENDER EQUALITY AND FEMALE EMPOWERMENT	22
4.2 SUSTAINABILITY MECHANISMS	22
4.3 SCIENCE, TECHNOLOGY AND INNOVATION IMPACTS.....	23
5 IMPLEMENTATION CHALLENGES AND CLIENT CONSTRAINTS	23
5.1 DUMSOR POWER SITUATION VERSUS ESCALATING GAS AND ELECTRICITY PRICES.....	23
5.2 VOLATILITY OF THE GHANAIAI CEDI	24
5.3 SUPPRESSED PRICE OF CRUDE OIL ON ECONOMY AND FIRM LEVEL PERFORMANCE.....	24
6 PROGRAM MANAGEMENT AND ADMINISTRATION	24
6.1 PERSONNEL.....	24
6.2 FINANCIAL MANAGEMENT	24
7 PLANNED ACTIVITIES FOR NEXT QUARTER (Q3)	24
7.1 TRAINING AND CAPACITY BUILDING OF SMES AND BSPPS	25
7.2 MEETINGS, EVENTS AND OTHER.....	27
8 ANNEXES	28
ANNEX A PERFORMANCE INDICATOR TRACKING TABLE (ATTACHED SEPARATELY)	28
ANNEX B PROJECT SUCCESS STORIES.....	28

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
GOGA	Ghana Oil and Gas Awards
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
LOP	Length of Project
M&E	Monitoring and Evaluation
MDA	Ministries, Departments and Agencies
METSS	Monitoring and Evaluation Technical Support System
MNC	Multi-National Company or Multi-National Corporation
MOEP	Ministry of Energy & Petroleum
MOTI	Ministry of Trade & Industry
MOU	Memorandum of Understanding
O&G	Oil and Gas
PIRS	Performance Indicators Reference Sheet
PITT	Performance Indicators Tracking Table
PMP	Performance Management Plan
PSC	Project Steering Committee
QMS	Quality Management Systems
SCD	(Ghana) Supply Chain Development Program
SME	Small and Medium Enterprise
STCCI	Sekondi-Takoradi Regional Chamber of Commerce and Industry
ToT	Training of Trainers
UMB	Universal Merchant Bank
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 Oil and Gas (O&G), mining and energy sector supply chains.

The three primary methodologies used to achieve these objectives are: 1) introduction of training and capacity building interventions targeting enhancement of technical managerial qualifications of professionals across the sector(s), 2) strategic and targeted campaigns to combat access to finance issues inherent to the Ghanaian private sector, and 3) 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.

In the second quarter of 2016, the SCD program has continued its delivery of high

quality trainings, with workshops in EasyBooks IT Accounting Software and How to Create an Elevator Pitch. To provide enhanced learning and networking opportunities to SMEs outside of traditional trainings, the SCD has increased the frequency of its Breakfast Series trainings (“Breakfast Meetings”), which now occur each month, and is establishing a sponsorship program for events with Universal Merchant Bank of Ghana. The March event, “Business Networking and Stakeholder Management,” taught participating SMEs how to improve their business’ marketing practices, expand networks, and sustain successes.

On January 21-22, 2016, the SCD Program co-hosted the largest anti-bribery workshop in Accra with TRACE International, followed by a similar workshop in Takoradi. The workshops educated local and foreign companies on global trends in anti-corruption, issues inherent to Ghana, and anti-corruption compliance frameworks, such as TRACE certification. With over 200 participants, “this was the biggest event TRACE has held globally,” stated Alexandra Wrage, President and Founder, TRACE International. As part of the collaborative partnership with SCD, TRACE has offered a pilot capacity building program, including TRACE certification for up to 40 local Ghanaian firms associated with this USAID project as a part of its ‘Certify the World’ campaign. This contribution by TRACE in Ghana is valued at more than USD 200,000.

In the coming quarter, the SCD will continue its training and technical assistance program with six trainings planned, as well as the third Breakfast Series event on Entrepreneurship. 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, **Annex B** of this Quarterly Report contains three success stories.

2.1 Training and Capacity Building

Slow recovery in the international and Ghanaian oil and gas industry has affected the ability of Ghanaian SMEs to invest in much needed capacity building for their companies and employees. In order to make Trainings and Technical Assistance both available and sustainable in the local market, the SCD Program continues to use a two-pronged approach of free and subsidized trainings.

During the last quarter, the SCD Program expanded its suite of trainings to both attract new SME participants and respond to more specialized skills gaps identified by the SCD team – all with an eye toward better preparing Ghanaian SMEs to supply the Oil & Gas sector. Recent high profile events, such as the partnership with TRACE International, have increased regional interest in the SCD Program among SMEs in the Greater Accra, Western and Central Regions, as well as within Takoradi. Secondly, the SCD Program expanded the range of capacity building trainings offered, which included Networking and Stakeholder Management, Elevator Speeches, Instrumentation and Control, and EasyBooks, an IT accounting software.

The list below demonstrates trainings and events completed in the 2nd quarter, and those planned during the 2nd quarter for implementation in the 3rd Quarter:

	Subject	Timeframe	Participants	Status	BSP
1	Training: EasyBooks (accounting software)	Q2	12	Completed	Excel Consult
2	Breakfast Meeting: Networking & Stakeholder Management	Q2	65	Completed	IBS Consulting Alliance
3	Mini-Workshop: Elevator Speech	Q2	28	Completed	Marjorie Janczak
4	Training: Instrumentation and Control	Q3	12	Planned (1 st and 2 nd week of April)	Gil Automations
5	Breakfast Meeting: Entrepreneurship	Q3	45	Planned (4 th week of April)	IBS Consulting Alliance
6	Training: Legal and Compliance	Q3	22	Planned (5 th Week April)	ENSafrica
7	Training: Social Media & Strategic Marketing	Q3	40	Planned (1 st Week May 4-5)	DeeGib
8	Training: Take Charge Supervisory Development	Q3	40	Planned (2 nd Week May 11-12)	Jescom Capital Ltd
9	Breakfast Meeting: E-Commerce and Cloud Sourcing	Q3	50	Planned (3 rd Week May 18)	Jude Renner
10	Training: Road Safety Management	Q3	40	Planned (4 th Week May 24, 26&27)	ABA & Partners
11	Mini-Workshop: Social Media Etiquette	Q3	25	Planned Date TBD	Marjorie Janczak

2.1.1 EasyBooks Training – March 2-3, 2016

The success of EasyBooks accounting software trainings has increased demand among SMEs for the technology. As a result of the support provided by the SCD program, EXCEL Consult, a Business Service Provider (BSP), has taken the initiative to recruit SMEs in the SCD network for the training. The EasyBooks training was delivered by EXCEL Consult at the SCD offices from March 2-3 and was attended by twelve SMEs.

2.1.2 Breakfast Meetings

In the second quarter, the SCD facilitated two successful Breakfast Meetings, which garnered interest from not only SMEs, but also a private sector sponsor. The first Breakfast Meeting was held on March 23rd and was facilitated by Mr. Percy Amoo-Yankey. He discussed “Networking and Stakeholder Engagement for Business” with 58 participants and one media representative. Participants provided positive feedback on the training and requested follow-up information on a variety of points from the expert. Because of the positive response, the SCD invited Mr. Percy Amoo-Yankey to speak on Entrepreneurship at an April Breakfast Meeting, a topic he is very passionate about.

The quality and depth of information received by SMEs in these two Breakfast Meetings was apparent in the feedback received. “It is one of the most beneficial workshops [I have] ever attended” (MAC Logistics). “It has helped us find new strategies to win new contracts” (Davitron Electricals). “The presentation and accompanying slides are terrific. It will definitely transform our operations” (Mobicrane). Not only was feedback from the 45 SMEs in attendance extremely positive, but Universal Merchant Bank of Ghana approached the SCD to sponsor future events as a result, to be discussed in further detail in Section 2.2.1.

“It is one of the most beneficial workshops I have ever attended.”

MAC Logistics

2.1.3 Mini-Workshops

Feedback from participants of the “Networking and Stakeholder Engagement” Breakfast Meeting indicated that many SMEs face challenges in clearly describing their business to potential clients. The SCD training department responded to this challenge by designing and implementing a *mini-workshop*. The first mini-workshop, on “How to Craft Your Elevator Speech,” lasted three-hours and attracted 38 participants. In the workshop, participants were taken through an interactive approach to developing an elevator pitch and tailoring it to one’s business.

Next quarter, the SCD will continue to use mini-workshops to help SMEs overcome minor issues that can often be resolved within a couple of hours. The SCD team identifies these issues during its traditional trainings and the Breakfast Series. In addition to mini-workshops providing a space for SMEs to troubleshoot minor issues that arise, the SCD envisions these workshops equipping SMEs with the knowledge, clarity, and confidence needed to implement what they learn from the initial trainings. Feedback from participants indicated an appreciation of SCD’s innovative methods of bringing relevant trainings to SMEs.

2.1.4 Client Engagement

During the last quarter, and throughout fiscal year 2016, the Client Relations team focused on increased interaction with SMEs and BSPs through site visits, email, and phone call interactions. The increased interaction is intended to strengthen already established relationships, closely monitor the progress of SMEs/BSPs after trainings, and ascertain whether there are any issues with the implementation of knowledge acquired in trainings.

The SCD Client Relations team has conducted the following activities in the last quarter:

- Recruitment of clients for trainings and events, totaling about 165 participants
- Site visits to 23 SMEs/BSPs in Takoradi, Tarkwa, Spintex and Tema.
- Follow up on policies drafted or enhanced and contracts attempted or won
- Identification and submission of three success stories
- Provision of logistical support for trainings
- Scoring of SME & BSP assessment form
- Enrollment of eleven new clients into SCD program.

2.1.5 Executive Meetings for Business Owners and Top Management of SMEs

The SCD program has identified a need for a training program that targets business owners and top management of SMEs. This program will complement trainings currently offered to employees. The trainings will help build the leadership capacity of business owners and executives and promote effective implementation of new organizational policies, such as Environment, Health, and Safety (EHS). Prior to implementation, in order to ensure that widespread demand for these trainings exists, the SCD plans to hold a roundtable discussion with business owners and executives of the SCD SME network.

2.2 Partnerships and Market Linkages

2.2.1 Sponsorship for the Breakfast Series

The SCD program continues to seek opportunities to make its interventions more sustainable through partnerships with the private sector in Ghana. The success of the first Breakfast Series event gained the attention of Universal Merchant Bank (UMB), who found the series engaging and relevant to their marketing strategy, focused on increasing their market presence and visibility among local SMEs, especially in the Western, Greater Accra and Ashanti Regions. UMB agreed to sponsor a portion of the second edition, “Business Networking and Stakeholder Management” and third edition, “Entrepreneurship.” In addition to support for the Breakfast Series, this partnership will strengthen the SCD’s efforts to promote access to finance among its SME clients. A Memorandum of Understanding (MOU) between UMB and the SCD program is under review.

2.2.2 TRACE International Partnership & Anti-bribery and Anti-corruption Workshop

The second quarter began with preparations for the much anticipated Anti-Bribery and Anti-Corruption (ABAC) workshop organized in partnership with TRACE International. The workshop, which took place on the 21st and 22nd of January in Accra and Takoradi respectively, brought together over 200 participants. Special guests included delegations from the Supreme Court, USAID, local and foreign business professionals, and lawyers familiar with the challenges

in international commercial transactions. The majority of the SME participants at the workshop were TRACE Certified entities, TRACE members, and companies in the SCD Program and Invest in Africa networks.

Topics discussed included:

- Global enforcement of anti-bribery legislation
- SME compliance with anti-bribery requirements
- Identification of red flags for bribery specific to Ghana
- Value of TRACE certification, an internationally recognized business and compliance credentials.

At the end of the workshop, TRACE International extended their Certify the World Campaign to all interested SMEs within the SCD and Invest in Africa network, which includes one free year of TRACE certification.

2.2.3 Engagement with national and multi-national corporations

In Quarter Two, the SCD program intensified engagements with Multi-National Companies (MNCs) across the Oil & Gas, mining and energy industries. SCD approached new MNCs as well as strengthened ties with existing partners. The multi-nationals that SCD engaged in the course of the quarter included BOST Ghana, Atuabo Freeport, Halliburton, Yinson, WUTA Energy, FMC Technologies, ENI Ghana and the Volta River Authority.

Discussions with the MNCs fell into the three categories outlined below:

#	ITEM	Description
1	Supplier Awareness Event	Co-hosting of an event between MNCs and the SCD Program would allow MNCs to interface and engage with the SME community. Insights into the industry, company plans, procurement opportunities, pre-qualification platforms and frameworks, and other subjects could serve as topics of interest. Similar smaller events have been held with several MNCs, financial institutions and international agencies in the past to great success.
2	Leveraging SCD to identify suitable and qualified SME supplier base to buyers	SCD actively engages with over 200 SMEs in various sectors affiliated with the oil/gas, mining and energy sectors. A number of these firms could serve as prospective suppliers, and the SCD Program could partner with the MNCs to understand upcoming procurement opportunities suitable for local SMEs, and introduce buyers to 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 to develop the capacities of suppliers. Once identified, the SCD Program could structure and implement a training and capacity building campaign for existing supplier base, or to the SME community at large.

Example outcomes of these engagements include requests made by FMC technologies and ENI Ghana to the SCD program to provide a list of engineering & PPE supply companies and maintenance companies respectively. The MNCs will screen the SMEs recommended by SCD and some might be selected for inclusion in the supplier database of these two oil & gas companies.

2.2.4 Collaboration with local stakeholders and Implementing Partners

SCD has continued to strengthen its relationship with local stakeholders and Implementing Partners (IPs), including the Sekondi Takoradi Chamber of Commerce, the Western Region

Coastal Foundations, and the Enterprise Development Center (ECD). The SCD is also planning future meetings and collaborations with Global Communities and the Coastal Sustainable Landscapes Project (CSLP). Through these partnerships, the SCD is working to create synergies between the various programs that aim to build the capacity of SMEs. The overall goal of the partnerships is to identify common grounds where programs can work collaboratively as well as tap into each other's resources to achieve common goals.

2.3 Communications

2.3.1 Publication and Distribution of Newsletter

In the second quarter, the SCD distributed the second edition of its newsletter iEmpower to the SMEs and other stakeholders in its network. This edition introduced the new Program Director, KB Wilson to the SCD network, called attention to the importance of leadership in businesses, and highlighted recent successes of SMEs from TRACE Certifications. Feedback from SMEs, BSPs and other stakeholders, including former Chief of Party (COP) Ken McGhee, indicates that the newsletter is providing engaging and relevant news to SMEs.

2.3.2 Social Media Activities

In order to promote the USAID Forward priority of the use of technology, the SCD program continues to promote its activities through its Facebook page and WhatsApp platform.

The SCD Program Facebook page continues to exhibit images of events run by SCD and serves as a means to announce and promote various program activities and information for its network of SMEs. An increase in recent activity on the page indicates that there is improved interaction from SMEs on this platform, with over 300 followers.

Members of SCD's WhatsApp platform have leveraged it to not only share information and discuss SCD trainings, but also to serve as a medium to market their companies amongst each other. The platform now has 70 members.

3 QUARTER 2 PMP REPORTING NARRATIVE

At inception, the SCD Program reported on eight performance indicators. By the end of FY2014, in collaboration with USAID's Monitoring and Evaluation Technical Support System (METSS), the SCD reviewed its existing indicators and added six more indicators, bringing the total of indicators to fourteen. These expanded indicators enabled the SCD Program to report adequately on its performance throughout FY2015. At the beginning of FY2016, the SCD revised three (refer to Indicators 3, 7 and 8 below) out of the fourteen indicators for more accurate performance reporting.

The Performance Indicators Tracking Table (PITT), included as Annex A, contains results for FY2016 Quarters One and Two disaggregated by gender and other factors. The full PITT from FY2014 to present and Length of Project (LoP) results are included as an Excel document in Addendum A. For almost all of the revised indicators, FY2014 has no set targets therefore only actual data for FY2014 is shown. The revised Performance Indicators Reference Sheets (PIRS), previously submitted to USAID, outlines the revised definitions and methodologies.

While the PITT in Annex A provides a snapshot representation of the Program's performance against its stated Fiscal Year targets, there is a definitive need to provide narratives for each of the

indicators to substantiate the progress made. This section provides such narratives, sharing both aggregated and disaggregated data.

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

Fiscal Year 2016 Target: 10 / FY2016 Q1 Performance: 25

By the end of Quarter Two of FY2016, 25 individuals representing nine BSPs received training in nine subject areas. Although the total disaggregated number of participants is 39¹, the aggregate number of individuals is 25, as shown in the PITT. This difference is a result of several individuals participating in more than one USG supported training by the end of the reporting quarter, which demonstrates that participants' value the trainings and see them as beneficial to their company and personal growth.

Six² of the BSPs that participated in SCD-funded trainings have also served as lead training entities as contracted by the SCD Program. This is indicative of an enhancement in the quality of BSP training capacities, one of several mandates of the project. To date, the SCD Program has organized five cost share training programs in collaboration with these BSPs, including one (IT/Accounting, held twice) fully paid for by SME participants. The SCD Program will continue to adopt the cost-share model in subsequent technical trainings. Additionally, the majority of 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 FY2016, SCD exceeded its target for the fiscal year by 150% as a result of BSPs being more involved in SCD events than expected, particularly in IT/Financial and EHS trainings as well as the Breakfast Meeting Series.

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 BSPs. Trainers from five local BSPs participated in and received certifications under the IFC-Business Edge Training of Trainers (ToT) program. Due to the high cost of the IFC training, follow up with additional training and capacity building efforts has proved prohibitive. During FY2015, SCD sought opportunities to collaborate with other similarly reputable institutions that might have interest in building capacity of BSPs in the western region of Ghana, however little progress was made and no training leading to award of certificates in training skills took place. Due to these challenges, SCD has no plans for FY2016 to certify BSP representatives in training skills or related area, therefore no targets are set for FY2016.

¹ IT/Accounting- 6; Procurement II- 2; Breakfast Meeting I- 7; EHS- 5; OHSAS Implementing-3; OHSAS Internal Auditing- 3; TRACE II- 2; Breakfast Meeting II- 7; Mini Workshop I (Elevator Speech)- 4 **Total=39**

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

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 collaborated with local BSP Excellence Consultancy Services (ECS) to offer accounting software solutions to both SMEs and BSPs. In total, three BSPs received and implemented the accounting software solutions *EasyBooks* and one additional BSP 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.

In FY2016, no new BSPs have implemented EasyBooks or other packages. A few BSPs will join the WhatsApp group in the next quarter. In order to further this objective, SCD will assist BSPs in effectively using other tools, including social media, which can enhance their businesses.

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

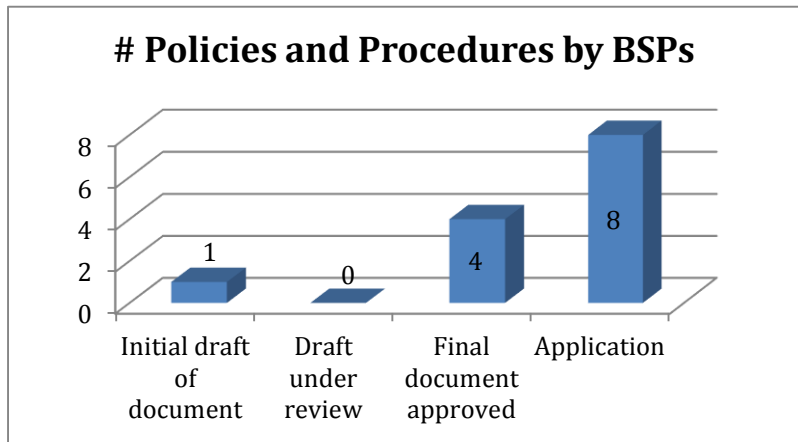
Fiscal Year 2016 Target: 15 / FY2016 Q1 Performance to Date: 13

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 the end of FY2015, five BSPs have introduced and implemented

thirteen policies and procedures, such as EHS, Quality Management, HR, and Construction and Emergency Preparedness. All of the policies and procedures are either at the approved or implementation stage except for one Quality Management System (QMS) policy at the first stage (initial draft).

By the end of the second quarter of FY2016, the BSPs reported no new policy or procedure implementation. SCD will continue to follow up with the BSPs in order to track the development and implementation of such policies or procedures.



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

In the original Monitoring and Evaluation plan, SCD intended to survey all BSP stakeholders to ascertain their level of improved management capability in six areas. SCD projected that the

baseline surveys would be completed in FY2015 to enable an improvement level scoring during mid-term, and a second improvement level scoring at the Program's end (FY2018). However, given challenges in obtaining data necessary for the scoring, SCD modified its plans to report the measurements in management improvement at the Program's end.

As such, the baseline survey is underway and by the end of the second quarter of 2016, twenty-five BSPs have submitted completed or partially completed assessment forms. Seventeen out of the twenty-five assessment forms with complete data have been scored following a review of the assessment data and site visits. In the FY2016 Q1 report, assessment scores for nine BSPs were published. In order to ensure more objectivity in the scoring process, during the last quarter the SCD team decided that at least two SCD team members (previously one team member) must review and score each completed assessment form based on set criteria, following which average scores are recorded as final. During FY2016 Q2, SCD revised the scores of the original nine assessments, and evaluated eight additional BSPs through this process. The table below presents the baseline score as a percent, and the final assessment will allow SCD to demonstrate the improvement over time.

Based on the slightly revised results (as shown in the table below), seventeen BSPs represent a wide range of levels of management capabilities, with B-BOVID scoring the highest, and Danest Engineering Co. Ltd. and Nature Solutions scoring the lowest. All of the BSPs assessed have been participating in various SCD trainings, which have already led to visible improvement in their management capabilities. One example is Danest Engineering Co. Ltd., whose improvements following support from the SCD Program have led to the winning of contracts.

SCD continues to follow up with remaining BSPs in order to complete the assessment forms for baseline review and scoring. Once SCD completes the assessment for all BSPs, as well as SMEs, it will present a separate report with scores and analysis to USAID.

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	16-02-2016	10.5	8.25	22.25	3.25	12.25	5.5	62	62.00%
	Final		0	0	0	0	0	0	0	0.00%
Ferber Consult Ltd	Baseline	16-02-2016	7	8.5	22	2.25	7.5	1	48.25	48.25%
	Final		0	0	0	0	0	0	0	0.00%
B-Bovid Ltd	Baseline	16-02-2016	12.5	13.5	24	3.75	9.25	8.5	71.5	71.50%
	Final		0	0	0	0	0	0	0	0.00%
Best Safety Consult Ltd	Baseline	16-02-2016	8.75	8.25	18.25	6	6	3.75	51	51.00%
	Final		0	0	0	0	0	0	0	0.00%
Danest Engineering Co. Ltd	Baseline	16-02-2016	5	0	10.25	2.25	4	1	22.5	22.50%
	Final		0	0	0	0	0	0	0	0.00%
Afri Consult	Baseline	16-02-2016	14.25	8.5	4	2	7	1	36.75	36.75%
	Final		0	0	0	0	0	0	0	0.00%
Gratis Foundation	Baseline	17-02-2016	7.5	8.25	11.5	2	4	6	39.25	39.25%
	Final		0	0	0	0	0	0	0	0.00%
Qualms Group	Baseline	17-02-2016	10.5	17.75	19.5	2	10	8.75	68.5	68.50%
	Final		0	0	0	0	0	0	0	0.00%
Top Notch Business Group	Baseline	17-02-2016	5.5	13.25	18.75	2	5	7	51.5	51.50%
	Final		0	0	0	0	0	0	0	0.00%
Nature Solutions Ltd	Baseline	10-03-2016	4	8	2	2	4	3	23	23.00%
	Final		0	0	0	0	0	0	0	0.00%
M&L Trinity	Baseline	10-03-2016	5	6.25	23	2	7.5	4.75	48.5	48.50%
	Final		0	0	0	0	0	0	0	0.00%
Takoradi Vocational Training Institute	Baseline	14-03-2016	4.75	13.5	21	7.25	2.5	1	50	50.00%
	Final		0	0	0	0	0	0	0	0.00%
Excellence Consultancy Services	Baseline	15-03-2016	2	7.25	21	2.75	7	4.5	44.5	44.50%
	Final		0	0	0	0	0	0	0	0.00%
Enerwise Africa	Baseline	15-03-2016	11	9.25	18	5	5.5	5.5	54.25	54.25%
	Final		0	0	0	0	0	0	0	0.00%
Cicada Consulting Ltd	Baseline	17-03-2016	12	7.25	12	1	7.75	2	42	42.00%
	Final		0	0	0	0	0	0	0	0.00%
Jubilee Technical Training Centre	Baseline	18-03-2016	1	12	18	3.25	5.5	6	45.75	45.75%
	Final		0	0	0	0	0	0	0	0.00%
Fermgeo Company Ltd	Baseline	18-03-2016	10	6.75	16	2.75	4.75	6	46.25	46.25%
	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: 131

As an aggregate number, SCD has trained 131 separate individuals across 66 SMEs by the end of FY2016 Q2, exceeding the FY2016 target by 31%. SCD organized ten training workshops during the first two quarters of FY2016, including the newly introduced breakfast meeting series and mini-workshop which have both been overwhelmingly well attended.

The total number of trainees increases substantially when disaggregated by type of training, as many individuals have participated in more than one training area over the past two quarters. When taken as a disaggregated total, SCD has trained 247³ individuals in nine subject areas by end of the second quarter of FY2016.

I just amended a proposal letter with the tips from the mini training I took part in. After opening the body of the letter with the "elevator speech", I felt confident that the recipient would short list my organization for any supply of insurance services or refer me to businesses who may need our services.
- Irene Gyimah Agyemeng (Quality Insurance Company Ltd.

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: 72

During FY2015 Indicator 7 read: *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.*

The SCD program revised this indicator (see above) to focus on counting the number of certificates issued, rather than only the individuals that have received certificates. The main reason for the change is that not only individuals receive certificates but also companies, given the introduction of TRACE certification in FY2015.

Indicator 7 does not include all certificates issued under the SCD Program, but focuses on industry-recognized certificates issued to individual trainees or to companies. By the end of FY2016 Q2, 72 certificates were issued, with 55 certificates awarded to individual participants from SMEs and BSPs in EHS and OHSAS 18001:2007 trainings, and seventeen companies were TRACE certified on anti-corruption and anti-bribery (ABAC).

SCD Program partnership with TRACE that has led to certification of eighteen (18) SMEs so far on ABAC, with more underway.

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.,

³ IT/Accounting- 7; Procurement II- 13; Breakfast Meeting I- 52; EHS- 25; OHSAS Implementing-9; OHSAS Internal Auditing- 10; TRACE II- 39; Breakfast Meeting II- 55 Mini Workshop I (Elevator Speech)- 37 **Total=247**

received TRACE certification followed by seventeen others⁴, with more SME certifications underway.

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: 4

During FY2014 and FY2015, 38 SMEs and BSPs⁵ have received and applied business tools as a result of USG support. The two major tools implemented by the SCD program are the EasyBooks Accounting software package and the SCD SME/BSP WhatsApp Group. By the end of the second quarter of FY2016, four SMEs have applied six additional types of business tools⁶.

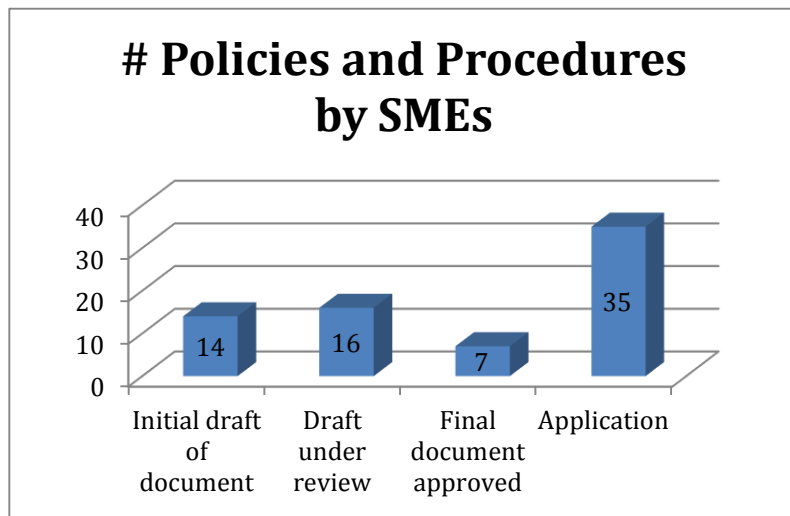
In order to enable more SMEs to utilize application tools, SCD is continuing its collaboration with Excellence Consultancy Services to make EasyBooks available. In addition to EasyBooks and WhatsApp, SCD plans to introduce other tools in the near future, especially social media platforms.

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: 72

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.

In FY2015, 29 SMEs introduced and implemented 48 policies and procedures at different stages. By the end of the second quarter in FY2016, 24 additional new business policies were developed by eleven SMEs. From inception to date, 72 business policies and procedures (including EHS, QMS, Social and Environment, Human Resource Management, Finance Policy, Ethics, Wellbeing, Drug and Alcohol Testing, and Transport) were at different stages of development as shown in the chart above.



⁴ 7 Eleven Energy Services; Danesh Services Ltd; Jonmoore International Ltd.; Parachem Ghana Ltd.; Stresster Engineering and Construction Ltd.; Danest Engineering Co. Ltd.; BAMG Ltd.; BELA; El Mena Oil and Gas Services; Energem; Express Resourcing; Kwansa Auto; Mac Logistics; McDan Shipping; Run On Time Engineeirng; RW Engineering; and Zodiac Marine Services

⁵ 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

⁶ Stresster (Quickbooks), Gella Electrolex Services Ltd.(Autos Ghana Software and Tally) and FKA Ltd. (Ms Access and ArchGIS) and Mac Logistics (Enterprise Resource Platform)

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

As described in Indicator 5, in the original Monitoring and Evaluation plan, SCD intended to survey all SMEs stakeholders to ascertain their level of improved management capability in six areas. SCD projected that the baseline surveys would be completed in FY2015 to enable an improvement level scoring during mid-term, and a second improvement level scoring at the Program's end (FY2018). However, given challenges in obtaining data necessary for the scoring, SCD modified its plans to report the measurements in management improvement at the Program's end.

As such, the baseline survey is underway and by the end of the second quarter of 2016, 78 SMEs have submitted completed or partially completed assessment forms. Eighteen out of the 78 assessment forms with complete data have undergone due diligence through site visits and been scored. In the FY2016 Q1 report, assessment scores for ten SMEs were published. In order to ensure more objectivity in the scoring process, during the last quarter the SCD team decided that at least two SCD team members (previously one team member) must review and score each completed assessment form based on set criteria, following which average scores are recorded as final. During FY2016 Q2, SCD revised the scores of the original assessments, and evaluated eight additional BSPs through this process. The table below presents the baseline score as a percent, and the final assessment will allow SCD to demonstrate the improvement over time.

Comparing current SME assessment scores (as a percent) to BSP assessment scores, BSPs still have relatively better management capabilities. For this reason, SCD trainings are targeted at SMEs. SCD continues to follow up with remaining SMEs in order to complete the assessment forms for baseline review and scoring. Once SCD completes the assessment for all SMEs and BSPs it will present a separate report with scores and analysis to USAID.

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	16-02-2016	4.25	3.75	2.25	3.75	0.75	1	4.75	15.75	19.69%
	Final		0	0	0	0	0	0	0	0	0.00%
Kaak-Dan Ventures Ltd.	Baseline	17-02-2016	6	2.25	0	2.5	1	0	2.25	11.75	14.69%
	Final		0	0	0	0	0	0	0	0	0.00%
Alex Amissah Enterprise	Baseline	17-02-2016	1.75	1.75	2	0	1	0	2.5	6.5	8.13%
	Final		0	0	0	0	0	0	0	0	0.00%
Fyynbenfred Electrical & Engineering Services Ltd.	Baseline	18-02-2016	5.25	4.25	2.5	0	1.75	3.5	2	17.25	21.56%
	Final		0	0	0	0	0	0	0	0	0.00%
Danesh Services Limited	Baseline	18-02-2016	8.25	5.5	4.25	4	3	3.75	5.5	28.75	35.94%
	Final		0	0	0	0	0	0	0	0	0.00%
Paa Tom Company Ltd	Baseline	19-02-2016	5.5	3.25	6.25	1.75	2.75	6.5	5	26	32.50%
	Final		0	0	0	0	0	0	0	0	0.00%
Mac Logistics Ltd	Baseline	19-02-2016	8.25	9.75	2	2.5	1.5	1	2.5	25	31.25%
	Final		0	0	0	0	0	0	0	0	0.00%
Atliz Designs	Baseline	22-02-2016	3	3	0	4.5	2	0	3	12.5	15.63%
	Final		0	0	0	0	0	0	0	0	0.00%
Buh Energie Resources	Baseline	22-02-2016	5.5	5.75	1.5	1.5	2.75	0.75	1	17.75	22.19%
	Final		0	0	0	0	0	0	0	0	0.00%
Francalben Cleaning Services	Baseline	22-02-2016	3.25	0	2.5	0.25	2.25	0	1	8.25	10.31%
	Final		0	0	0	0	0	0	0	0	0.00%
Gella Electrolex Services Ltd	Baseline	23-02-2016	9.5	13	8	2	2.25	6.25	8	41	51.25%
	Final		0	0	0	0	0	0	0	0	0.00%
CBM Surveys Ltd	Baseline	23-02-2016	5	7	3.75	0	1.5	3	5.5	20.25	25.31%
	Final		0	0	0	0	0	0	0	0	0.00%
Servaco PPS	Baseline	24-02-2016	9.5	9.25	10	8.75	2.5	3.5	6.75	43.5	54.38%
	Final		0	0	0	0	0	0	0	0	0.00%
Promise Hand Company Ltd	Baseline	15-03-2016	3.25	4.25	2	1	2	3	2.75	15.5	19.38%
	Final		0	0	0	0	0	0	0	0	0.00%
Energem Ghana Ltd	Baseline	21-03-2016	8.75	2	6	3.75	3	3	3.75	26.5	33.13%
	Final		0	0	0	0	0	0	0	0	0.00%
Zoil Services	Baseline	22-03-2016	7.5	10.75	6	4.25	9	6.5	5.5	44	55.00%
	Final		0	0	0	0	0	0	0	0	0.00%
Industrial Requirements Servicing Ltd (INRES)	Baseline	23-03-2016	5	2	8.5	2.5	3.25	3	6	24.25	30.31%
	Final		0	0	0	0	0	0	0	0	0.00%
Electrical & Automation Concept Ltd	Baseline	23-03-2016	5	6	5	1	9.75	4.75	5.25	31.5	39.38%
	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: 88

By the end of FY2015, SCD facilitated the linkages of 60 SMEs and 6 BSPs to financial institutions. By the end FY2016 Q2, the number of SMEs/BSPs at various stages of accessing credit increased significantly from 60 to 88. The target for FY2016 was set at 60, as there were no events planned to facilitate these linkages. However, during the second quarter of FY2016, the second Breakfast Meeting on “Business Networking” on March 23rd, 2016 attracted sponsorship and participation from UMB. As a result, 25 new SMEs and three BSPs had the opportunity to discuss possibilities for business development with UMB.

While this increase in connections 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. The lack of financing is a serious impediment to the growth of SMEs, not just in SCD’s portfolio, but also across the Ghanaian economy.

The SCD Program has been working with other Implementing Partners (IP) 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 to raise debt financing or issue equity financing. SCD introduced its partner SMEs 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 in Takoradi. SCD is in collaboration with BSP BELA to assist SMEs in listing on the GAX. Follow up will continue in order to monitor progress in their efforts to list on the exchange.

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: 129

By the end of FY2015, 82 SMEs and BSPs were in contact with International Oil Companies (IOCs) and industry actors at different levels, including participation in individual or group meetings with IOCs, as well as attempts to participate in procurement cycles. By the end of the second quarter of FY2016, the number increased considerably to 129 as a result of a supplier awareness event co-organized by SCD and Atuabo Freeport Project on October 5, 2015. 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 below, 35 SMEs and BSPs have submitted contract bids. One SME, F.K.A. Ltd, has moved from the linkage with IOCs stage to the stage of submitting contract bids and subsequently winning the contract. Another SME, 7 Eleven Energy Services, also moved from attempts at bidding for contracts to completing the bidding process, and finally winning the contract. This SME had won a contract earlier in FY2015 but it was cancelled due to miscommunication within the procurement team of the buyer.

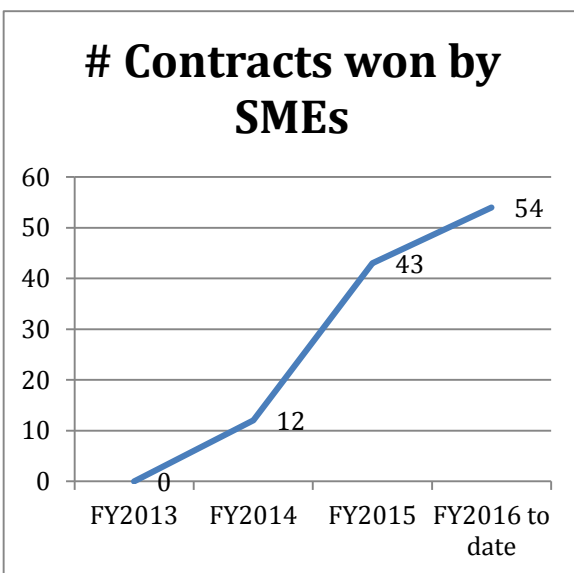
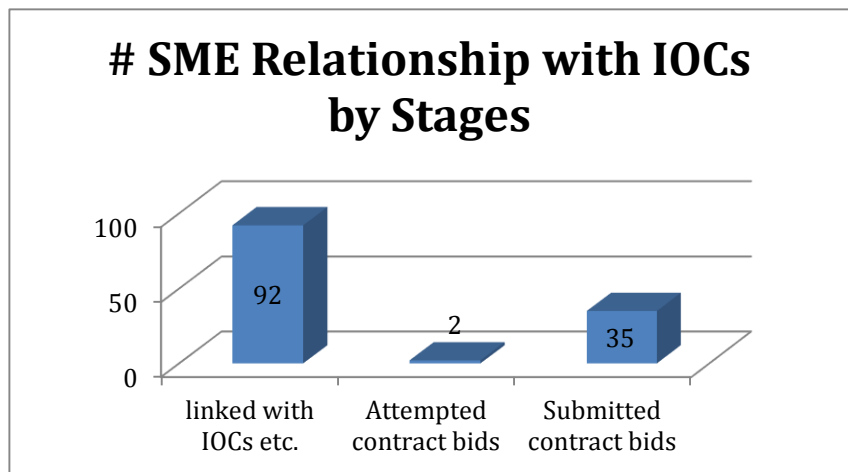
Another example that highlights SCD’s impact on SMEs across the industry is *Danest Engineering Company Ltd*, who won a contract with the South African steel fabrication company *Belmet* through a local content workshop co-sponsored by SCD.

Although the Program has already outperformed its goal through end of FY2016 by 8%, enhanced efforts will continue in order to realize new contracts for existing and new clientele of the SCD 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: 11

Twelve contracts were awarded to SMEs affiliated with SCD in FY2014, and an additional 31 new contracts were awarded in FY2015. By the end of the second quarter of FY2016, 11 additional contracts were won by SMEs.



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.*, *FMC Technologies*, *Bulk Oil Storage and Transportation (BOST)*, *Amandi*, and *Volta River Authority (VRA)* as well as mining companies *Goldfields* and *Anglogold Ashanti*.

In total, 30 SMEs and BSPs have been awarded **54 contracts** to date; all contracts are attributed to USAID assistance through SCD. Not only have the number of contracts increased each year, but the value of the contracts has also increased significantly. SCD Indicator 14 targets the value of these contracts.

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: \$ 3,223,224

In FY2014, twelve contracts were awarded, worth USD \$999,743 while FY2015 saw an increase of 31 contracts won valued at USD \$12,023,773. At the end of FY2016 Q2, 11 additional contracts valued at USD \$3,223,224 were recorded.

To date, the SCD Program has facilitated the winning of 54 contracts, valued at USD \$16,246,740. The values of 5 of the contracts were not disclosed by SMEs for confidentiality purposes. One SME provided a range of \$2,000,000-\$3,000,000 for their contract, rather than an exact value, and for reporting reasons SCD used the median value. The size of all 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 SCD 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 men, the Ghana SCD has been able to attain a capture rate of around 26% of women in its programs. In fiscal years 2014 and 2015, this percentage was 27% and 28% respectively.

During the second quarter of fiscal year 2016, the SCD Program tried to sustain these levels of women engagement across its trainings. Of the 136 participants trained during the quarter in technical areas including Instrumentation and Control, and EasyBooks accounting software 16% 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 SCD anticipates that the remainder of the fiscal year this trend of high women participation will continue, thus enhancing prospects for women entrepreneurs, business owners, management and professionals.

4.2 Sustainability Mechanisms

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

The SCD Program designs its interventions to have both near-term and lasting impact and promotes models for trainings, technical assistance, and other events that ensure longer-term sustainability of programmatic assistance. Discussions with Program beneficiaries during fiscal year 2015 have led to the implementation of two sustainability methods in FY2016, fee collection for training services and identifying public-private partnerships to support program events.

Efforts to introduce a viable test-case model for fee collection have proven successful, and the Program has now implemented four trainings where a cost share of upwards of 40% has been borne by participants, such as in the Instrumentation and Control training in Q2 of FY2016.

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. 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 held in Accra in January 2016. Secondly, the newly identified partnership with UMB has led to the sponsorship and expansion of the Breakfast Meetings, with spillover effects increasing linkages to a financial institution for the SMEs.

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 second quarter of fiscal year 2016. Additional technological tools have been adopted by six SMEs as a result of USG support, including Quickbooks, Autos Ghana Software, Tally, Microsoft Access, ArchGIS, and Enterprise Resource Platform.

5 IMPLEMENTATION CHALLENGES AND CLIENT CONSTRAINTS

5.1 Dumsor power situation versus Escalating Gas and Electricity Prices

During the period under review the power crisis that faced the country for about 3 years was resolved. The government deregulated downstream fuel prices and allowed the Public Utilities Regulatory Commission (PURC) to determine prices for utilities. This deregulation has led to more than a 50% increase in both Water and Power tariffs.

This certainly affects public and private sector operations and productivity results, as well as the operational budget of the SCD Program. The increase in the prices of both gas and electricity, coupled with the tariff increase has increased monthly expenditures for power by 200-300% as compared with the end of FY2015. These challenges have forced the SCD to shift some resources to cover generator costs, an opportunity cost when measured against other possible programmatic assistance that could be offered to the economic community.

5.2 Volatility of the Ghanaian Cedi

The local currency was relatively stable during the period from January to March 2016, ending the period about 3% down on the USD, which is an improvement against the 14% on the previous year. Despite the improvement in the exchange rate, inflation hit a record high of 19.2% at the end of March, causing increased operating expenses for both SMEs and the SCD program.

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

With the continuous decline in crude oil prices, it is estimated that prices are likely to average between US\$35 and US\$50 per barrel in 2016, lower than the average of US\$53.05 projected in the 2016 Budget. The outlook for the oil and gas industry is therefore not positive. 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. The end result is the lack of growth in the Oil and Gas sector in Takoradi, which directly affects contract acquisitions by SMEs

6 PROGRAM MANAGEMENT AND ADMINISTRATION

6.1 Personnel

In January 2016, KB Wilson joined SCD as the Program Director. KB Wilson replaced Kyle Gunther, who was serving as a Short Term Technical Advisor. KB Wilson comes to SCD program with years of experience from the mining industry. In his most recent position, he was the Supply Chain Manager for Chirano Mines in the Western Region of Ghana, within the Bibiani gold belt. The new Program Director has been well received by both the SCD team and the SMEs in the SCD network, and he continues to bring new ideas and energy to the program.

6.2 Financial Management

From the program's inception through the end of Q2 of fiscal year 2016, the program has spent approximately \$3,409,578.88, representing 69% of the total award. For fiscal year 2016, expenditures through end of Q1 add up to approximately \$420,670.72, representing 40% 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.

7 PLANNED ACTIVITIES FOR NEXT QUARTER (Q3)

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

1. Training programs and Mini-workshops
2. Increased site visits by Client Relations
3. Monthly Breakfast Meetings and the finalization of the partnership with UMB
4. Program Management & Administration
5. Increased M&E activities to monitor the impact of training on SMEs

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, four trainings are scheduled for the third quarter of FY2016: Legal and Compliance, Social Media and Strategic Marketing, Take Charge Supervisory Development, and Road Safety Management. All of these trainings, with the exception of the Legal and Compliance training, are new offerings from the SCD program, designed to meet the demands of the SMEs. Short descriptions of the new training topics are included below. Additionally, a Breakfast Meeting is scheduled to cover E-Commerce and Cloud Sourcing and a Mini-Workshop is planned as a follow up to the Social Media Training to cover the Etiquette of Social Media.

	Subject	Timeframe	Participants	Status	BSP
1	Training: Legal and Compliance	Q3	22	Planned (5 th Week April)	ENSAfrica
2	Training: Social Media & Strategic Marketing	Q3	40	Planned (1 st Week May 4-5)	DeeGib
3	Training: Take Charge Supervisory Development	Q3	40	Planned (2 nd Week May 11-12)	Jescom Capital Ltd
4	Breakfast Meeting: E-Commerce and Cloud Sourcing	Q3	50	Planned (3 rd Week May 18)	Jude Renner
5	Training: Road Safety Management	Q3	40	Planned (4 th Week May 24, 26&27)	ABA & Partners
6	Mini-Workshop: Social Media Etiquette	Q3	25	Planned Date TBD	Marjorie Janczak

Social Media: A Strategic Marketing Tool

Overview:

Social media is rapidly turning into a vital part of modern marketing mix and managing a flexible presence on these platforms such as Facebook, Twitter, Instagram and YouTube has become a necessity for any company striving to bring its business up to speed. These efforts clearly should complement other efforts such as establishment and update of company-specific websites as part of overall marketing efforts.

Course Objectives:

The intent of this training is to introduce efforts to deliver a complete social media and integrated marketing solution designed to improve net revenue results as well as customer loyalty and engagement to SMEs and BSPs under the SCD portfolio. The area under study should include:

- General Analysis and Social Marketing Integration
- Social Media Strategy Development and Execution
- Social Media Management Services

Take Charge Supervisory Training

Overview:

In today’s extractive industry, there is the increasing need to adopt a program that will help to track and impact performance. One of these tested programs that do this perfectly is the Take Charge Program, which presents a direct shift from traditional supervisory training efforts to an all-inclusive supervision. The Take Charge program is results oriented since the skills and tools

employed in the process translate themselves into measurable performance improvement within a short period of time.

Though rigorous in nature, the program has been widely used in the mining industry in Ghana owing to the numerous benefits it presents. It is an all-inclusive program that supports planning, delegating, disciplining, motivation, accountability, problem identification, decision-making and communication.

Course Objectives:

Through this training, SCD hopes to achieve the following objectives:

- To provide supervisory safety training that will translate into measurable performance improvement for targeted SMEs
- Participating SMEs should be equipped with the right skills and tools to be able to adopt and apply a Take Charge program in their respective companies.
- To equip safety supervisors with the right skills so as to act as coaches and provide counseling as participating SMEs attempt to implement Take Charge program in their outfits.

Road Safety Management

Overview:

Experience from countries and MNCs that have succeeded in improving their road traffic management systems in the national and organizational level indicates that multi-sector cooperation on road safety is critical to bringing about long-term improvement. Companies operating in the Oil & Gas and its related sectors are obliged to conform to both national and international standards on road usage and road works. This training would offer participants the opportunity to understand and implement international statutory processes and design issues surrounding this work area and will be able to undertake traffic management work with more confidence. The course would also offer an ideal starting point for those new to road traffic management or needing to gain more information in specific areas of this work, which is in line with ISO 39001 Road Traffic Safety Management.

Course Objectives:

Through this training, SCD seeks to achieve the following objectives. Targeted companies will be able to:

- Establish, implement, maintain and improve a Road Traffic Safety (RTS) management system
- Improve their Road Traffic Safety performance
- Assure itself of conformity with its stated RTS policy
- Demonstrate conformity with the international standard
- Understand the issues involved in undertaking a wide range of traffic management work.

7.2 Meetings, Events and Other

7.2.1 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 of Ghana.

7.2.2 Issuance and Publication of SCD Newsletter

During the reporting quarter, the second issue of the SCD Newsletter was finalized and distributed. The third version will be distributed to SMEs via email in late April or early May.

7.2.3 USAID Mission Visit

The USAID Ghana mission will visit the SCD Program in Takoradi in early May to visit some of the SMEs in the SCD network and attend the Strategic Marketing Training.

8 ANNEXES

ANNEX A Performance Indicator Tracking Table (Attached separately in Excel)

ANNEX B Project Success Stories

- B.1 Success Story 1: USAID and TRACE International Partner to Promote Commercial Transparency in Ghana**
- B.2 Success Story 2: Meet and Greet SCD Partner Danesh Services**
- B.3 Success Story 3: Partnership for Sustainability**



SNAPSHOT

USAID and TRACE International Partner to Promote Commercial Transparency in Ghana

USAID partner SMEs receive certification in 'Best in Class' Anti-Corruption & Anti – Bribery Standard



Takoradi company Wayoe Engineering proudly showcases their recently awarded TRACE certification

PYXERA Global's partnership with the world's leading anti-bribery and anti – corruption organization, TRACE International, has promoted commercial transparency not just amongst its local companies, but as well begun to instill internationally recognized practices across the private sector. This intervention comes at a time when IOCs are increasingly demanding for transparency in business.

The discovery of Oil & Gas presents commercial opportunities to local businesses in the Western Region of Ghana. International oil companies express interest in procuring from local SMEs, yet indicate local firms often lack transparent and comprehensive measures to provide assurance and alignment to their own operational standards. Local SMEs often underperform in the areas of EHS, Quality Management, Transparency and Anti-corruption.

Understanding that the lack of commercial transparency serves as an obstacle in business development for many local SMEs, the Ghana SCD Program formulated a strategic partnership with TRACE International, a leading US organization that provides anti-bribery compliance support and certification worldwide.

On January 21-22, 2016, TRACE International co-hosted with the SCD Program the single largest anti-bribery workshop organized to date in Accra, as well as a follow-on workshop in Takoradi. The workshops served as a platform to educate local and foreign companies on trends associated with anti-corruption globally, issues inherent to Ghana in particular, as well as the basis of anti-corruption compliance frameworks such as *TRACE certification*. Pooling together over 200 participants, “this was the biggest event TRACE has held globally,” stated Alexandra Wrage, President and Founder, TRACE International.

Complementing these workshops, and as part of the collaborative partnership with SCD, TRACE has offered a pilot capacity building program including *TRACE certification* for up to 40 local Ghanaian firms associated with this USAID project. Deemed as central to its ‘Certify the World’ campaign, TRACE also has also offered this benefit to Invest in Africa’s African Partner Pool (APP) beneficiaries. This contribution by TRACE in Ghana is valued at more than USD \$200,000. Fourteen SCD clients have been certified to date, including Wayoe Engineering, 7 Eleven Engineering, Danesh Services and Stresster Engineering. Stresster CEO Philip Buckman shares, “Becoming TRACE certified has boosted our confidence especially in doing businesses with multi-national corporations in the extractive industry. And in turn, the overall competitiveness and participation of local SMEs to the Ghanaian oil & gas sector.”

Telling Our Story



USAID | **GHANA**
FROM THE AMERICAN PEOPLE

SNAPSHOT

Meet and Greet SCD Partner Danesh Services

Takoradi company claims training and efficiencies lead to definitive business opportunities with MNCs



Photo: Danesh Services company logo

In spite of low oil prices across the energy sector, SMEs such as Danesh Services are thriving. Applying international best practices alongside certifications, they are recording increases in contracts as well as employees. SCD has become the pillar which has boosted Danesh's morale and brought them into the limelight.

Late 2015 and early 2016 were trying times for companies in the oil industry. Worldwide, a slump in the price of crude oil has led to significantly reduced investment in newly located fields as well the ensuing levels of service activity often fulfilled by local companies like *Danesh Services* of Takoradi, Ghana. Danesh is a provider of recruitment solutions in Ghana, as well as equipment rental, transport and logistics, real estate, and marine services.

Despite the global downturn, Danesh CEO Francis Eshun claims the company is outperforming its targets and expectations, and in fact is investing and increasing its presence and visibility across the local market. He attributes much of the firm's success to its strategic partnership with the Ghana SCD Program.

Participation in SCD trainings has led to remarkable improvements in Danesh' administrative and technical operations. For example, participation in EHS, QMS, and Procurement trainings, as well as efforts related to commercial transparency, have led the way for an internal restructuring of the firm. Mr. Eshun states that not only has morale been improved amongst staff, but financial performance has been astounding. Efforts to revamp its collections process has resulted in payment of an outstanding contract worth nearly 50,000 GHc and revenues have significantly increased during the last four months of 2015, with more envisioned as efforts are taken to bid on new tender opportunities.

Companies such as Procorre Consulting, SA have awarded contracts to Danesh, and over the past 6 months Danesh has been servicing the well-known UK firm *Technip* with 'Meet and Greet' services, HR outsourcing and Administrative/Payroll services valued at 236,000 GHc every 3 months. This contract is anticipated for not only continuation but also expansion as Technip becomes more confident of Danesh' ability to deliver. Other firms, such as Tullow Oil, and Harlequin at present have pending discussions to contract Danesh Services for their own respective operations.

A TRACE certified company, Danesh Services has high hopes for a bright future in 2016 and beyond, including an opportunity with the Ghana National Petroleum Company to provide personnel and HR management services for upward of 250 employees on an infrastructure project located in northern Ghana.



SNAPSHOT

Partnership for Sustainability

Ghana Supply Chain Development Program partners with a bank to train SMEs



Ernest Tetteh from UMB telling SMEs about what they have to offer.

Photo credit: Marjorie Janczak

In March 2016, SCD successfully partnered with Universal Merchant Bank to sponsor its second Breakfast Training. Tackling “Business Networking and Stakeholder Management,” SMEs were taught how to improve their business and sustain success. This partnership has helped to achieve the sustainability and cost sharing goals of the Program. Participants expressed appreciation at the “effort of SCD in putting this informative and educative program together”

Partnership is a bedrock of businesses growth, proving the popular adage “two heads are better than one.” In order to ensure sustainability for the capacity building of Ghanaian Small and Medium Enterprises (SMEs), the Ghana Supply Chain Development (SCD) Program is exploring ways of forming partnerships in the private, public, and social sectors.

The SCD Program’s “Breakfast Training Series” was initiated by the SCD Training Manager Marjorie Janczak in order to offer SMEs a more diverse suite of services to address their training needs and their time constraints.. The success of the first Breakfast Training Series events, ‘Current Trends in Environment, Health & Safety’ on the 16th of December, 2015, gained the attention of Universal Merchant Bank (UMB), who agreed to sponsor the second edition, ‘Business Networking and Stakeholder Management’ on the 23rd of March, 2016. UMB found the opportunity engaging and relevant for their bank’s marketing strategy of reaching out more to local SMEs.

This partnership is not only beneficial for the Breakfast Training Series, but will also help SCD further its objective to promote access to finance among its SME clients in partnership with financial institutions in Ghana. UMB staff members were able to reestablish contact with some owners of dormant bank accounts at this event, as well as meet potential new customers. The quality and depth of information received by SMEs was affirmed in positive sentiments such as: “It’s one of the most beneficial workshops ever attended”, “It has helped us find new strategies to win new contracts”, and “The presentation and accompanying slides are terrific. It will definitely transform our operations” by MAC Logistics, Davitron Electricals and Mobicrane respectively.

This partnership is one of many that the SCD program has achieved to better support SMEs. Based on these successes, the SCD will continue looking for partnerships within the private, public, and social sectors in order to more sustainably build capacity of SMEs to equip them with the skills necessary to win contracts in the Oil & Gas, Power and other related sectors.

Telling Our Story