COUNCIL FOR TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (COTVET)
PROJECT SUPPORT UNIT

GHANA SKILLS AND TECHNOLOGY DEVELOPMENT PROJECT (GSTDP)

PROJECT ID: P118112 IDA CREDIT NO. 4875-GH

MID TERM REVIEW REPORT

APRIL 2014
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<tr>
<td>AfDB</td>
<td>African Development Bank</td>
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<tr>
<td>AgSSIP</td>
<td>Agriculture Sub-Sector Improvement Project</td>
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<td>CAS</td>
<td>Country Assistance Strategy</td>
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<td>CBT</td>
<td>Competency Based Training</td>
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<td>CEM</td>
<td>World Bank Country Economic Memorandum</td>
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<td>COTVET</td>
<td>Council for Technical and Vocational Education and Training</td>
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<td>CSIR</td>
<td>Council for Scientific and Industrial Research</td>
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<td>DANIDA</td>
<td>Danish International Development Agency</td>
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<td>DSIP</td>
<td>Development of Skills for Industry Project</td>
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<td>ED</td>
<td>Executive Director of COTVET</td>
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<td>EDSEP</td>
<td>Education Sector Project</td>
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<td>EFA</td>
<td>Education For All</td>
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<td>EOI</td>
<td>Expression Of Interest</td>
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<td>ERM-M</td>
<td>External Resource Mobilization-Multilateral</td>
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<td>ESMF</td>
<td>Environmental and Social Management Framework</td>
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<td>FM</td>
<td>Financial Management</td>
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<td>FMS</td>
<td>Financial Management Specialist</td>
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<td>GAEC</td>
<td>Ghana Atomic Energy Commission</td>
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GDP  Gross Domestic Product
GETFund  Ghana Education Trust Fund
GNP  Gross National Product
GOG  Government of Ghana
GPRS  Ghana/ Growth and Poverty Reduction Strategy
GPRS II  Growth and Poverty Reduction Strategy
GSDI  Ghana Skills Development Initiative
GSGDA  Ghana Shared Growth and Development Agenda
GSTDP  Ghana Skills and Technology Development Project
GTZ  Gesellschaft für Internationale Zusammenarbeit (German International Cooperation Agency)
GYEDA  Ghana Youth and Entrepreneurship Agency
HIPC  Heavily Indebted Poor Country
IBRD  International Bank for Reconstruction and Development
ICB  International Competitive Bidding
ICCES  Integrated Community Centres for Employment Skills
ICT  Information and Communication Technology
IDA  International Development Association
IDP  Institutional Development Plan
IFC  International Finance Corporation
IFRs  Interim Financial Reports
<table>
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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IPRs</td>
<td>Implementation Progress Reports</td>
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<td>IPSAS</td>
<td>International Public Sector Accounting Standards</td>
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<td>JICA</td>
<td>Japan International Cooperation Agency</td>
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<td>KIS</td>
<td>Key Informant Survey</td>
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<td>KPI</td>
<td>Key Performance Indicator</td>
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<td>LI</td>
<td>Legislative Instrument</td>
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<td>M&amp;E</td>
<td>Monitoring &amp; Evaluation</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MEST</td>
<td>Ministry of Environment, Science, and Technology</td>
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<td>MESW</td>
<td>Ministry of Employment and Social Welfare</td>
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<td>MIS</td>
<td>Management Information System</td>
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<td>MOE</td>
<td>Ministry of Education</td>
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<td>MOFEP</td>
<td>Ministry of Finance and Economic Planning</td>
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<td>MSME</td>
<td>Micro, Small, and Medium Enterprises</td>
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<td>MTDF</td>
<td>Medium Term Development Framework</td>
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<td>MTEF</td>
<td>Medium-Term Expenditure Framework</td>
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<td>MTR</td>
<td>Mid-Term Review</td>
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<td>NACVET</td>
<td>National Coordinating Committee for Technical and Vocational Education and Training</td>
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<td>NBSSI</td>
<td>National Board for Small Scale Industries</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>NCB</td>
<td>National Competitive Bidding</td>
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<td>NEET</td>
<td>Not in Education, Employment, or Training</td>
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<td>NER</td>
<td>New Education Reform</td>
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<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>NPV</td>
<td>Net Present Value</td>
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<td>NVTI</td>
<td>National Vocational Training Institute</td>
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<td>ORAF</td>
<td>Operational Risk Assessment Framework</td>
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<td>PBME</td>
<td>Planning, Budgeting, Monitoring, and Evaluation</td>
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<td>PC</td>
<td>Project Coordinator</td>
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<td>PDO</td>
<td>Project Development Objective</td>
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<td>PER</td>
<td>Public Expenditure Review</td>
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<td>PPRs</td>
<td>Procurement Post Reviews</td>
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<td>PSC</td>
<td>Project Steering Committee</td>
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<td>PSDS II</td>
<td>Private Sector Development Strategy</td>
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<td>PSU</td>
<td>Project Support Unit</td>
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<td>QBS</td>
<td>Quality Based Selection</td>
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<td>QCBS</td>
<td>Quality and Cost Based Selection</td>
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<td>R&amp;D</td>
<td>Research and Development</td>
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<td>REP</td>
<td>Rural Enterprise Project</td>
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<td>S&amp;T</td>
<td>Science and Technology</td>
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<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>SDF</td>
<td>Skills Development Fund</td>
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<td>SDR</td>
<td>Special Drawing Rights</td>
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<td>SIL</td>
<td>Specific Investment Loan</td>
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<td>SME</td>
<td>Small &amp; Medium Enterprise</td>
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<td>STI</td>
<td>Science, Technology and Innovation</td>
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<td>STIP</td>
<td>Science, technology, and innovation policy</td>
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<tr>
<td>TI</td>
<td>Technical Institute</td>
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<td>TOR</td>
<td>Terms of Reference</td>
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<td>TVET</td>
<td>Technical Vocational Education and Training</td>
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<td>TVI</td>
<td>Technical and Vocational Institute</td>
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<td>UNDP</td>
<td>United Nations Development Program</td>
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<td>Table</td>
<td>Description</td>
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<td>Table 21</td>
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Executive Summary

Introduction and Background:

The Technical and Vocational Education and Training (TVET) sector has from time immemorial, been recognized as having the potential to stimulate industrial growth and economic development. Evidence of this is replete in various policy documents produced since the 4th Republican Constitution was promulgated. Decades of efforts which predate the 4 Republic culminated in the creation of the Council for Technical and Vocational Education & Training (COTVET) by an Act of Parliament (Act 718) in 2006. Act 718 mandates COTVET as the leader in the TVET sector to coordinate and oversee TVET delivery in the country. In 2012, the Legislative Instrument (LI) L1 2195 was passed by Parliament to operationalize COTVET Act. This development demonstrates growing recognition and the level of importance the Government of Ghana attaches to the TVET sector.

In view of the priority status accorded TVET by the Government of Ghana, the Ministry of Education has provided the leadership and direction to facilitate the development of programmes and projects to give a facelift to TVET, of which one of such interventions is the Ghana Skills and Technology Development Project (GSTDP), an initiative of the Government of Ghana with the support of the World Bank and DANIDA, and implemented by COTVET through a Project Support Unit (PSU).

The objective of GSTDP is to achieve improved demand-driven skills development and increased adoption of new technologies in selected economic sectors with the beneficiaries of the project being industry (employers, employees, industry associations) and training & research institutions involved in the delivery of skills and technology for industry. To facilitate its efficient implementation and coordination, GSTDP is structured into three program themes comprising the following components:

Component 1: Institutional Strengthening of Skills Development. The objective of the component is to strengthen Government institutional capacities in planning, coordination, quality assurance and service delivery towards improved quality, relevance, accountability and
effectiveness in skills development. It includes the institutional capacity building of COTVET to ensure an efficient coordination and regulation of the TVET sector in Ghana. The component also aims to support the capacity of TVET providers in the formal and informal sectors to deliver relevant training content for priority economic sectors.

**Component 2:** Institutional Strengthening of Science and Technology Development. This entails strengthen the planning, management, and coordination of national science, technology and innovation (STI) policies and programs in order to make efficient use of resources and complement the national economic development plan; and support technology development and diffusion that is more responsive to the needs of the economy by enhancing interactions between selected research institutes, university departments, and their external clients.

**Component 3:** Financing of Skills and Technology Development Programs through the Skills Development Fund (SDF). The objective of this component is to finance skills and technology development programs in prioritized economic sectors through a demand-driven Skills Development Fund (SDF) managed by COTVET.

After implementing the GSTDP for two and half years, this Mid Term Review was commissioned by the World Bank, DANIDA and Government of Ghana to generally assess the progress made on the GSTDP against expected outcomes, as well as critical challenges impeding the full realisation of the project’s outcomes for the necessary strategic reinforcements in project implementation. Consequent to the MTR, the COTVET-Project Support Unit Commissioned a team of consultants to undertake a review of the project and advise Government of Ghana (GoG) accordingly. This report encapsulates the major findings and recommendations of the Mid Term Review Consultants, as well as GoG’s position on key issues raised by the MTR Consultants.
Key Findings and Recommendations:

Component 1:
The report identifies the following as major accomplishments under Component 1 of the GSTDP;

a) The development of 23 quality assurance manuals for implementation toward achieving quality and relevance in the TVET sub-sector.

b) Capacity assessment and orientation of staff of 5 technical institutes on Competency based training (CBT) modules developed by COTVET.

c) Development and passage of COTVET legislative instrument (LI2195) to make Act 718 operational in order engender quality assurance in skills development in the TVET sector.

d) Assessment of the training needs of COTVET staff to support the operationalisation of CBT manuals.

e) Engagement of a consultant to develop CBT quality assurance manuals

f) Process for the adoption and implementation of the quality assurance manuals been carried out in ten (10) TVET institutions (both private and public).

g) Orientation on the implementation procedures of CBT manuals provided to COTVET staff

Key Challenges

a) Weak institutional capacity (human resource, logistics) of COTVET to drive the implementation of the Component.

b) Delay in the recruitment of Consultant to provide technical support in implementing the Component.

c) Frequent changes in the leadership of COTVET-3 Boards within six years
Strengths and Continued Relevance of GSTDP: This notwithstanding, GSTDP’s intervention in the TVET sector via the GSTDP (Component 1) is very relevant given the exigencies of the time. The significance of the TVET sector to national development needs no further elaboration. The relevance of the support is pronounced in how GSTDP attempts to solve three key challenges in TVET, as acknowledged in the sector review reports. These challenges; the underfunding of TVET, irrelevant training modules which are not responsive to demands on labour market and the weak linkage between TVET and industry. The objectives of Component 1, which includes the institutional capacity strengthening of COEVET to enhance COTVET’s capacity to plan, effectively coordinate and provide quality assurance and effectiveness in TVET delivery is definitely a giant leap towards revamping TVET.

The US$4 Million being invested in strengthening the capacity of formal and informal sector TVET training providers and the institutionalisation of CBT modules in training institutes are geared towards making the content of training modules relevant to the needs of industry. With the COTVET L.I. now passed, there is a formal framework for greater partnerships between with industry, training providers and COTVET, thereby providing assurances necessary to ensure the continuous alignment of labour needs of industry with TEVT curriculum in Ghana. The above, coupled with the alignment of the Component’s (and GSTDPs) Objective to the broad objectives of Ghana’s shared Growth and Development Agenda provides ample assurances of the continued relevance, effectiveness, efficiency and impacts of GSTDP Component 1 to national development.

Key Recommendations:

a. The Ministry of Education must as a matter of urgency support COTVET to address its key institutional challenges (financial constraints, human resource needs and capacity issues, equipment [office tools] and office accommodation).
b. The Ministry of Education should provide the necessary guidance and direction to COTVET to enable a speedy engagement of the Consultant to support the implementation of the Component 1. This is key to furthering implementation plans of the Component.

c. COTVET should ensure the delivery of TVET strictly follows approved CBT models in private, public and non-profit training institutes.

d. COTVET should publicize the adoption and implementation of the Quality Assurance manuals by all TVET providers in line with TVET reform agenda.

e. On the whole, the project is in line with the TVET development agenda of the Government of Ghana and backed by Act 718 and LI 2195. The implementation of the Component should therefore be given the needed boost to be able to achieve all of the expected outcomes.

f. There is the need for an alignment of the CBT modules to the PDOs of the GSTDP. CBT is a mode of TVET delivery that emphasizes the implementation of demand driven TVET programmes in collaboration with industry in line with Government TVET policy. However, this is not properly situated within the results framework of the GSTDP.

Changes to Component 1

To strengthen the impact of the implementation of the CBT on the attainment of the objectives of the GSTDP, the PDO has been revised to read;

‘To improve demand-driven skills and increase the development, adoption, and delivery of skills and technologies in the productive sectors of the economy’.

Consequently, a Key Performance Indicator [Number of training providers registered by COTVET] has been developed for Component 1, to enable a more comprehensive assessment of the Component in relation to its contribution to attaining the PDO.
Key findings and Recommendations (Component 2)

a. GSTDP is very relevant to the policies and efforts of Ghana Government towards Technical and Vocational Education and Training (TVET) and Science, Technology and Innovation (STI) as a vehicle for increased productivity, through further skills development, technology development and diffusion for enhanced individual wages, employment creation and poverty reduction, culminating in higher standards of living and the consolidation of Ghana’s middle income status.

b. GSTDP’s outcomes are directly linked to the outcomes of the Growth and Poverty Reduction Strategy (GPRS II) and the Medium Term Development Framework (MTDF 2010-2013) as they relate to the building of human capital as a means to achieving diversification, productivity, and competitiveness in Ghana in particular, and Africa as a whole. GSTDP, therefore, is not just only relevant to the Decent Work Agenda in Africa, but, indeed, serves as a vehicle for the realization of Ghana’s component of the African Agenda.

c. The Project Logical Framework (Logframe) identified four (4) verifiable indicators of the attainment of GSTDP’s Development Objective, namely:

i. Cumulative labour productivity improvement of 60% by participating firms disaggregated by economic sector and size (i.e. small, medium, large) by the end of the project life of 5 years.

ii. Cumulatively 40% of investments made by participating enterprises are toward skills and technology development (disaggregated by economic sectors; size; skills and technology) by the end of the project.

iii. By the end of the 5th year, 70% of trainees (disaggregated by sex and region) are satisfied with the impact of the skills training imparted. And 70% of participating firms — disaggregated into sectors, regions, and size — are satisfied with the skills
acquired.

iv. By the end of the 5th year, 70% satisfaction with skills by participating firms disaggregated by economic sectors, region and size (small, medium and large)

v. By the end of the project, there are 24,000 direct project beneficiaries, of which 50% are female.

d. The log frame (or Project Planning Matrix (PPM)) went on to isolate the project’s intermediate objectives, and the indicators for verifying their achievement. The Key Performance Indicators (KPI, as presented in the Performance Monitoring Framework (annex to the M&E framework), were observed to be inadequate for direct measurement of results based on the current design of the component and some level of revision may be required. Upon further review of the Project Appraisal Document (PAD) indicators, additional results and indicators were identified which were good for understanding and assessment of progress. It must be noted that some additional indicators may be needed at the PDO level to enable a comprehensive assessment of progress of the component at all levels.

e. GSTDP, as a whole, is on course in the execution of its planned work, but the STI Component (i.e. Component 2) seems to be lagging behind a bit, because of delayed achievement of key outputs due to initial lack of capacity on the part of the key implementer, the newly created STI Directorate at the Ministry of Science and Technology. The five (5) participating research and training institutions, namely: CSIR, Atomic Energy, University of Ghana, Ghana Technology University, and Kumasi Polytechnic have been awarded a total of US$ 2.5 Million worth of grants for enhancing their capacity to conduct and commercialise researches and technology for the private sector.

f. Judging from the strict contract fee negotiations with the procurement office and the modest office settings of the project support office and that of the STI Directorate at MEST
in Accra, coupled with the strict procedural requirements of the World Bank, the evaluator finds it tenable to conclude that the management of GSTDP are applying project resources cautiously to avoid waste. Besides, in accordance with the Financial Management (FM) requirements of the World Bank, all the necessary checks and balances seem to have been put in place by COTVET and the PSU to ensure prudent management of the financial and material resources of the project.

g. The Project Coordinator, the Procurement and Accounts Departments at the PSU Office, as well as the Schedule Officer at the STI Directorate of MEST, all showed enthusiastic professionalism and deep knowledge about the project, and expressed keen interest in the mid-term evaluation exercise. The Project Coordinator is noticeably full of hope and extolment for the level of donor interest in, and the financing prospects for, particularly, SDF and the STI components of GSTDP.

h. It is worth noting that COTVET is an apex body detached, in principle, from any specific Ministry. This arrangement allows COTVET to mobilize and deliver cross-sector skills; and it has a legal mandate to coordinate and manage any external support to TVET in Ghana from development partners or NGOs, thus making it the counterpart agency for all external assistance. It also has the necessary legal framework, and in the process of building the technical and human resources required to implement SDFs, the management of which (SDFs) is already an integral component part of COTVET’s work-program. Therefore, the PSU established by and under COTVET rightfully plays the role of helping coordinate donor-funded skills development activities and programs in an effort to harmonize such activities in the interest of Ghana.

i. Reporting requirements under the Project are thorough and strict, and are being followed so far. Financial, progress of work and procurement reports are prepared by the Project Support Unit, and submitted to the World Bank mostly within 45 days after the end of each quarter to update the Bank on the financial, procurement and overall progress of the
The areas covered in project implementation progress reports are:

i. Activities carried out during the period under review;
ii. Planned activities for the period;
iii. Achievements during the period;
iv. Variances between planned and actual performance;
v. Reasons for the variances;
vi. Measures to be taken to address the variances;
vii. Planned activities for the next period; and
viii. Success stories of project outcomes
ix. Any other information that may be considered necessary

Financial reports capture expenditures according to project components under which they were made. The financial reports detail out the:

i. Sources and uses of funds during the reporting period (quarter);
ii. Sources and uses of funds for the year;
iii. Cumulative sources and uses of funds;
iv. Budgeted sources and uses of funds;
v. Variance arising from comparing actual with budgeted figures;
vi. Consolidated projects receipts and payments irrespective of the source of funding; and
vii. Any other information that may be required

All GSTDP beneficiaries undertaking procurement are required to carry out monthly reporting of their procurement activities. The basic reporting format is the Procurement Plan template, which provides for a progress report on actual procurement activities against the plan. Challenges and constraints encountered during the procurement process must also be reported.
Implementation Challenges

Traditionally, smooth project implementation has been dogged by delays in the release of funds at the right time. Fortunately, GSTDP has so far not experienced delayed disbursements. Furthermore, stakeholders (management, partners, collaborators and beneficiaries alike) have shown remarkable commitment to the project, particularly the SDF Component, including its Window 4 which directly supports GSTDP’s Component 2.

However, the smooth implementation of Component 2: Institutional Strengthening of Science and Technology Development, with a base budget amount of US$4 million, has been hampered by some challenges, including:

a. Initial low capacity of the implementing partner.
b. Delayed full-complement staffing at the PSU, resulting in a lag between project effectiveness date (November 2011) and the start of implementation (March 2012). The PSU did not, in fact, have its full staffing until about July 2013.
c. Slow response from research and training institutions.

Conclusions and Recommendations

The STI Directorate has been established at MEST, but progress towards improving the planning, management, and coordination of STI policies; and implementing priority activities in the national STI Development Plan witnessed some delays due to institutional challenges including lack of adequate office space for the Directorate, resulting in the full complement of technical staff not being in place. This challenge has now been overcome with some progress being made towards the provision of office space for the STI Directorate. What is also being considered urgently now is the development of STI Directorate’s technical capacity for the delivery of evidence-based STI policies, as well as coordinating the implementation of the said STI policies with other MDAs and the private sector, and monitoring STI programmes and policies.
GSTDP is clearly very relevant to the policies and efforts of Ghana towards skills and technology development through science and technology innovations (i.e. Component 2 of the project). It also directly supports the World Bank’s Africa Action Plan (AAP), particularly, the “Building skills for a competitive environment” aspect of the AAP.

At the end of the assessment of the achievement of GSTDP’s Component 2 objectives, it is the evaluator’s opinion that, mid-way into project duration, “Institutional strengthening of science and technology development” is firmly on course. Component 2 stands a very good chance of achieving STI development in Ghana on the back of the 5 very good institutions that have been awarded science and technology research grants, namely: University of Ghana, CSIR, Ghana Atomic Energy Commission, Ghana Technology University, and Kumasi Polytechnic.

The supervisory and technical working arrangements of the project have so far worked effectively. Additionally, it is important to pay particular attention to the definition of project activities as they form the basis of costing during project planning, and give the justification for spending during project implementation. Carrying out project activities gives rise to project outputs, and project outputs come together to produce project outcomes (intermediate objectives), which, in turn, combine effects to produce the synergic effect of the Project Development Objective (PDO) or the Project Purpose.

**Changes to Component 2**

After a careful study of the KPIs in the Project during the MTR, the PSU together with the World Bank team observed that none of the components 2.1 and 2.2 activities are directly linked to the Project Development Objective (PDO) level Indictors. The beneficiary research institutions do not engage in direct productive ventures and it will therefore be inappropriate to assess their productivity. The Project has therefore undertaken a review of the existing indicators under Component 2 to strengthen its relevance to attaining the PDOs. The following two indicators have been identified and upgraded to the PDO level and duly incorporated into the M&E framework of the GSTDP to facilitate their operationalisation. They are:
Key findings and Recommendations (Component 3)

The establishment of the SDF is situated within an overall development context of ‘creation of sustainable jobs’ – a vision commonly shared by the Government of Ghana and the Fund’s development partners. The SDF is a challenge fund that seeks to provide and facilitate a demand driven response to three key challenges confronting industry in Ghana: namely lack of skilled and appropriately trained manpower, inadequacy of capacity within training institutions to provide continuous training to existing workforce and new skills to entrants unto the labour market, and insufficient access to state of the art technology for increased firm level productivity and overall production.

Key Findings

a. Programmes outreach and publicity: It can generally be concluded that programme outreach and publicity campaigns have been successful as most the sampled grantees indicated that they got to know of the existence of the Fund through this means. Publications in the national dailies were however found to be the most popular means of transmission of information regarding the Fund as all the respondents indicated that they got to know of the Fund through this means.

b. Application process: The application process was adjudged very simple and smooth. Grantees did not experience any significant challenges or delays with regards to the application process. The follow up process which included proposal redesign or re-scoping was also adjudged simple enough to follow.

c. Fund allocation and transfer process: Grantees mentioned that they experienced a lot of challenges in this area. Transfer of funds took place about 5 to 6 months after project
provisional approval, after which the applicants needed to address a number of issues before full approval and subsequent grant agreement could be signed. In some few cases, cost overruns occurred as a result of this long wait. It must however be pointed out that these complaints came from Call 1 grantees. Significant improvement in the turnaround time for payment has been achieved through a review of the grant system over the past twelve months. Thus disbursement now takes place within about a fortnight after signing of grant agreement.

d. Implementation: Besides the initial delays arising out of the long waiting period for the transfer of funds, programme implementation was going on smoothly in almost all the interventions. Approximately 20% of the grantees were however still at the mobilisation stage so no concise programme activities have taken place as yet. The pace of implementation is going faster than anticipated for over 70% of the rest of the grantees.

e. Role of monitors and intermediaries: The grantees were satisfied with the work of the intermediaries and monitors. A few of the sampled beneficiaries were however not so clear with the mandate of the monitors and appeared to confuse them with external evaluators. Some grantees also reported of changes in personnel (monitors) and this further compounded the situation as this meant they had to deal with new faces altogether.

f. Technical backstopping from PSU: Generally the grantees appreciated the technical support and backstopping received from the PSU. In some cases however, some grantees mentioned long delays or non acknowledgement of mails sent to PSU for clarification of urgent matters. This was a deep source of frustration to grantees. The PSU has indicated that additional capacities will be needed to offer handholding support to grantees given the anticipated large increases in the numbers of grants to be awarded in the coming calls on the one hand, and the weaker than expected capacity in the grantee firms on the other.
g. Monitoring and Evaluation: It was observed that the grantees, especially the informal ones, did not sufficiently own or appreciate the various indicators or targets set for measuring progress within their projects. The risk with this lack of appreciation is that those grantees will perceive the Monitoring and Evaluation process as an ‘alien’ requirement and will not accord it the seriousness it deserves as an integral part of the whole process. Monitors may not receive the required cooperation from the target beneficiaries.

h. Monitoring and Evaluation: A number of the indicators for the component have also been observed to be inappropriately captured and this has been observed to have some implications on the measurement of progress and achievements of the SDF project.

i. Review and external visits: Grantees, especially those from the First Call, appear to be suffering from a mission fatigue as almost all of them complained that regularity of visits by various persons and groups was taking a toll on their time. It must be appreciated that these are private enterprises or associations implementing projects. Hence they will naturally be under severe time pressure ab initio.

j. Financial management: No challenges have been encountered to date with respect to programme financial management from the grantee point of view.

k. Policy dialogue and networking opportunities: The grantees have been interacting and sharing their experiences in their respective local media. In some cases, grantees have participated in national media platform opportunities created by the PSU. This is laudable.

l. The capacity of the PSU appears to be stretched to its limits as staffs have to work to meet all the requirements of this relationship. The addition of new development
partners is not usually accompanied by the recruitment of additional personnel thus placing a severe strain on the limited manpower resources available.

m. The SDF Committee which plays a key role in programme oversight has over the years developed its own capacity through regular conduct of business relating to the Fund’s administration. There is however room for developing the capacity of the committee either through the introduction of members to strategically selected courses in innovation management and evaluation, and/or introducing a few (one or two) members with some private sector background.

**Specific Conclusions per Evaluation Criteria:**

a. Overall the objectives and expected outcomes of the SDF were adjudge **very relevant** in meeting the needs of the beneficiaries as well as moving towards the overall national development goal of empowering the private sector to serve as the engine of growth and driver of economic change in Ghana.

b. The SDF facility has been adjudged **very effective** in contributing towards increased productivity of labour and overall anticipated increases in production of beneficiaries and groups. In almost all the cases of sampled grantees, there was evidence that the fund had triggered increased investment by the firms in further training of employees as well as other areas of the firms’ productive activities. Staff capacity has been enhanced and there were clear pointers to the fact that barriers to firm level activities had been or were being removed. This notwithstanding, there is still significant room for improvement especially with respect to the design of one of the windows i.e. 4a – the technology partnerships window. As presently formulated only a few applications are able to meet the requirements of this window hence only a few (3) of such applications have been approved.

c. Overall, the SDF was described by almost all the grantees as **good value for money and a very efficient** tool for addressing industry manpower needs. Though in some cases the
resource envelope did not match the anticipated scale of activities, grantees were innovative in scaling down or intensifying activities to enable them operate within the approved budgets.

d. Grantees were in almost all cases providing matching resources ranging from 10% to 50% in order to ensure sustainability. Also the grantees were all very clear in stating their readiness and preparedness to continue with the projects beyond the funding phase in order to ensure that the gains are consolidated and sustained over a long period. Mechanisms should however be put in place to ensure that the SDF supports the grantees to leverage other facilities or packages that will promote their activities.

e. SDF is a highly relevant facility which is well situated within the context of the Government of Ghana’s development priorities. All stakeholders interviewed during this review were of the clear opinion that a successful implementation of this Fund will go a long way to contribute towards reducing the key bottlenecks that negatively impinge on the competitiveness of Ghanaian enterprises.

**Recommendations:** The Fund’s disbursement process should be further streamlined and simplified. The current disbursement modality, which requires that funds transfer be made to the grantee for onward payment to the training/service provider was premised on the expectation that the grantee has sufficient financial management capacity to handle and account for the use of grant funds. However, the reality is that grantees, especially those in the informal sector, do not have such capacities and require significant handholding support to keep the basic books and render satisfactory account for the use of the grants.

f. The PSU should continue to provide technical and managerial back stoppers to the grantees. It is further recommended that where possible these personnel should be at a level below the Fund Manager in order to reduce the burden of work on the Fund Manager
g. A high level of harmonisation especially of missions and visits by various delegations to the grantees should be pursued to reduce duplications in time spent discussion the same issues to different Development Partners.

h. An experience sharing platform should be created for the beneficiaries to form a network to exchange experiences and possibly explore opportunities for synergies within their various activities. The just ended SDF Fair is a step in this direction.

i. A staff audit is conducted especially in the light of the multi donor reporting and other obligations that have to be met by the PSU. As a matter of urgency additional key staff such as a Deputy Project Coordinator, additional monitors, etc should be brought on board to augment current staffing level.

j. Development partners should as much as possible harmonise their activities in order to reduce the cost of transacting the business of SDF management and facilitate joint missions thereafter.

k. On-going discussions on the redesign of Window 4a should be deepened and finalised. This particular window has the potential of being a major catalyst for SDF.

l. The capacity of members of the SDF Committee can be strengthened by supporting them undertake training programmes in innovation, feasibility analysis for innovative programmes, monitoring and evaluating innovative ventures.

m. There should be a review of the M&E framework and PAD to ensure KPIs are appropriately worded to reflect their intended meanings.
Changes to Component 3

Some KPIs were not properly captured in the PAD. Their wording did not reflect the actual intentions of the project, bearing in mind the PDO and the targets. To ensure all KPIs are appropriately worded to reflect their intended meanings, the Project has reworded all KPIs accordingly.

Organization of the Report

The report has been divided into 3 main Chapters. Readers are referred to the list of tables and acronyms in the first two key sections of the report (pages IV and IX). The acronyms have been used consistently as defined in the acronym section throughout the report. Since each of the components of the project was reviewed by different consultants using distinct TORs and/or methodologies, care has been taken not to mix sections of the different reports. This has been observed to have the potential of adversely affecting the flow and consistency within logics of each of the reports. The summary of key points from the each of the reports, including key recommendations, key conclusions, and actions points, which the consultants intend to draw readers’ attention to, have been presented in the Executive Summary. Greater part of the Executive summary has been organized by components incorporating all of the aforementioned key points. Each of the first three key chapters of the report contains a complete mid-term review report for one of the key components of GSTDP i.e. Chapter 1 contains Component 1’s report; Chapter 2 contains Component 2’s report; and Chapter 3 contains Component 3 report. Each of the chapters begins with relevant component-specific background information and continues with objectives, understanding of the assignment, methodology, key findings, recommendations through conclusions. The background sections, among others, provide key contextual and historical perspectives of the respective components. The individual consultants’ understandings of the assignment have clearly been explained within their respective chapters and each chapter also presents an unadulterated analysis by each of the consultants. Each of the chapters ends with component specific conclusions and recommendations.
STATUS OF SKILLS DEVELOPMENT-NATIONAL STRATEGY ON TECHNICAL, VOCATIONAL EDUCATION AND TRAINING (TVET)

It is worthy to note that the GOG has consistently recognized the potential and significance of the TVET and STI sector in almost all national policy development framework documents churned out in the last 10 years – GPRS 1&2, Medium Term Development Framework (MTDF 2010-2013), Ghana Education Sector Plan (2010-2020) and the GSGDA 2010-2013. TVET has been given prominence in all these policy papers thus making GSTDP very consistent with GOG strategies targeted at enhancing effective development of the TVET sector and leveraging the opportunities and potentials of the subsector for broader national development.

Project Background

The Government of Ghana in its Growth and Poverty Reduction Strategy (GPRS II) and in the Medium Term Development Framework (MTDF 2010-2013) indicated that diversification, productivity, and competitiveness cannot be achieved without building human capital. Thus, a project was designed to support government’s vision of skills development by addressing skill gaps in both the formal and the informal sectors of the economy. The project, christened GSTDP, focuses on the needs of businesses and enterprises to improve productivity.

GSTDP — Project NoP118112 — is a Specific Investment Lending Project financed by the International Development Association (IDA) of the World Bank Group with a credit facility to the tune of US$70 million. The Development Objective of the project is: “To improve demand-driven skills development and increase adoption of new technologies in selected economic sectors”.

Effective project implementation spans a period of 5 years, from June 2011 to June 2016. The Council for Technical and Vocational Education and Training (COTVET)—established by an Act of
Parliament (Act 718) in 2006—is the main implementing agency responsible for overseeing the strategic and financial implementation of the Project. A Project Steering Committee (PSC), comprising high level policy makers from the Ministries of Trade, Education, Environment, Science, Technology & Innovation, Employment, and Finance, academic and research institutions, NDPC, representatives of training institutions and representatives from the private sector/industry associations to provide cross-sectoral strategic oversight of project implementation.

PSC is supported by the Project Support Unit (PSU), which is under COTVET and is responsible for coordination and administration of the project. The PSU works closely with the Skills Development Fund (SDF) division housed in COTVET, as well as with the STI Directorate of the Ministry of Environment, Science, Technology and Innovation (MEST). In an effort to harmonize and coordinate Development Partner activities in the skills and technology sectors, the PSU also oversees and manages all donor support to COTVET.

**GSTDP Objectives**

**Development Objective**

The development objective of GSTDP is “To improve demand-driven skills development and increase adoption of new technologies in selected economic sectors.”

**Specific Objectives**

The specific objectives of the project are:

- Increase in labour productivity of participating firms disaggregated by economic sector and size (small, medium and large).
- Increase in investment by participating enterprises in skills and technology development (disaggregated by economic sectors; size – small, medium, large; skills and technology).
- Satisfaction with skills by trainees (disaggregated by sex and region).
• Satisfaction of participating firms with skills of employees.
• Direct project beneficiaries, measured by the number of people trained, of which 50 percentage are female.

Project Design
GSTDP has been designed to comprise four (4) components or parts, namely:

Component 1: Institutional Strengthening of Skills Development. At the estimated base cost of US$4 million, this component entails:

• The development and adoption of a national skills strategy;
• The establishment of a Technical, Vocational, Education and Training (TVET) management information system, processes and organization to coordinate, monitor and evaluate services across sectors and agencies;
• The development of guidelines for standards and qualification/certification and other services to assure quality for training; and
• Institutional support to selected formal skills development institutions.

Component 2 (or Part B) — Institutional Strengthening of Science and Technology

Development at the estimated base cost of US$4 million — works to:

• Strengthen the planning, management, and coordination of national science, technology and innovation (STI) policies and programs to make efficient use of resources and complement the national economic development plan;
• Support technology development and diffusion that is more responsive to the needs of the economy by enhancing interactions between research institutes, university departments, and their external clients, thereby encouraging domestic innovation.
The third Component (or Part C) has to do with financing of Skills and Technology Development programs in prioritized economic sub-sectors through a "Demand-driven Skills Development Fund," to be set up at the estimated base cost of US$45 million.

Project Management, Monitoring and Evaluation activities constitute the 4th Component of GSTDP. Under this component, a Project Support Unit (PSU) under the direct supervision of COTVET has been set up to undertake all procurement, accounting, monitoring and evaluation, and reporting of transactions relating to the project, as well as implement Project Steering Committee guidance.

Project Beneficiaries
GSTDP is national in character and aims to benefit a wide range of actors in the national economy, including:

- Employers
- Employees
- Industry-based Associations
- Public and private training institute, including universities, polytechnics, etc.
- Informal sector operators
- Other agencies engaged in technology development.

In the short to medium-term, the project is expected to benefit employers and employees of designated economic sectors by giving them the opportunity to gain additional skilled employment, attain improved productivity, and achieve higher earnings. The medium to long-term benefit of GSTDP is to deliver an improved policy regime and institutional structures that give a wider range of economic actors’ greater access to training and technology services.
Understanding of the Assignment

The assignment title is “midterm review for GSTDP for component 1”. The strategic plan of GSTDP provides for a midterm assessment of the effectiveness and efficiency of the GSTDP. The Terms of Reference (TOR) is therefore very explicit on the requirement of the assignment. It states, among others, that the assignment has the under listed objects:

- Assess the current status of implementation of the Component activities under GSTDP, including procurement and financial management-results achieved and discrepancies between the planned activities and those carried out at midterm.
- Review results of Component 1 of the GSTDP including monitoring and evaluation strategy and data quality reviews.
- Objectives and outcomes of the MTR workshop with respect to Component 1 of the GSTDP: including propose agenda for MTR workshop.
- Review remaining activities to take place until closing date and assessment of feasibility of the component 1 of the GSTDP closing on time.

Invariably, this implies:

- Measurement of the relevance, effectiveness, efficiency and impact of activities and make recommendation to inform adjustment of interventions strategies (September 2013 to June 2016)
- Identify strengths and weaknesses in implementation of the proposed TVET strategy
- Review and comment on the project indicators, milestones and targets, and progress against them with respect to TVET activities
- Measure the level of influence the project has had on external stakeholders at both the local and national level
- Review how different donors in the TVET sector are working and identifying issues and challenges related to donor activities harmonization
- Provide feedback on key stakeholder satisfaction with regard to internal relationship and communication in implementing TVET activities.

This obviously, is an attempt at formative evaluation (assessment). The assignment therefore requires an assessment of project performance over the last two years of implementation (midterm period) and forms an aspect of the continuous assessment both of the functioning of the project activities in the context of implementation schedules and of the use of Component 1 inputs by the targeted institution(s) in the context of design expectations. Project effectiveness would be measured by assessing the level of achievement of project outputs and project outcomes while efficiency is assessed by institutional evaluation, cost effectiveness and a strategic evaluation. It requires a critical scrutiny of indicators at all levels:
- Performance indicators (relating inputs to outputs)
- Effectiveness indicators (relating outputs to use)
- Cost effective indicators (relating inputs to use)
- Cost benefit indicators (relating inputs to Outcomes)
- Impact Indicators (relating use to outcomes)

The focus of this assignment would therefore be on performance (output, immediate effects and impacts if any) as well as economic and financial efficiency.

**Consultant’s Approach**

The approach to this assignment has been informed by three key factors viz (1) the length of time allocated to the review 32days, (2) the resources available and (3) the status of implementation of Component 1 so far. Two methods therefore have been used in this review: (1) desk review survey and /or audit (2) Key Informant Surveys (KIS) of selected heads of intuitions and DP’s in the TVET sector. The review methodology involved qualitative methods (informal interviews) to assess the extent to which Component 1 has been implemented. The method applied includes, first of all, familiarization GSTDP and the various components, systems processes at the PSU. This was followed by Desk Surveys (perusal of PAD, PIM etc) and visits to some TVET institutions, Ghana Education Service (GES), COTVET offices and the M&E Department of the PSU.

**Components of GSTDP**

It is significant to reiterate that the GSTDP has four (4) main components. This assignment relates to component 1 only. However a fuller understanding of the holistic nature of the project is only reached by linking all four (4) components. The project components have been designed to focus on activities meant to increase access to skills and technology development, improve productivity and competitiveness of Ghanaian firms and support the effective and efficient management of the project. The four components consist of the following:

- **Component 1 (Part A):** Institutional Strengthening of Skills Development
- **Component 2 (Part B):** Institutional Strengthening of Science and Technology Development
- **Component 3 (Part C):** Financing of Skills and Technology Development Programmes through the Skills Development Fund
- **Component 4 (Part D):** Project Management and Monitoring and Evaluation
Component Details

For the purposes of this assignment, the objects of component 1 as gleaned from available documentation have been reproduced below. The Project Appraisal Document (PAD) as well as the Project Implementation Document (PIM) is unequivocally clear on the objectives of component 1 and its sub – components (1 and 2) and it cannot be better stated:

**Component 1 (Part A): Institutional Strengthening of Skills Development (estimated base cost US$4 million):**

The objective of Component 1 is to build systems and strengthen the capacities of the Government and the training providers in planning, coordination, quality assurance and service delivery towards improved quality, relevance, accountability and effectiveness in skills development. As a result, the roles and responsibilities between Government and training providers will be realigned to make sure skills development is less fragmented, more demand driven and both are more capable to achieve and demonstrate better performance along strategic issues such as equity, relevance, efficiency and accountability.

A focal person will be appointed to be responsible for implementation of this component. A COTVET annual work plan, approved by the COTVET Board would inform the activities to be financed under the GSTDP on a yearly basis.

**Sub-component 1.1: Development of COTVET technical capacity, strategic systems and policies (estimated base cost US$2 million):**

Objective: Sub-component 1.1 will build Government systems and capacities towards a more demand driven, efficient and effective TVET system.

Under this sub-component institutional development and capacity building will focus on the Council for Technical and Vocational Education and Training (COTVET), which has been set up in 2006 by Law as an intergovernmental agency responsible for, among other things, TVET policy, quality assurance, and monitoring. These responsibilities are in line with the changing role and capabilities of the Government in a more demand driven TVET system.

The Government will provide leadership to skills development through the cross-sectoral COTVET, rather than being a provider of publicly financed and regulator of all (public and private) TVET programs, it will have to have capacities (i) to provide overall vision, plans,
budgeting, financing guidelines, policies, incentives to stimulate demand and to improve cost-effective responses by public and private providers to this demand, (ii) to be a provider of on-time information for decisions, training providers, beneficiaries and stakeholders, and (iii) assure quality across sectors (public and private) and types as well as levels of training through standards, assessments and through qualification/certification guidelines and services.

Presently, the Government’s role is more traditional; it acts as provider, financier and regulator of various groups of TVET institutions through several Ministries. These traditional roles will have to give way to the new ones as listed above. The new roles and responsibilities will have to be introduced gradually but with clear short-term benchmarks and intermediary outcomes in terms of building appropriate capacities and guidelines for these roles.

The new governance system for skills development and COTVET’s capacities are being developed within a larger program that benefits from support by a number of initiatives, including projects sponsored by JICA, DANIDA, and the Korean Government and planned projects from AfDB and GTZ. COTVET’s responsibility and capacity will include harmonization among these projects towards TVET reform. This means that building a new system of governing skills development will entail a long-term agenda and will be harmonized across various external support programs. Within this, the GSTDP contribution through component 1.1 takes a smaller but relatively coherent segment and requires regular harmonization and flexibility. For this reason, component 1.1 will be outlined along three areas and as agreed upon in an annual work program.

A TOR will define technical assistance activities to be supported by a consulting firm to focus on the following key areas and will be added to the Project Implementation Manual when it is finalized. The TOR will be cleared by the Bank and an Expression of Interest will be issued subsequently.

**The expected outcomes** of sub-component 1.1 are to support COTVET to have the following:

- Vision, policy and sustainable financing to align TVET with overall Government strategy and with specific economic (i.e. productivity) and social (i.e. employment) outcomes.
- Management information system covering all public and private TVET providers, formal and informal sectors. Develop a TVET monitoring and evaluation system,
identify and monitor sector performance through indicators, including access and equity, quality, relevance, job placement, financing, efficiency and effectiveness.

- Develop guidelines for standards, assessments and qualification/certification and other quality assurance measures for both the informal and formal sectors as well as stronger linkages with businesses to assure, among others, skills recognition, recognition of prior learning and the transferability of skills.

**Outputs:** The expenditures to be financed will include consulting services, goods, small works, training, and operating costs. The outputs would include:

(i) COTVET contribution to the overall skills strategy approved by Government
(ii) Sector-specific assessments of skills and technology demand, supply, market failures
(iii) TVET policies and financing instruments
(iv) Management information system
(v) Performance indicators for skills development
(vi) Biannual skills development performance review
(vii) Manual for qualification/certification quality assurance systems as well as for transferability of skills and recognition of prior learning.

Training based on the recently completed staff development plan will be financed under this component. The staff needs analysis identifies key skills gaps for COTVET staff and a plan of action to address these gaps. The sector-specific assessments of skills and technology demand, supply etc. will be initiated by the SDF committee. These reports will be developed based on guidance from the Government’s industrial policy, PSDS II strategy, National Employment strategy, etc. Once the reports are drafted, the SDF committee will submit the information to the PSC for their endorsement/validation before the sector is included in the SDF.

**Sub-component 1.2: Support to TVET institutions. (Estimated base cost US$2 million)**

Objective: This subcomponent will improve accountability, and institutional effectiveness of formal public and private non-profit TVET providers in priority economic sectors to deliver demand-driven training.

TVET providers will need to change their training and related services to better fit within a demand-driven system. This requires changes in their mandates, management and reliance on input-based financing from Government to dynamic and innovative providers of skills development services with real-time linkages to the skills market, capacity to
focus on outcomes (such as changes in labor productivity and employability) and responsibility to improve the effectiveness of their services.

The sub-component will focus on a selected number of institutions (to be determined by COTVET, estimated at 5-10 institutions). Institutions would represent various types, including Technical Institutes under the Ministry of Education, National Vocational Training Institutes under the Ministry of Employment and Social Welfare, Community-based centers (such as Community Development Vocational Technical Institutes or the Integrated Community Centers for Employable Skills) typically either under the District Assemblies or under the Ministry of Local Government and also privately owned or faith-based training institutions. Development and agreement on strategic and operational criteria will inform the selection of TVET providers that will receive support. Stakeholder consultations will be held to discuss and agree on selection criteria and procedures for utilizing the grant funds. Possible selection criteria might include the following:

- Appropriate scale of training services in priority economic sectors
- The mandate and authority of institutional management to carry out institutional reform
- Existing links with industry representatives
- Innovative and forward-thinking institutional leadership

These institutions will receive technical assistance and training in strategic planning, institutional and resource management, diversified financing, management of service delivery, industrial partnerships and post-training services. Agreement needs to be reached with GoG that participating public formal TVET institutions are given the necessary autonomy and flexibility to respond to market conditions. The technical assistance will help establish Institutional Development Plans with adequate measures and indicators of performance in terms of improved services (including training, post-training activities), management (cost-efficiency and accountability), improved financing and investment plans.

The institutions would also receive support for improvements of their physical capacities in specific areas selected together by COTVET and the institutions’ management based on their completed Institutional Development Plans. The improvements are expected to lead to improved TVET services in terms of their economic and labor market relevance (better placement of trainees, improved training programs, other services related to skills development including on-the-job programs, guidance systems, practical training solutions) and/or cost-efficiency as well as accountability. The expenditures to be
financed would include consulting services, goods, small works, training, and operating costs. Procurement capacity assessments will be conducted by procurement officers in COTVET PSU to determine how investments will be procured. Low capacity, high risk institutions would have procurement and financial management processed by COTVET PSU. Higher capacity institutions would have funds transferred based on their procurement plans.

Consultants will be hired by COTVET PSU to provide hands on technical assistance to develop the IDPs as described above. Once the IDPs are completed and submitted to COTVET, qualified proposals that meet the agreed criteria will be accepted. For those IDPs selected for investment support, the consultants may be retained to continue support to the institution during implementation.

The **expected outcomes** of the support to the providers will include the following:

- Institutional Development Plans including projections for the profile, training delivery, resources, staffing and physical investments;
- improved management including industry partnerships, diversified resources, better contracts for staff or specific services, internal quality assurance systems;
- improvements in specific facilities or in equipment in priority training areas; and
- improved services including better placement of trainees, improved training programs, other services related to skills development including on-the-job programs, guidance systems, practical training solutions.

Related **Outputs** include the following:

(i) Institutional development plan (IDP)
(ii) Industry Partnerships
(iii) Increased non-public funding
(iv) Improved skills development facilities and staff
(v) Reports on improved services

Component 1 will be supervised by COTVET. Under component 1.1, the technical assistance package contracted out to a qualified firm will specify monitoring and supervision arrangements including reporting requirements. For component 1.2, the M&E arrangements will include provisions for monitoring progress of institution development plan implementation. The focal person leading these activities will also be
responsible for submitting quarterly reports to COTVET until the IDP investments are completed.

Project Development Objectives

Overall, the project development (PDO) indicators objectives are summarized as follows:

Table 1: PDO Level Key Performance Indicators

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<td>1.</td>
<td>Percentage(%) of supported firms that show signs of improvement in their labor productivity (disaggregated by economic sector and size)</td>
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<tr>
<td>2.</td>
<td>Increased investment by participating enterprises in skills and technology development (disaggregated by economic sectors; size (small, medium, large); skills and technology)</td>
</tr>
<tr>
<td>3.</td>
<td>Satisfaction with skills by trainees (disaggregated by sex, locality) / Satisfaction with skills by participating firms disaggregated by economic sectors; region; size (small, medium, large)</td>
</tr>
<tr>
<td>4.</td>
<td>Direct project beneficiaries of which (%) are female as measured by the number of people trained.</td>
</tr>
</tbody>
</table>

These performance indicators point to the expected outcomes of the GSTDP intervention and have informed the work plans developed by COTVET in order to prosecute the objectives of the project. Specifically, component 1 (which invariably targets the activities of COTVET) is expected to deliver in four (4) key aspects of the TVET sector which would have a strong potential to strengthen Government and Institutional Capacity in:

- Planning,
- Coordination
- Quality assurance and
- Service delivery

This is expected to result in some significant development in the sector and likely to improve:

- Quality
- Relevance
- Accountability and
- Effectiveness of Skills Development.
Indicators formulated to gauge developments (progress or otherwise) of these aspects of the TVET sector are summarise in the results framework - parts of which has been reproduced in table 2.

**Table 2: Indicator Framework (intermediary) for Component 1**

| Intermediate Result indicator One: National Skills Strategy developed and adopted | Yes/No | No | Annual | COTVET | Government legislation? |
| Intermediate Result indicator Two: COTVET management information system for skills development is functional. | Yes/No | No | Annual | COTVET activity report | COTVET | Information system functioning; |
| Intermediate Result indicator Three: Guidelines for quality assurance systems including certification are developed and adopted. | Yes/No | No | Annual | COTVET activity report | |
| Intermediate Result indicator Four: Number of Institutional Development Plans for training providers developed and implemented | Yes/No | No | Annual | COTVET | Activity report-COTVET |

Source: GSTDP PAD (2011)
**Status of Implementation of Component 1**

As earlier indicated, Component 1 of the GSTDTP targets COTVET for support. The component is designed to assist COTVET to deliver on its mandate as the apex body and regulator of the TVET sector. Act 718 and the concomitant legislative instrument (L.I. 2195) are very categorical on the mandate of COTVET. However, it is instructive to note that simply enacting acts of parliament and legislative instrument does not translate into efficient management of a sector. It simply gives legal backing to the activities of COTVET. Several actions and activities needs to occur for the TVET sector to function as anticipated by the policy that informed the enactment of the law. Component 1 of the GSTDP is therefore rightly packaged to prop the instrumental actions and activities of the COTVET to enable the achievement of ultimate goals for the TVET sector.

In order to take advantage of the window of opportunity offered under the GSTDP and as a requirement, COTVET has since the inception of the project, developed yearly work plans to facilitate efficient and effective running of the component 1 which directly affects the outputs of the council. A critical examination of the activities and the expected outputs visa viz developments in the last two years indicate a moderate performance on the part of COTVET. So far, the council has only succeeded in achieving a modicum of success given the agenda it set for itself in 20012/2013. It must be pointed out that this is due largely to the processes and delay in recruitment of a firm to support the implementation of component 1. Among the achievements so far are:

- The assessment of the capacity of some five (5) technical institutions
- Orientation on Competency based training (CBT) conducted in these 5 technical schools
- Development and passage of COTVET legislative instrument (LI2195) to make Act 718 operational in order engender quality assurance in skills development in the TVET sector.
- Assessment of the training needs of council staff to support the operationalization of CBT manuals.
- Engagement of a consultant to develop CBT quality assurance manuals
- The development of 23 quality assurance manuals for implementation toward achieving quality and relevance in the TVET sub-sector. All the manuals have been validated by the relevant stakeholders and 10 quality assurance manuals have been approved by the Board of COTVET and implementation has started. The remaining 13 are yet to be approved by the Board.
- Consultant has completed needs assessment of COTVET staff to support the operationalization of the CBT quality assurance manuals.
• Needs assessment and orientation on the adoption and implementation of the quality assurance manuals have been carried out in ten (10) TVET institutions (both private and public).

• COTVET staff has been given orientation on the implementation procedures of the CBT manuals.

Reasons Cited for Slow Performance

An attempt to unravel the reasons behind the not too impressive performance on the part of COTVET - regarding the GSTDP - revealed a number of very thought provoking factors that have tended to militate against the COTVET’s efforts.

Difficultly in the Identification and Selection of Implementation Consultant

At the core of COTVET’s role in implementation is an implementation consultant whose sole responsibility would be to facilitate the implementation of project processes and/or activities by COTVET. The fact that this consultant is yet to be hired is enough evidence of the limited extent of implementation. Without the consultant, as indicated in the work plan, very little can be done. However, the nature of component 1 presents a difficulty as far as selection of a consultant is concerned. The varied nature of the component makes it difficult if not impossible to identify a person/firm with the capacity to deliver on all the different aspects of TVET sector contained in the assignment. Eventually, the council had to settle on a consortium - which idea was initially out of the question.

Recruitment of a consulting firm to support Component 1

In a related development, the contracting process for the Component one consulting firm has been concluded. The contract negotiation and signing was very successful and the firm, CADENA, has since held an inception meeting which will be followed with the full commencement of work in April.

Capacity Issues

It has been stated in the Report on the operationalization of the COTVET Act that the Council requires 200 staff of various skills to function effectively. Currently however, the council’s staff strength is less than 20% of the ideal number. The council’s inability to deliver on the procurement of a consultant for component 1 can partly be attributed to the issue of inadequate human resource strength to facilitate the procurement process. Mainstream positions are yet to be filled as a result of delay in seeking financial clearance from GOG. Space constraints are yet another issue of serious concern. It is doubtful if the current premises
housing the council can accommodate any more staff should a “clearance” be granted for the council to recruit more staff.

**Frequent Changes in Personnel at Governance Level of COTVET**

As one respondent puts it “we have had three in 6 years” obviously referring to the number of boards that the council has had in a short space of time. This does not allow for continuity. Another respondent also commented as follows “you do not run such institutions with interim heads” - obviously referring to acting appointments – which does not augur well for focused planning.

**Relevance, Effectiveness, Efficiency, Impact of GSTDP Activities**

Project reviews will only be complete upon the examination of relevance, effectiveness, efficiency and impacts. Evaluation is normally carried out at the commencement of a project (prospective), during implementation (formative) and at the end of the project (summative). The current assignment therefore falls in the domain of formative evaluation. A full end of project evaluation requires the examination of:

- Performance indicators (relating input to outputs)
- Effectiveness indicators (relating output to use)
- Cost effectiveness indicators (relating inputs to use)
- Cost benefit indicators (relating input to outcomes)
- Impact indicators (relating use to outcome)

The implementation of GSTDP is in the second year. The TVET component of the project is yet to witness any significant levels of implementation. Some of the intermediary objectives as noted in table 2 are yet to be achieved.

**Relevance**

GSTDP’s intervention in the TVET sector via COTVET is very relevant given the exigencies of the time. The significance of the TVET sector have been captured in chapter one. The persistent challenges that required urgent attention as noted in the GSGDA have also been captured in the same chapter. A critical examination of the GSTDP interventions points to an attempt to address these persistent and debilitating issues:
- TVET subsector is severely underfunded;
- Training in TVET institutions is rigid and non-responsive to demands on labour market;
- Weak linkage between TVET and industry.

Institutional strengthening for skill development i.e. Strengthening COTVET capacity in planning, coordination, quality assurance and effectiveness in skill development is the panacea for the challenges in the TVET sector. Even though there is no doubt that the GSTDP is addressing some (not all) of the priority problems confronting the TVET sector in the Country, it is imperative to ensure that the expected outcomes and results of Component 1 is directly linked to the Project Development Objectives to ensure direct impact and contribution to the PDOs of GSTDP.

**Effectiveness**
Effectiveness is gauged by level of achievement in activities, outputs and outcomes. It would be premature at the stage to think about outcomes. However, several activities have been successfully implemented albeit with some difficulties – COTVET LI 2195 has been drafted and passed by Parliament, 23 quality assurance manuals have been developed, validated and 10 approved to operationalize the LI 2195 and COTVET Act 718 which was enacted in 2006. This completes the circle on legal backing for TVET sector which has been lacking in the last 6 years. This is a major outcome attributable to the effects of the project.

**Efficiency**
Are inputs (staff, time, money, equipment) being used in the best possible way? Issues on efficiency are very delicate and require more time and resources to interrogate. At this point, it is too early yet to embark on an exercise of measuring efficiency. More data and information would be required in order to do a comparative analysis with similar projects elsewhere. However, it is the opinion of consultants that efficiency level can be improved if support is total. In other words, GoG inability to fund activities of some aspects of the TVET sector which are crucial for project success or otherwise must be recognized and address through fuller support packages. It is no secret that counterpart funds from GoG have been a major bottleneck to efficient delivery. It is not uncommon to lose efficient delivery due to such glitches.

**Impact**
The contribution of the project to the higher national developmental goals at this point can only be speculative. Effects that will culminate ultimately into impact are what can be seen at this stage. A good example is the passing of the legislative instrument that would govern the TVET sector and the adoption of CBT for the country. The potential impact would be a total
revolution in the labour market to feed industry with required skills. Availability of improved skills has the potential to affect industrial production and efficiency positively and engender social and economic development which would in turn result in poverty reduction.

STRENGTHS AND WEAKNESSES IN IMPLEMENTATION OF THE PROPOSED TVET STRATEGY

The Genesis of the Strategy
The paradigm shift being witnessed in the TVET sector currently dates back to the 2004 when the GOG issued a white paper on education emphasizing the need for a radical transformation in the quality of TVET graduates that were being churned out by TVET providers. It further noted that TVET must be considered as a credible alternative to general education. The pursuit of this objective of radical transformation led to the establishment of COTVET by an Act of Parliament in 2006. In 2012, the legislative instrument to operationalize the COTVET Act was passed by Parliament. The fundamental and underlying philosophy of the radical reform in the TVET sector that culminated in the COTVET Act and the accompanying legislative instrument is Competency Based Training (CBT). TVET reforms have come to stay and the introduction of CBT has constituted the bedrock of the TVET strategy in Ghana. “Competency Based Training is training that is designed to allow a learner to demonstrate their ability to do something”. It therefore requires more than the “Chalk and talk” cognitive (reasoning, intuition, perception) approach to training. CBT demands hands-on practical approaches which require a delicate balance between theory and practical knowledge.

Weaknesses in Strategy Implementation
Several critical systemic issues have the potential to weaken the implementation process. They range from challenges specific to the TVET as well as cross cutting issues that affect all sectors including the TVET sector. Issue of inadequate funding noted earlier affects all other sectors. The TVET sector is a large one comprising the huge informal TVET sector (Magazines, Ordornas, Kokompes, industrial villages created under REP etc) as well as the nearly 600 formal institutions. Public TVET institutions under the Ghana Education service alone number about 45. Reforming this large sector invariably require large amounts financial and physical resources especially for the formalization of the informal TVET sector.

Lack of CBT Trainers/Assessors:
The new strategy requires very practical teaching methods. The erstwhile system has very little or no such trainers. It is the same stock of trainers that is being rolled into the new strategy. What it means is that a considerable effort and resources would have to be invested in the training of the trainers.
**Equipment and Tools:**
The state of equipment in most TVI’s is outmoded and in a dilapidated state. Most schools require retooling to facilitate implementation of demand driven training or CBT. Some TVI’s do not have equipment at all and resort to black board illustrations which will make CBT very difficult to implement.

**Training Materials:**
CBT requires a demonstration of proofs. This implies procurement of materials for a process as good as the actual. Some of these materials are very difficult to find or too expensive as training material – especially give the large numbers in the TVET sector. Most trainees have opted out of catering (cooking) for lack of resources for practical work. The location of some institutions exacerbates the challenge e.g. St Mary’s vocation school in Donkorkrom (Afram Plains).

**Ensuring Compliance to CBT in the TVET Sector**
As has been pointed out, the TVET sector is a very large one. It is practically impossible to track developments - especially in the informal sector. The large army of artisans who “do their own thing” would definitely pose a serious challenge to implementation. This group of artisans are steep in their old ways and reformation require more than normal effort.

**Parallel Projects at Various Ministries**
There are also several programme (and projects) under the auspices of GOG and DP’s in the TVET sector which must be made to conform to CBT. As to how this would be done remains a debatable issue. Some of these programmes are under the Ministry of Trade and Industry (Rural Enterprise Project that combines NBSSI and GRATIS/RTF to train people in rural areas), Ministry of Employment and Labour Relations (Integrated Community centres for employable Skills- ICCES) and ministry of Youth and Sport (GYEDA). These are programmes in the TVET sector under different ministries that must be coordinated to foster smooth implementation of the CBT strategy. There are other DP’s who come up with own programme which are at variance with the CBT concept.

**Capacity Issues at the Level of Regulatory Agencies**
COTVET has serious issues with human and financial resources. Apart from the almost skeleton staff at the Council, there are also issues bothering on the availability of required skills at the council. There are also serious issues with adequate space to house the council. Implementation arrangements are on course under the Development of Skills for Industry Project (DSIP) funded by GOG and AfDB.
Registration and Accreditation TVET Providers

COTVET has uploaded some of the quality assurance manuals on its website for the registration of TVET providers at a fee. This will bring a measurable amount of sanity and quality into the TVET subsector. However, since TVET providers are already suffocating under lack of funds to run their programmes and there is the tendency for some to “go under” in an attempt to avoid the implementation of demand driven and competency based training which is rigorous.

Strengths of implementation of TVET Strategy

COTVET Act and the LI
The COTVET Act gives CBT a legal backing. It is law. Therefore the Council has the authority to ensure compliance. The L.I also give a clear direction on how the sector would be regulated thus eliminating ambiguity. The TVET sector therefore has a clear road map defined by law unlike many other sectors.

Availability of Donor Support for the Sector
Conservable amount of funds have been pumped and continue to be pumped into the TVET sector to oil the implementation processes e.g. GSTDP, REP, GSDI etc. Availability of such resources is helping in great deal to push the implementation process. It is worth reiterating that financial resource constraints is largely responsible for limiting the speed of reform in the skills and technology development sector in Ghana - thus hindering the subsector’s capacity to respond to the needs of the market.

Contribution from Industry
There is clear evidence that industry is buying into the strategy in expectation that the reform would facilitate the production of required and needed labour force for industry. The support for the programme has been in the form of sponsorship for training in specific tasks in the production process (Specialization).

LEVEL OF PROJECT INFLUENCE OF COMPONENT 1 ON EXTERNAL STAKEHOLDERS

Level of influence of Component 1
Most of Component 1 activities are yet to have any pervasive level of influence due to the initial implementation challenges. Most activities that would otherwise generate the centrifugal influence are still at the take-off stage due to the aforementioned challenges. The spread effects of component 1 are therefore yet to start. It is however instructive to note that some technical schools (5) have had assessment and orientation on CBT and it is beginning to
engender new thinking along the lines of CBT. Vice principals who are most likely to become
principals in the not too distant future have also been given orientation in CBT.

The participation of stakeholders in the validation of manual has also improved the knowledge
of some stakeholders. What is perhaps missing is the transmission of the knowledge acquired
by participants in these validation processes to their teaching and administrative staff.

There is also evidence to suggest that some development partners in the TVET sector are
already applying the CBT concepts in some selected schools in selected regions but only at the
level of proficiency 1 and 2. It is hoped that this would gradually be extended to tertiary levels.

Identification of Issues and Challenges by Donors for a Harmonized TVET Sector

There is ample evidence to suggest that donors in the TVET sector have been able to diagnose
the problems in the TVET sector and are instituting various programmes and project to facilitate
the resolution of these challenges and problems. A cursory examination of the player in the
sector indicate that the objects of most intervention are almost the same or mutually
reinforcing and complementary. An appraisal report by the African Development Fund for the
“Development of Skills for Industry” aptly captures the perception of Donors in the TVET
sector and the interventions required to manage these crucial but often neglected issues.

| “The project will contribute to the achievement of the following outcome: improve teaching and learning environment in 13 beneficiary public TVET institutions, increase participation levels in TVET, increase female participation in science related TVET courses, efficient and effective policy planning, quality control systems for TVET established at the coordination level. It will help to achieve key outputs of the TVET reform including (1) preparation of costed strategic plan to guide the development of skills in Ghana (2) increasing supply of high calibre middle level technicians and TVET instructors (3) reviewing the instructor training curriculum (4) strengthening the capacity of COTVET and (5) operationalizing the prior learning mechanisms and the accreditation system for TVET” (African Development Fund Appraisal Report, April 20112) |

These outcome, objectives and goals are not very different for those envisaged by other
donors. Under the Rural Enterprise Project (REP), the same noble objective are being pursuit
albeit in the informal sector. The first phase of the project has ended but the successes
achieved in the first phase has resulted in the up scaling of the project from 66 districts in
Ghana to cover 171 district. It involves entrepreneurial training by Business Advisory Centres
(BAC) under the Ministry of Trade (NBSSI) and skills training by the Rural Technology Facility
(RTF) which is a unit under GRATIS. The expected outcome from the project now up scaled to a
programme are (1) business development services (2) technology Promotion and skills
development (3) Improved financial Service and (4) Conducive environment for business start
up and growth. Theses objective are similar with the difference that while the former is
education oriented the later id business oriented. REP is co-financed by IFAD and AfDB.
Ghana Skills Development Initiative (GSDI) is yet another project sponsored by donors with identical objectives. The project is sponsored by GIZ and it is being implemented in cooperation with COTVET - according to official information. It aims at building capacity in the informal sector by improving the “quality of the traditional apprenticeship system which suffers from some structural deficit”. It cites lack of coordination and standardization in training as well as difficulties in coping with technological developments as some of the motivating issues for the intervention.

It is more than evident from the few examples given that donors have done an excellent diagnostics survey of the TVET sector and are aware of the challenges. The missing link is an efficient coordinating body to harmonize the activities of all these donors to avoid duplication of effort and sometime working at cross purpose. More often than not, objectives converge but approached to solutions may differ depending on donor preferences and interests. COTVET is mandated to provide this link but it must begin to show leadership.

**Concluding Remarks and Recommendation**

Component 1 of GSTDP is about the most important component because if affects the TVET sector directly. This component which supports the reformation of the TVET sector via the introduction of CBT targets the activities of COTVET which is the implementer for assistance. Without an organised TVET sector, all other interventions are likely to result in fruitless adventurism and a waste of scarce resources. It is of primary importance that component 1 is given very serious attention. To this end, the following are recommended for consideration by the PSU:

1. The Ministry of Education must as a matter of urgency support COTVET to address its key institutional challenges (financial constraints, human resource needs and capacity issues, equipment [office tools] and office accommodation).

2. COTVET should ensure the delivery of TVET strictly follows approved CBT models in private, public and non-profit training institutes.

3. COTVET should publicize the adoption and implementation of the Quality Assurance manuals by all TVET providers in line with TVET reform agenda.

4. COTVET should strengthen the relationship between the expected outcomes of Component 1, especially the CBT modules, on the wider GSTDP PDOs. This will ensure a direct effect of the Component on the PDOs of the GSTDP.
5. On the whole, the project is in line with the TVET development agenda of the Government of Ghana and backed by Act 718 and LI 2195. The implementation of the Component should therefore be given the needed boost to be able to achieve all of the expected outcomes and results.

**Changes to Component 1:** There is need for an alignment of the CBT modules to PDOs of the GSTDP. CBT is a mode of TVET delivery that emphasizes the implementation of demand driven TVET programmes in collaboration with industry in line with Government TVET policy. The implication of this policy is that, all TVET providers in Ghana as part of accountability measures are to ensure that TVET programmes are no longer supply driven (training without a focus on the needs of key sectors of the economy and industry) but outcome-based and industry demand driven that is underpinned by market research. Training providers will therefore have to collaborate with specific industries in the design of industry responsive specific skills training programmes in addition to tailor-made programmes to upgrade the competencies of existing workers for increased productivity. However, the effect of the CBT will only indirectly lead to enhancements in productivity through the skills delivered by training institutions adopting the CBT. To strengthen the impact of the implementation of the CBT on the attainment of the PDO, there is the need for an alignment.

In furtherance of the aforementioned, the PDO has been revised to reflect the general focus and direction of the GSTDP. The revised PDO now reads ‘To improve demand-driven skills and increase the development, adoption and delivery of skills and technologies in the productive sectors of the economy’. Additional Key Performance Indicators have been added to operationalise the revised PDO. They include the following Component 1 KPIs:
CHAPTER 2

(COMPONENT 2)

Status of STI Development

National and Regional Text
Since 2002, Government has followed a “dual-track” policy-making process. In 2006, the Council for Technical Vocational Education and Training was established. In parallel to the existing educational policy framework, a revised 2010-2020 Education Strategic Plan (ESP) was drafted, in which the Science Technology and Innovation Policy was introduced. These documents sought to harmonize TVET and STI policies with the objectives of the New Education Reform (NER) which shifts the national policy focus towards post-basic education.

In that regard, the Government of Ghana identified skills development and science and technology as key focus areas where reforms, new policies, investments and partnerships need to be pursued towards economic competitiveness, employment and poverty reduction. Thus, MESTI was re-established in 2009, and a National Science, Technology, and Innovation Policy (STIP) review was finalized in 2010.

Ghana's expenditure in STI is about 0.3 percent of GDP, nearly all of which comes from government outlays equivalent to about USD $49 million, most of which goes to public research institutes. There was no specific instrument dedicated to funding industrial technology upgrading, research, and innovation. Government investments into science and technology tended to yield limited payoff as the vast majority of research institute budgets go to finance salaries and facilities, leaving over only very little (under 15%) for research activities and equipment. In view of this, the emphasis of the role of government has to shift from being a provider of financing for all TVET programmes, to providing:

- Overall vision, plans, budgeting, financing guidelines, policies, incentives to stimulate demand and to improve cost-effective responses by public and private providers to this demand;
On-time information for decisions, training providers, beneficiaries and stakeholders;
Quality assurance across sectors (public and private) through standardization, and qualification/certification guidelines and services.

National TVET programmes have tended to concentrate less on the less endowed regions of the country. With the coming into being and the nationwide coverage of GSTDP, all regions stand a fair chance of benefiting from local demand driven science and technology development, and receive the benefits of appropriately corresponding TVET programmes.

**Evaluation Purpose, Scope and Methodology**

**Evaluation Purpose:**
The purpose of the Mid-Term Evaluation is “To assess the progress, issues and challenges of project implementation to date with respect to STI activities under GSTDP” This assessment will feed into a mid-term review workshop in Accra, where all stakeholders will participate in discussing progress made so far and the way forward for the remainder of the project.

**Evaluation scope:**
This evaluation covers only the STI component of the project from its beginning to date, and is required to carry out the following tasks:

- Assess the status of STI activities under GSTDP, results achieve and note any discrepancies between the planned activities and those carried out at mid-term.
- Measure the relevance, effectiveness, efficiency and impact of activities and make recommendations to inform adjustment of intervention strategies (September 2013 – June 2016).
- Identify strengths and weaknesses in implementation of the proposed STI development strategy.
- Review and comment on the project indicators, milestones and targets, and progress against them with respect to STI activities.
• Measure the level of influence the project has had on external stakeholders at both the local and national level.
• Review how different Donors of the STI sector are working and identify issues and challenges related to donor activities harmonization.
• Provide feedback on key stakeholders’ satisfaction with regard to internal relationships and communication in implementing STI activities.
• Review adequacy, effectiveness, and timeliness STI component’s coordination mechanisms and the institutional arrangements to coordinate the component’s activities at all levels (the PSU and project beneficiaries’ levels)
• Review options for adjustment of the project logic if relevant.
• Review the appropriateness and sufficiency of the baseline information established for the STI component of the project.
• Review the extent to which all of STI stakeholders have actively been involved in the development and implementation of project activities.
• Explore structures for increasing sustainability of the STI project to facilitate long-term sustainability.

Methodology
The Mid-Term Evaluation of the STI Component of GSTDP involved extensive Desk Research and Field Investigations limited to Accra; and report writing.

Desk Research
The desk research component entailed the review and close study of the project documents and reports, including the Project Appraisal Document; Project Implementation Manuel (PIM), Training Programmes course contents and reports; Consultancy Research Reports; Quarterly Progress and Financial Reports, etc. The bulk of the desk research documents and reports were collected from the Office of the Project Coordinator. The sheer volumes of the reports reviewed resulted in a prolonged desk research period.
Field Investigation
Field investigations were limited to Accra, as GSDTP’s Component 2 practically had not started any operations outside Accra. The meetings held with the Project Coordinator and the STI Desk Officer at MEST gave the evaluator deeper insights into GSTDP than desk research could have offered.

Conclusion: On the whole, the evaluation exercise was successful, as the evaluator had the full co-operation of the Project Management Team and other partners and stakeholders in Accra.

Report Writing
At the end of the desk research and field visits, a comprehensive mid-term evaluation report has been written in keeping with a standard evaluation report writing format acceptable to Donor Agencies. The report is designed to be concise and straight to the point, spelling out the evaluator’s impressions, views and judgment on issues and project results with supporting information/data from real project cases as reported on in various reports, and/or observed on the field.

Current Status of Implementation of Component 2: Institutional Strengthening of Science and Technology Development

Introduction
The MESTI is responsible for the management and implementation of government’s policy on STI, which was formulated in 2010 under the guidance of MESTI, with the participation of various STI stakeholders such as CSIR, Ghana Atomic Energy Commission, etc. This mandate is executed through the organizations operating under the auspices of MEST (e.g. CSIR, Ghana Atomic Energy Commission) and other relevant organizations (e.g. Universities, Ghana Standards Board, GRATIS Foundation, Agricultural Extension Services).

MESTI’s long-term perspective is to establish an apex STI Body to provide advice on STI policy formulation and to ensure coordination and harmonization of Ghana’s STI policies and programmes. Such an apex STI Body will have the participation of key stakeholders from the research environment and professional science and technology-based associations. However,
as establishing such a Body will require an Act of Parliament, it will take a while to set it up. Therefore in the interim, under GSTDP, the Ministry has established an STI directorate with the mandate to plan, manage, and coordinate implementation of the country’s STI policies and programmes.

MESTI has received on secondment from CSIR a desk officer, who functions as the focal point for overseeing implementation, and is the link between MESTI and the PSU. However, whilst all procurement is being handled at PSU on behalf of MESTI, reports on implementation progress are generated at MESTI and submitted to the PSU, with copies to the Government of Ghana and the World Bank. GSTDP Component 2 is divided into 2 Sub-components as presented below.

**Sub-component 2.1: Strengthening National STI Planning, Management, and Coordination (estimated base cost of US$1.5 million):**

The **objective** of this Sub-component is *“To improve the planning, management, and coordination of STI policies by supporting the establishment of a well-functioning STI Directorate within MEST capable of making evidence-based STI policies and implementing priority activities in the national STI Development Plan.”*

To achieve this objective, the following **outcomes** are required to be achieved:

i. Develop the technical capacity of the STI Directorate staff necessary to make evidence-based STI policies, coordinate implementation of the national STI policy with other government agencies and the private sector, and monitor STI programs and policies.

ii. Develop information systems and data gathering mechanisms that can be used to provide policy makers with up to date information on the financing, performance, and impact of technology providers and the wider STI system.

iii. Ensure that the STI Directorate successfully implements selected activities under the STI Development Plan (2011-2015).
In its turn, the STI Directorate is required to:

- Formulate national policies for STI across the broad spectrum of national activities related to STI;
- Coordinate, harmonize, and monitor the implementation of the country’s STI policies and programmes;
- Provide technical advice on STI policies and programmes to the Minister responsible for MEST, and consequently to Cabinet;
- Have at least 4 technical staff on secondment from established STI organizations, such as CSIR and GAEC.

**Observation:** The STI Directorate has been established at MEST, but progress towards improving the planning, management, and coordination of STI policies; and implementing priority activities in the national STI Development Plan is being hampered by some bottlenecks, including lack of adequate office space for the Directorate, resulting in the full complement of technical staff not being in place.

**Sub-component 2.2: Strengthening Science and Technology Providers (estimated base cost US$2.5 million):**

The **objective** of Sub-component 2.2 is **“To improve the governance and incentives of selected research institutes, universities, and technology providers to develop, adapt and diffuse technologies to private sector enterprises on a demand-driven basis.”**

At present, the link between technology providers and industry in the country is very weak. A number of research outcomes remain on the shelves of the universities and research institutes and not accessible to industry. And there is often a mismatch between the activities of technology providers and national industrial development goals and objectives, as Universities and Research Institutes are often focused on fundamental research at the expense of technology adaptation and diffusion.
Besides, R&D infrastructure at most institutions is inadequate or even obsolete in some cases. This hampers the ability of the institutions to engage in quality research of relevance to industry. Therefore, an important aspect of Sub-component 2.2 is to investigate and pilot financing mechanisms that promote joint technology development and diffusion efforts between the selected pilot institutions and industry that result in product, process, organizational, or marketing innovations. This package includes incentives for individual members of staff and rewards to the institutions (e.g. research and equipment grants). Specifically, the sub-component will strengthen the capacity of 5 selected research institutes and university departments to develop, adapt, and diffuse technology, innovations, and related knowledge to the Ghanaian public and private sectors.

Two (2) outcomes are expected to contribute to the achievement of the above stated objective of Sub-component 2.2, namely:

i. Establish private-sector oriented staff and institutional incentive schemes and capacities at selected technology providers that encourage the providers to respond effectively to technology demand from the private sector.

ii. Develop additional and effective engagements between the private sector and these selected technology providers.

The activities and outputs to be delivered at the level of the selected institutions include the following:

- Preparation of strategic plans for technology development and diffusion at each selected institute, focusing on incentives for outreach to the private sector and increasing revenues derived from contract work for external clients.
• Funding of incentive programs for staff to undertake technological diffusion, such as staff commercialization bonuses and research grants for staff and post-graduate students engaged in joint technology development and adaptation activities with industry.

• Development of information systems for tracking and evaluating the technology diffusion and research activities (including intellectual property management) at each institute.

• Preparation of skills development fund (SDF), and technology development proposals in collaboration with private firms.

• Short-term training for institute staff in areas such as technology transfer, research proposal writing, and technology licensing and collaboration agreements.

• Occasional participation of research and outreach staff in relevant local and international events such as technical seminars and conferences.

• Support to technology outreach and transfer activities at the selected institutes including supporting training courses and workshops for external clients of each pilot institution in order to increase engagement between the institute and potential clients.

• Improvements in the public presence of each selected institution through an enhanced web-presence and other public outreach platforms.

**Observation:** A critically important output of Sub-component 2.2 is the selection of 5 research institutes, universities, and technology providers to pilot the development, adaptation and diffusion of technologies to private sector enterprises on a demand-driven basis. As stated earlier, this process was delayed due to challenges, including the initial capacity problems at both MEST and PSU. This capacity gap has been addressed and implementation is on course.
### Assessed Implementation Status of Component 2

The status of implementation of Component 2, in the evaluator’s assessment, is captured in table 3.0.

#### Table 3: Mid-term Achievement of Project Objectives

<table>
<thead>
<tr>
<th>Outcomes and Outputs</th>
<th>Achievement Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component 2: Institutional Strengthening of Science and Technology Development</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Sub-component 2.1:</strong> Strengthening National STI Planning, Management, and Coordination</td>
<td>On course, but lagging due to delayed start of project.</td>
</tr>
<tr>
<td><strong>Outputs:</strong></td>
<td></td>
</tr>
<tr>
<td>2.1.1 Support for the establishment of a well-functioning STI Directorate within MEST capable of making evidence-based STI policies and implementing priority activities in the national STI Development Plan.</td>
<td>Directorate has been established, and its capacity is being strengthened.</td>
</tr>
<tr>
<td>2.1.2 Information systems and data gathering mechanisms that can be used to provide policy makers with up to date information on the financing, performance, and impact of technology providers and the wider STI system developed.</td>
<td>In the pipeline</td>
</tr>
<tr>
<td>2.1.3 Ensure that the STI Directorate successfully implements selected activities under the STI Development Plan (2011-2015)</td>
<td>On-going</td>
</tr>
<tr>
<td><strong>Activities Required:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Sponsor short-term training for STI Directorate staff, primarily in technical areas related to planning, management, and coordination of STI policy such as planning and budgeting, procurement, financial management, STI policy issues, and M&amp;E.</td>
<td>Being carried out</td>
</tr>
<tr>
<td>2. Give technical assistance to develop and maintain an</td>
<td>Yet to start as the selected STI</td>
</tr>
</tbody>
</table>
**information system and database of the financing, performance, and impact of Ghana’s STI institutions and programmes in the field of technological adaptation and outreach.**

<table>
<thead>
<tr>
<th>3. Support the preparation of annual reports on the performance of Ghana’s STI institutions and programmes.</th>
<th>Yet to start for the same reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Assist to establish data gathering and other M&amp;E mechanisms for STI programs needed to populate the STI information system and prepare the STI annual report</td>
<td>Action initiated</td>
</tr>
<tr>
<td>5. Support the implementation of selected activities outlined in the national STI Development Plan including support for coordinating meetings between MEST and STI stakeholders, for studies relevant to activities envisioned under the STI Development Plan and related technical STI policy advice as needed</td>
<td>Ongoing</td>
</tr>
<tr>
<td>6. Provide Funds for learning exchanges with African and other countries on best practices in the field of STI policy planning, management, and coordination and the development of S&amp;T related legislation (e.g. technology transfer regulations)</td>
<td>Ongoing- Activity initiated in 2011 and also implemented in 2013</td>
</tr>
</tbody>
</table>

**Sub-component 2.2: Strengthening Science and Technology Providers**

Yet to kick start, as the pilot STI providers are yet to get to work under the project.

**Outputs:**

| 2.2.1 Five (5) research institutes, universities, and technology providers to develop, adapt and diffuse technologies to private sector enterprises on a demand-driven basis. | University of Ghana, CSIR, Atomic Energy Commission, Ghana Technology University and Kumasi Polytechnic have been awarded a total grant of US$2.5 |
| 2.2.2 The governance, incentives and general capacity of the 5 institutions enhanced. | The selection process was completed only recently, and so the institutions are yet to start their collaborative relationship with GSTDP |
| 2.2.3 Private-sector oriented staff and institutional incentive schemes and capacities at selected technology providers | Yet to start with the selected technology providers getting to |
established to respond effectively to technology demand from the private sector

2.2.4 Effective engagements between the private sector and the selected technology providers developed.  

**Activities Required:**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Prepare strategic plans for technology development and diffusion at each selected institute, focusing on incentives for outreach to the private sector and increasing revenues derived from contract work for external clients.</td>
<td>Yet to start, but within the capabilities of each and every one of the 5 institutions.</td>
</tr>
<tr>
<td>2. Fund incentive programs for staff to undertake technological diffusion, such as staff commercialization bonuses and research grants for staff and post-graduate students engaged in joint technology development and adaptation activities with industry.</td>
<td>Yet to start</td>
</tr>
<tr>
<td>3. Develop information systems for tracking and evaluating the technology diffusion and research activities at each institute.</td>
<td>Yet to be done</td>
</tr>
<tr>
<td>4. Prepare proposals for SDF and for technology development in collaboration with private firms.</td>
<td>Within the capacity and capabilities of each institution</td>
</tr>
<tr>
<td>5. Conduct short-term training for institute staff in areas such as technology transfer, research proposal writing, and technology licensing and collaboration agreements.</td>
<td>Yet to start</td>
</tr>
<tr>
<td>6. Sponsor the occasional participation of research and outreach staff in relevant local and international events such as technical seminars and conferences</td>
<td>Yet to be done</td>
</tr>
<tr>
<td>7. Support technology outreach and transfer activities at the selected institutes, including supporting training courses and workshops for external clients of each pilot institution.</td>
<td>Yet to be done</td>
</tr>
<tr>
<td>8. Improve the public presence of each selected institution through an enhanced web-presence and other public outreach platforms</td>
<td>Yet to start</td>
</tr>
</tbody>
</table>

**Conclusion:** At the end of the assessment of the achievement of GSTDP’s Component 2 objectives, as presented in the table above, it is the evaluator’s opinion that, mid-way into project duration, “Institutional strengthening of science and technology development” is on course. Component 2 stands a good chance of achieving its objective on the back of the 5 very good institutions selected. A concerted
effort at all levels (PSU, COTVET, and MESTI) must therefore be put into seeing the 5 pilot institutions through with their proposed plans of action.

Overall Mid-Term Evaluation Findings

Project Relevance and Strategic Fit

Introduction
Project Relevance examines whether the project purpose and main objectives/goals are in line with the concerns, needs, priorities and policies of the project country, communities, groups, or sectors. Relevance further examines whether the project was successful in solving/resolving the identified problem it was launched to address.

Project Relevance
The relevance of GSTDP has been assessed at 2 levels, namely:

- Relevance to the policies of Ghana towards skills and technology development.
- Relevance of GSTDP in terms of its strategic fit into Ghana’s overall development goal to consolidate its position as a middle-income country.

Relevance to Government Policy
As stated in the 1.0 above: “In parallel to the existing educational policy framework, a revised 2010-2020 Education Strategic Plan (ESP) was drafted, into which the already formulated STI Policy was incorporated. In that regard, Government has identified skills development and science and technology as key focus areas where reforms, new policies, investments and partnerships need to be pursued towards economic competitiveness, employment and poverty reduction.”

Component 2 in particular directly supports many aspects of government’s medium-term STI Policy Development Plan (2011-15), the objectives of which include:

- Restructuring the entire science and technology set-up, infrastructure and programs in order to make them more responsive to national needs and priorities in all sectors of
the economy with special attention to restructuring of the national science and technology advisory system;

- Improving basic and applied research infrastructure;
- Revitalizing the teaching of science and mathematics in the education system;
- Promoting the training of a critical mass of middle-level technical personnel to address the provision of basic needs;
- Facilitating the acquisition of skills in high technology areas and their integration into known technologies;
- Promoting mastery of known technologies and their application in industry;
- Establishing an effective national innovation system for promoting joint research between R&D Institutions (including the universities) and industry.

**Conclusion:** GSTDP as a whole, and particularly Component 2, is therefore very relevant to the policies and efforts of Ghana towards skills and technology development through science and technology innovations. The project also directly supports the World Bank’s Africa Action Plan (AAP), particularly, the “Building skills for a competitive environment” aspect of the AAP.

**Strategic Fit**
Ghana has attained lower middle income status, and the concerted national effort is to get to full middle income status. To consolidate its position as a middle income country, Ghana needs to have a sustained focus on increasing productivity on the back of skills and technology development. GSTDP therefore fits strategically into this effort.

**Quality and Validity of Project Formulations**
The development and immediate objectives/outcomes of GSTDP, as well as its outputs have been very well formulated in the Project Implementation Manual (PIM), and are valid to the course of Ghana’s quest for poverty reduction through skills and technology development.
**Measurability of Targets:**
The measurability of GSTDP Component 2 target outputs is evidenced in the quantitative, as opposed to qualitative, formulation of project targets. This lends credence to the objective verifiability of the attainment (or non-attainment) of target outputs.

**Project Effectiveness**
The mid-term effectiveness (or otherwise) of GSTDP, with emphasis on Component 2, was examined from the standpoint of the extent to which the project has been able to achieve its outputs and outcomes and to reach out to its direct and indirect beneficiaries. The critical question is whether the project has so far succeeded in doing much to change the situation of low productivity in Ghana through skills training, and science and technology development.

Some windows of the SDF, particularly, the informal sector window, have delivered some capacity building interventions nationwide. But Component 2 is yet to deliver its interventions package following the activities that will be triggered by the selection of the five institutions. MEST plans to mostly assess the efficacy and/or effectiveness of the project through the implementation of the five institutional level projects. The MEST in collaboration with the PSU is providing support to the selected institutions to gather beneficiary level information assess progress towards the PDO, intermediate, and other level indicators in the PAD.

**Resource Efficiency**
Resource efficiency is an objective measure of how quantitatively and qualitatively well project inputs — i.e. money, human resource, material items, and time — available have been converted into outputs/results of the project via project activities. If the old age adage “Time is money” is anything to go by, then the overall time-efficient execution of the project is critical to the project’s resource efficiency.

The key words here are the quantity and quality delivery of project outputs in relation to the financial, managerial, material and time resources spent to attain them. And everything boils down to money, and since unit cost auditing is outside the scope of this evaluation assignment, the evaluator only looked out for any evidence of the economical (or extravagant) application of project resources. The evaluator’s observation — starting right from the contract
negotiations, through the modest office settings at both the PSU and the STI Office at MESTI, to the strict accounting and reporting requirements of the World Bank — is that GSTDP’s resources are being applied efficiently.

**Effectiveness of management arrangements**

**Supervisory Working Arrangements**

COTVET is charged with overall responsibility for the management of the project through a PSU. The PSU acts as the central management unit, responsible for procurement and financial management matters on behalf of the beneficiary entities. To ensure that implementation starts right from project effectiveness, the PSU was established using a Project Preparatory Advance (PPA) and funds from the existing Education Sector Project (EdSeP) to finance office set-up and initial operating costs.

The PSU gives backstopping project management and administrative support to the PSC, The Project Implementing Agencies (PIAs), the SDF Unit, and the SDF Committee. The Project Support Unit produces periodic reports on:

- Implementation status;
- Overall achievements and challenges;
- Activity Plan for the next quarter;
- SDF Committee Reports.

In the final quarter of every year, the PSU Coordinator presents the detailed work program, spending allocations and procurement for the next year to the PSC for their endorsement and transmission to the World Bank and other donor partners (e.g. DANIDA).

The PSC exercises oversight functions on the PSU. The PSC is chaired by the Deputy Minister of Education (in charge of Tertiary). Its overarching responsibility is to provide policy guidance and strategic oversight in the implementation of the project. Membership on the committee is for the entire duration of the project. Project Steering Committee met monthly for the first 6
months of project implementation to ensure a smooth start for the project. After the first 6
months the Committee is free to meet quarterly, but mandatorily at least 2 times in a year. The
Committee may hold an emergency meeting to handle critical issues concerning project
implementation.

**Technical Working Arrangements**

The Project Implementing Agencies and key staff of the PSU and the SDF Division meet on a
regular basis to ensure technically well-coordinated implementation of the project. These
management meetings, to be effective, must be attended by the following:

- Project Coordinator
- SDF Manager
- Grants Specialist
- Financial Management Specialist
- Procurement Specialist
- Monitoring and Evaluation Specialist
- Representative of COTVET (focal person for Component 1)
- Representative of MESTI(focal person for Component 2)

**Implementing Agencies**

The two (2) main implementing Agencies of GSTDP are MESTI and COTVET, in the sense that
their roles and responsibilities contribute directly to the achievement of project objectives.

The Implementing Agencies prepare Annual Work Plans (AWPs) and forward them to the PSU
for review and consolidation. The AWPs must indicate the list of activities to be carried out in
the year; the commencement and completion dates of the activities; and the estimated costs of
the activities. They also prepare procurement plans with the assistance of the Procurement
Specialist of the PSU.

The Implementing Agencies are responsible for the review of claims or certificates from
contractors, consultants and suppliers, before forwarding them to the PSU for processing and
payment. All claims passing through the PIAs must be supported by a short note confirming work done or service provided.

**Conclusion:** The supervisory and technical working arrangements of the project have so far worked effectively.

**Reporting Structure and Requirements**

The reporting requirements under the Project are thorough and strict, and are being followed so far. Financial, progress of work and procurement reports are prepared by the Project Support Unit, and submitted to the World Bank mostly within 45 days after the end of each quarter to update the Bank on the financial, procurement and physical progress of the project.

The areas covered in project implementation progress reports are:

- Activities carried out during the period under review;
- Planned activities for the period;
- Achievements during the period;
- Variances between planned and actual performance;
- Reasons for the variances;
- Measures to be taken to address the variances;
- Planned activities for the next period; and
- Any other information that may be considered necessary

Financial reports capture expenditures according to project components under which they were made. The financial reports detail out the:

- Sources and uses of funds during the reporting period (quarter);
- Sources and uses of funds for the year;
- Cumulative sources and uses of funds;
- Budgeted sources and uses of funds;
- Variance arising from comparing actual with budgeted figures;
- Consolidated projects receipts and payments irrespective of the source of funding; and
- Any other information that may be required

All GSTDP beneficiaries undertaking procurement are required to carry out monthly reporting of their procurement activities. The basic reporting format is the Procurement Plan template, which provides for a progress report on actual procurement activities against the plan. Challenges and constraints encountered during the procurement process must also be reported.

**Conclusion:** The well-structured reporting system is good for several reasons other than just meeting the reporting requirements of the donor/financier. For instance, the quarterly progress reports generated by the project management team are critically important for the effective internal monitoring and evaluation of project implementation. And the financial reports are important accountability instruments in the hands of both the borrower (Ghana Government) and the lender (IDA) with which to probe the application of project funds.

**Logical Framework**

The Project Logical Framework (Logframe) identified four (4) verifiable indicators of the attainment of GSTDP’s Development Objective, namely:

a. Cumulative labour productivity improvement of 60% by participating firms disaggregated by economic sector and size (i.e. small, medium, large) by the end of the project life of 5 years.

b. Cumulatively 40% of investments made by participating enterprises are toward skills and technology development (disaggregated by economic sectors; size; skills and technology) by the end of the project.
c. By the end of the 5th year, 70% of trainees (disaggregated by sex and region) are satisfied with the impact of the skills training imparted. And 70% of participating firms — disaggregated into sectors, regions, and size — are satisfied with the skills acquired.

d. By the end of the 5th year, 70% satisfaction with skills by participating firms disaggregated by economic sectors, region and size (small, medium and large)

e. By the end of the project, there are 24,000 direct project beneficiaries, of which 50% are female.

The logframe (or Project Planning Matrix (PPM)) went on to isolate the project’s intermediate objectives, and the indicators for verifying their achievement. There is, however, no clear cut activity line-up in the Logical Framework of GSTDP. Output formulations (referred to as indicators in the logframe) rather give the impression of activities in several parts of the Project Appraisal Document (PAD). But in all cases, the outputs are mostly relevant to the attainment of the set outcomes/intermediate objectives. And the project’s outcomes work together to give the synergic effect of delivering/achieving the development objective or project purpose, namely: “To improve demand-driven skills development and increase adoption of new technologies in selected economic sectors.”

**Recommendation:** In the project designing process it is important to pay particular attention to the definition of project activities as they form the basis of costing during project planning, and give the justification for spending during project implementation. Carrying out project activities gives rise to project outputs, and project outputs come together to produce project outcomes (intermediate objectives) which combine effects to produce the synergic effect of the PDO or the project purpose.

Project indicators, in their turn, are objectively verifiable measurements of the extent to which project objectives have been achieved. Indicators define important performance standards to be reached by focusing on the critical features and characteristics of the project objectives. They, in fact, specify how much, how well, by when and where project objectives (i.e. outputs, outcomes
and PDOs alike) have been reached. Objectively verifiable indicators, as a matter of design, provide the basis for monitoring and evaluation, be it on-going, mid-term, or final evaluation.

**Implementation Challenges**

Traditionally, smooth project implementation has been dogged by delays in the release of funds at the right time. Fortunately, GSTDP has so far not experienced much of delayed disbursements. Yet another nuance usually in the way of smooth project implementation is political interference, but so far it seems the managers, implementers, beneficiaries and stakeholders of GSTDP have operated in freedom from political interference.

The stakeholders (management, partners, collaborators and beneficiaries alike) have shown remarkable commitment to the project, but the implementation of Component 2 has been a bit retarded by:

a. Initial lack of capacity on the part of the newly created STI directorate
b. Inadequacy of office space at the STI directorate.
c. Submission of competing bids from different departments of the same science and technology institutions.
d. Lack of a coherent KPI for the Component

**Project impact and Sustainability**

**Project Impact**

At the point of a mid-term evaluation, it is early days yet to be concerned about project impact. A more appropriate time to examine project impact is during terminal evaluation and, particularly, during ex-post evaluation.

**Sustainability**

Project sustainability is concerned with assessing the likelihood/chances that project benefits will continue to be available after its completion. This is done by examining the technical, institutional, financial and managerial capacities, strengths and commitment of stakeholder-
governments institutions, communities or groups to maintain the benefits, equipment and facilities delivered by the project.

**Conclusion:** A more appropriate stage to be concerned about project impact is during terminal evaluation and, particularly, ex-post evaluation. As far as sustainably maintaining the benefits of the project is concerned, it is tenable to expect that skills and technology developed under the project will result in increased labour productivity and higher economic outputs, leading to higher business earnings, which, in turn, will allow for improved wages; thereby ultimately resulting in a continual demand for skills and technology services by both employers and employees. The overall effect of all this is that the project’s overarching benefit—skills, science and technology development—will not only be sustainable after the project, but also will continually be improved.

The sustainability of the main institutions created under the project is not in doubt, as SDF was already existing under COTVET, and the STI directorate at MESTI has a good chance of remaining actively in existence as far as there exists a Ministry responsible for science and technology development in Ghana.

**Observations, Conclusions and Recommendations**

**Observations**
The STI directorate has been established at MESTI, but progress towards improving the planning, management, and coordination of STI policies; and implementing priority activities in the national STI development plan was initially being hampered by some bottlenecks, including lack of adequate office space for the directorate, resulting in the full complement of technical staff not being in place.
The main output that paves the way for the delivery of the outcomes and objective of Sub-component 2.2 is the identification and selection of 5 research institutes, universities, and technology providers to pilot the development, adaptation and diffusion of technologies to private sector enterprises on a demand-driven basis. This has been accomplished with the award of US$ 2.5 Million grants to 5 research institutions.

Conclusions
GSTDP is clearly very relevant to the policies and efforts of Ghana towards skills and technology development through science and technology innovations. It also directly supports the World Bank’s Africa Action Plan (AAP), particularly, the “Building skills for a competitive environment” aspect of the AAP.

The supervisory and technical working arrangements of the project have so far worked effectively.

The reporting system under the project is well structured, which is good for several reasons other than just meeting the reporting requirements of the donor/financier. The quarterly progress reports generated by the project management team are useful for effective internal monitoring and evaluation of project implementation. The financial reports are important accountability instruments in the hands of both the borrower (Ghana Government) and the lender (IDA) with which to probe the application of project funds.

At the end of the assessment of the achievement of GSTDP’s Component 2 objectives, it is the evaluator’s opinion that, “Institutional strengthening of science and technology development” is on course. A concerted effort at all levels (PSU, COTVET, MESTI) must therefore be put into seeing the 5 pilot institutions through with their proposed plans of action. Sustainability in terms of maintaining the benefits of the project is not in doubt. It is tenable to expect that skills and technology developed under the project will result in increased labour productivity and higher economic outputs, leading to higher business earnings, which, in turn, will allow for improved wages; thereby ultimately resulting in a continual demand for skills and technology.
services by both employers and employees. The overall effect of all this is that the project’s overarching benefit—skills, science and technology development—will not only be sustainable after the project, but also will continually be improved.

The sustainability of the main institutions created under the project is also not in doubt, as SDF was already existing under COTVET, and the STI directorate at MESTI has a good chance of remaining actively in existence as far as there exists a Ministry responsible for science and technology development in Ghana.

On the whole, the evaluation exercise was successful, as the evaluator had the full co-operation of the Project Management Team and other partners and stakeholders in Accra. The mid-term evaluation exercise started and ended within the stipulated time.

Recommendations
In the project designing process it is important to pay particular attention to the definition of project activities as they form the basis of costing during project planning, and give the justification for spending during project implementation. Carrying out project activities gives rise to project outputs, and project outputs come together to produce project outcomes (intermediate objectives) which combine effects to produce the synergic effect of the PDO or the Project Purpose.

Project indicators, in their turn, are objectively verifiable measurements of the extent to which project objectives have been achieved. Indicators must therefore define the important performance standards to be reached by focusing on the critical features and characteristics of the project objectives. They, in fact, specify how much, how well, by when and where project objectives (i.e. outputs, outcomes and PDOs alike) have been reached. Objectively verifiable indicators, as a matter of design, provide the basis for monitoring and evaluation, be it on-going, mid-term, or final evaluation.

There is the need for a mid-term review workshop that would:
a. Bring core project stakeholders (project managers, implementers and partners) together to share experiences on project implementation thus far.

b. Chart a workable trajectory for the remaining half of the project that takes account of the limitations and strengths of individual core stakeholders.

c. Validate and at the same time learn from the findings and recommendations of the mid-term review consultants.

Proposed Changes to Component 2:

After a careful study of the KPIs in the Project during the MTR, the PSU together with the World Bank team observed that none of the components 2.1 and 2.2 activities are directly linked to the Project Development Objective (PDO) level Indictors. The beneficiary research institutions do not engage in direct productive ventures and it will therefore be inappropriate to assess their productivity. The Project has therefore undertaken a review of the existing indicators under Component 2 to strengthen its relevance to attaining the PDOs. The following two indicators have been identified and upgraded to the PDO level and duly incorporated into the M&E framework of the GSTDP to facilitate their operationalisation.

a. Number of technological products and services transferred

b. Number of firms collaborating with institutions.
CHAPTER 3
(COMPONENT 3)

The Skills Development Fund: The National and Global Policy Context

Productivity of a country’s workforce lies at the very core of any attempt to engender sustained economic development across all sectors. In Ghana, barriers to increased labour productivity continue to constrain improved performance of firms and enterprises across almost all economic sectors. Ghanaian firms generally do not rank high in global competitive indices because of this and other challenges. Ghana ranked 114 out of 148 in the 2013-2014 Global Competitiveness Index compiled by the World Economic Forum. Six of the twelve pillars used in compiling the ranking directly relate to firm and industry level labour productivity. These are higher education, training, labour market efficiency, technological readiness, business sophistication, and innovation. The contribution of labour productivity to improved competitiveness can therefore never be over emphasised. The recognition of this bottleneck and the formulation of appropriate policies, strategies, and programmes to address it feature prominently in most development interventions in Ghana.

The SDF under the GSTDP is one of such innovative interventions to address the skills and technology training gap. The Government of Ghana has received financial support in the form of a USD 50 million credit from the World Bank and a USD 10 million grant from DANIDA to set up and operate SDF. SDF aims at providing a demand driven response to challenges facing different categories of Ghanaian productive sector i.e. formal, informal, training and technical institutions, and science and technology training service providers. More specifically, the Fund seeks to provide resource support to enable firms address the problem of inadequately qualified adult workforce, the urgent need for providing new job market entrants with gainful, employable, and industry relevant productive skills, and finally inadequate access to new and innovative productivity enhancing technologies.

The objectives of the SDF are consistent with and also flow from one of the seven pillars of Ghana’s Shared Growth and Development Agenda (GSGDA) which is stated as ‘enhancing the competitiveness of Ghana’s private sector and making the private sector work’.

Ghana’s Medium Term PSDS II has a stated vision of ‘A thriving Private Sector – Creating Jobs and enhancing livelihoods for all’. The Strategy seeks to create an enabling business environment by addressing the numerous challenges confronting the sector. The Strategy seeks to foster firm level productivity improvements, create sustainable and decent jobs, and generate increased value added per employee.

The TVETreform initiative also aims at ensuring quality delivery of technical and vocational skills training to contribute to overall social and economic development in Ghana.
Technology development and innovation is one of the four main thematic areas in the Ghana’s Industrial Policy. Two of the four objectives of this policy relate directly to labour productivity and these are ‘expanding productive employment’, and ‘expanding technological capacity of industry’.

In the Education Sector Performance Review 2010, it is once again clearly stated that ‘to remain competitive both on the national and international front, and also to drive the economy towards the set macro level targets, Ghana must be strategic in developing relevant skills in its workforce’.

An intervention such as SDF, which seeks to provide financial, institutional, and other forms of resource support to facilitate training and development of skills for Ghana’s workforce and new job entrants is therefore highly relevant in terms of its timing, scope, and delivery approach.

The SDF Components

The SDF is designed to provide funding to skills and technology development through the allocation of funds through four main windows to firms and institutions operating within certain pre selected economic sectors.

The Fund represents the main instrument to achieve government’s long term objectives of supporting both demand driven skills and technology development programme. By its design and methodology, the Fund is expected to trigger the demand by firms for skills and technology development for its labour force. This increased demand is also expected to stimulate the supply of same in a strategic and well-targeted manner to respond to industry needs. A pre formulation assessment exercise led to the identification of the ICT, horticulture, livestock, construction and housing, hospitality and tourism, oil and gas sectors as priority sectors that required such an infusion of resources to grow to realise their full potential. The Fund will support the upgrading of skills for increased productivity and also to empower employees adopt to emerging and new technologies, apprenticeship, industrial attachment for students, transfer of off the shelf technologies, retraining of employees affected by retrenchment and organisational restructuring, etc.

The Fund is designed to increase public awareness through an elaborate outreach and media publicity drives. It will also foster partnership with other key and relevant intermediaries and stakeholders such as trades associations, public and private training institutions, NGOs, etc.

The Fund is administered through four (4) main windows as follows:

- Window 1 Support to the Formal Sector
- Window 2 Support to the Informal Sector
- Window 3 Support to training innovations; and
- Window 4 Support to Science and Technology innovations.
Technology Centres set up to transfer technology to firms will also be financed under Window 4 to undertake such activities.

**SDF Hierarchy of objectives and Programme logic**

The development objective of SDF is:

‘To improve demand driven skills development and increase adoption of new technologies in selected economic sectors’.

The SDF has two intermediate expected results as follows:

‘Improved technology development and diffusion that is more responsive to the needs of the economy’, this is expected to be met through the immediate objective of ‘developed productive and strategic partnerships between institutions, firms, service providers, and industry associations’.

The second intermediate expected result is:

‘Increased productivity of firms in the targeted sectors of the economy’ and this is also expected to be achieved through the following lower level objectives

- Increased proportion of workers trained receiving certification; and
- Increased capacity of employees to perform effectively

These logically generated objectives are expected to be met through a number of outputs. Eight of these outputs are enumerated below:

a) Supported demand driven skills and technology development  
b) Completed 10 calls for proposals  
c) Developed industry and service provide collaborations  
d) Economic sectors identified and supported  
e) Increased transfer of off the shelf technologies  
f) Supported industry attachment for students in training  
g) Supported organisation and association to provide apprenticeship training  
h) Skill and technology capacity building training and/or support provided selected organisations

These outputs and objectives appear to be consistently and logically derived. The higher level objectives build upon the lower level outputs and objectives. It must be recognised that the lower level objectives contribute together with the outputs and outcomes of other interventions (both planned and unplanned) to generate and achieve the higher level objectives.
The scope of activities beneath the output are however not necessarily exhaustive in meeting all the objectives.

**The Medium Term Review**

The Government of Ghana acting through the Projects Support Unit of the Council for Vocational Education Training and its funding partners has initiated this mid-term review as the project goes through the half way project cycle mark. This mid-term review is essentially to assess the progress of work, uncover programme implementation issues and challenges, and advance recommendations where necessary to ensure that the programme stays on course towards achieving the overall development by the end of the implementation phase.

The objective of this review/evaluation exercise shall therefore be to ‘conduct a midterm evaluation of the SDF component of the GSTDP initiative with a view to establishing progress of implementation towards overall programme goal and to offer relevant suggestions where necessary’.

The evaluation exercise was conducted in close collaboration with the PSU of COTVET.

**PRESENTATION OF FINDINGS**

**Relevance:**

Relevance in this context is a taken to mean the extent to which the programme’s objectives represent a realistic attempt to address the needs, demands, challenges, and bottlenecks confronting the target group as of the time of the conduct of this exercise.

**Need and demand:** The findings from the field work and other reviews clearly revealed that the need and demand for this intervention was highly relevant today as it was at the point of programme conception. Lack of innovation, technological development, low labour productivity and capacity were some of the main challenges confronting Ghanaian industries. In addition, these factors were also seen as three of the main causes of unemployment in Ghana. Any intervention designed to facilitate the development and diffusion of technology as a means towards ensuring improved productivity of labour is therefore very relevant and likely to contribute significantly towards removing some of the key bottlenecks confronting Ghanaian businesses. Over the period the SDF has been in operation, productivity of the beneficiary firms improved from GH₵15.61 (per labour hour (PLH)) to GH₵26.23 representing 68.03% which exceeding exceeds the 60% targeted presented in the project appraisal document. The number of employee for windows 1, 3, 4a, and 4b cumulatively improved from 1,933 at baseline to 5,928 at the end of 2013. The beneficiary associations, window 2, also saw a dramatic improvement in membership from 11,780 at baseline to 41,266 at the end of 2013
Selection of priority sectors: Though the selection of priority sectors is judged relevant, it is however recommended that a snap review be conducted possibly after Call 5 to assess their continued relevance.

Delivery approach and methodology: The demand driven challenge Fund approach was also adjudged relevant. The commitment of the recipient or grantee is guaranteed to a large extent if they generate the demand for the support. The requirement for matching funds or counterpart financing in either kind or cash was seen to serve as a further catalyst for increased commitment. As at the end of November 2013, the grantees’ cumulatively matching fund contribution stood at GH₵3,318,466.32 representing 32.96% of the total amount received from SDF. 41.77% of the grantees have been able to raise, at least, 80% of their matching fund commitments and 27.85% have exceeded their expected contributions. It is expected that the grantees will, cumulatively, be able to raise GH₵10,694,554.25 representing 69.35% of the total amount of SDF contribution and 40.89% of the total grant award (SDF + counterpart contribution). The support system embedded in the programme through the services provided by intermediaries, monitors, and other technical back stoppers was observed to go a long way in contributing to improved quality of applications and implementation of projects.

Results monitoring mechanism: Programme implementation is monitored regularly on a monthly basis and reported upon by both the grantees and monitors. A very elaborate and well function monitoring and evaluation framework has been installed for the programme and appears to be well managed by the Monitoring and Evaluation unit of the PSU. Each of the grantees receives at least one visit every month in addition to telephone calls to gather information and to provide support where necessary. The monitors also provide alerts when difficulties or malpractices are identified enabling the SDF Division to respond promptly. The frequency of visits of the monitors to the grantees, however, appears to create some fatigue and discomfort to the grantees. In some cases, the roles of the monitors are also confused with other visitors to the programmes and thus create the risk of hostility or lack of cooperation from the grantees.

Overall assessment: Overall the intervention can be described as very relevant, timely, well conceived, and pragmatic in its approach and delivery.

Effectiveness

Effectiveness is the extent to which the aims of the programme are achieved. Within this context, it is taken as a measure of the appropriateness of the quality and quantity of outputs delivered mid way through the life of the SDF.

The SDF initiative appears to be generally on track to achieve the objectives and targets for which it was established. As of December, 2013, the programme had benefitted 5,911(66%) out of a targeted 8,759 from the 78 grantees who had received support. Out of this number, about 1,770 (30%) were females. Though this does not meet the target of the PDO level indicator 5 which expects, at least 50%, of the beneficiaries to be females, the proportion of female beneficiaries is expected to improves as most of the grantees (79.7%) were still implementing
either tranche 1 (40.6%) or 2 (39.1%) of their funds as at end of 2013. The quality of training has been quality assured by the independent programme monitors as well as training service providers. Training in all these cases were as agreed upon in the Programme concept and signed Programme Agreement.

**Impact**

This refers to the new changes or additions to broader environment within which the grantee operates that can be attributed wholly or partially to effects of the interventions.

The SDF interview appears to be on course to impact the quality of the Ghanaian labour force to a large extent. Though one cannot reasonably estimate the expected total number of programme beneficiaries by the end of the last call on this funding phase, it is however fairly safe to assume that if the first two calls can benefit over 8,759 of our labour force, then a very sizeable number are likely to benefit from the programme by the end of targeted sixth call.

The intervention logic and arrangement has also already started creating partnerships between firms or groups of firms and training institutions (including University and research institutions) and other service providers. Such arrangements go a long way to improve the environment of business. Currently, about 17 of the grantees are connected with various forms of partnerships towards the implementation of the SDF project. A total of 82 productive partnerships for other purposes were identified among the 78 grantees and 15 of these were formed during the implementation of the SDF project. The SDF initiative as designed presently is contributing towards addressing the long standing bottleneck of a disconnected relationship between research/ academia and industry.

It was observed during the field work that a number of grantees and service providers were actively engaged in radio and other media platforms sharing experience and contributing to overall policy dialogue. This is a refreshing development as it signifies ownership and also ensures that policy discourse is enriched by contributions from participants with hands on experience. This is also a latent sustainability mechanism in the sense that other non-beneficiaries will naturally be looking up to such firms or associations for guidance. In some cases, a number of firms have applied to join associations that had benefitted from the fund.

The Review exercise revealed that the Fund encountered some initial challenges which slowed down the pace of programme implementation. Over the years however, a lot of useful lessons were learnt and all these have reflected in a significant turnaround in the pace and flavour of programme implementation. From a very low approval rate of 6 applications in Call 1, the number of approved projects increased to 78 in Call 2. Call 3 has also ended with the approval of 168 applications worth a provisional GHC 29 Million. The momentum behind the Fund is huge and commendable. It is expected that this new implementation force and vigour should be sustained in order to ensure that the Programme achieves its anticipated goals.
**Efficiency**

This criterion refers to the cost effectiveness of delivering programme outputs. In this review, the consultant limits himself to the effectiveness of delivering these outputs in terms of programme management time, financial resources, grantee time, and mechanisms installed to ensure judicious use and accountability of programme resources.

As stated under the ‘effectiveness’ criterion, the SDF had resulted in delivering of training and new technology to over 5911 beneficiaries with less than 68% (GHC 11,314,333.33 million out of GHC 16,719,970.90 million) of actual allocation to the 78 grantees spent so far. Grants disbursement has seen significant improvement since its inception in 2011. At the end of December 2012, only One Hundred Thousand US Dollars (USD100, 000) had been disbursed to one grant beneficiary. However by December 2013, about Six Million US Dollars had been disbursed to Seventy Eight (78) grant beneficiaries. It is expected that with the approval of Fourteen Million US dollars grants for one Hundred and Sixty Eight (168) beneficiaries in the third Call for Proposals, disbursement will pick up significant pace in 2014.

**Analysis of Grants**

By the end of the Third Call for Proposals, two hundred and forty six grants had been offered, distributed across the regions and Funding Windows. The following sub-sections discuss this distribution and draw important conclusions that have a bearing on the focus of SDF.

**Regional Distribution of Grants**

The 2013 saw a marked improvement in the distribution of grants across the various regions of Ghana as illustrated in Table 7. The second Call for Proposal offered support to seventy two grantees, spread unevenly across the country, with Greater Accra region taking close to 50% of all grant projects by number, and over 60% by value. However for the fourth Call, the distribution was more even, with Ashanti region receiving the highest number of grants. However, in terms of value, Greater Accra still obtained the highest, driven mainly by the inclusion of a larger number of the high value Training Innovation and Technology Centre projects in the grants basket. Grants for the other regions were largely made up of Informal Sector Training Grants. The distribution portrayed above nearly mimics that of private sector businesses across the country.
Table 4: Regional Distribution of Grants

<table>
<thead>
<tr>
<th>REGION</th>
<th>CALL 1</th>
<th></th>
<th>CALL 2</th>
<th></th>
<th>CALL 3</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Amt (GHS)</td>
<td>No</td>
<td>Amt (GHS)</td>
<td>No</td>
<td>Amt (GHS)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6</td>
<td>1,518,696.00</td>
<td>72</td>
<td>15,182,905.80</td>
<td>168</td>
<td>29,348,007.10</td>
</tr>
<tr>
<td>Ashanti</td>
<td>2</td>
<td>295,020</td>
<td>8</td>
<td>2,029,721</td>
<td>31</td>
<td>3,983,347</td>
</tr>
<tr>
<td>Brong Ahafo</td>
<td>1</td>
<td>90,801</td>
<td>7</td>
<td>667,004</td>
<td>15</td>
<td>1,446,276</td>
</tr>
<tr>
<td>Central</td>
<td>-</td>
<td>-</td>
<td>7</td>
<td>709,987</td>
<td>12</td>
<td>1,304,529</td>
</tr>
<tr>
<td>Eastern</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>708,955</td>
<td>18</td>
<td>2,644,455</td>
</tr>
<tr>
<td>Greater Accra</td>
<td>2</td>
<td>988,515</td>
<td>30</td>
<td>10,181,353</td>
<td>26</td>
<td>9,648,666</td>
</tr>
<tr>
<td>Northern</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>203,992</td>
<td>9</td>
<td>1,951,474</td>
</tr>
<tr>
<td>Upper East</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>230,058</td>
<td>5</td>
<td>567,144</td>
</tr>
<tr>
<td>Upper West</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>93,726</td>
<td>5</td>
<td>638,696</td>
</tr>
<tr>
<td>Volta</td>
<td>1</td>
<td>144,360</td>
<td>3</td>
<td>264,384</td>
<td>25</td>
<td>4,593,727</td>
</tr>
<tr>
<td>Western</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>93,726</td>
<td>22</td>
<td>2,569,694</td>
</tr>
</tbody>
</table>

Source: Compiled from the SDF Grants Database

The PSU however made special effort in 2013 to improve upon the Fund’s performance in the Northern, Upper East and Upper West regions through a series of targeted outreach programmes and the engagement of additional Technical Project Intermediaries as part of the pre-launch activities of the Fourth Call for Proposals. Returns received in December 2013 showed good progress in the number of applicants from the regions indicated. The subsequent grant quality tests will however confirm the quality of the applications. Additionally, given that a good number of private sector businesses can be found across the regions which may require skills upgrading to enhance their productivity, the PSU will develop specific outreach programmes to target such companies to facilitate the even spread of skills set and technology acquisition across the country.

Progression of applications toward final approval (by regions)

As part of SDF’s grant processes, applications are reviewed and scored by Technical Evaluators. These are individual specialists, with significant experience in the various sectors where SDF applications are likely to generate from. The PSU schedules visits to the workplace of those applicants that pass technical evaluation to conduct due diligence verifications to verify the claims of the applicants. The due diligence exercise often brings up a number of interesting negative findings. Some of the applicants:

- a) do not exist at all on the ground
- b) do not operate the business that the grant application claims
- c) do not have nearly as many employees as the application claims
d) have an entirely different needs from the ones expressed in the application form, making one wonder how the application was brought about.

e) are in a conflict of interest situation with the proposed training provider, etc.

Table 5: Progression of applications toward final approval (by regions)

<table>
<thead>
<tr>
<th>Regions</th>
<th>Total Proposal Received</th>
<th>Passed Technical Evaluation</th>
<th>Passed Due Diligence &amp; Recommended by PSU</th>
<th>Approved by SDF Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Call 1</td>
<td>Call 2</td>
<td>Call 3</td>
<td>Call 1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>428</td>
<td>449</td>
<td>179</td>
<td>250</td>
</tr>
<tr>
<td>Ashanti</td>
<td>38</td>
<td>63</td>
<td>20</td>
<td>39</td>
</tr>
<tr>
<td>Brong Ahafo</td>
<td>18</td>
<td>21</td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td>Central</td>
<td>18</td>
<td>32</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>Eastern</td>
<td>37</td>
<td>49</td>
<td>14</td>
<td>27</td>
</tr>
<tr>
<td>Greater Accra</td>
<td>241</td>
<td>165</td>
<td>93</td>
<td>72</td>
</tr>
<tr>
<td>Northern</td>
<td>23</td>
<td>29</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Upper East</td>
<td>10</td>
<td>12</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Upper West</td>
<td>13</td>
<td>10</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Volta</td>
<td>20</td>
<td>43</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>Western</td>
<td>10</td>
<td>25</td>
<td>5</td>
<td>23</td>
</tr>
</tbody>
</table>

Source: Compiled from the SDF Grants Database

Most of the cases in table 8 constitute sufficient grounds for rejection of the application, and the applicants are duly informed of such decision. For others, more investigation is required to establish the full facts before decisions are made. However, most of the applications pass the due diligence test and are recommended to the SDF Committee for approval.

Of the 428 applications received for the Second Call, only 179 or 42% passed technical evaluation. This indicates that the general quality of proposals submitted during that Call was quite low. The quality improved marginally during the Third Call, where 46% of the applications submitted passed technical evaluation. The details of the data for the First Call have not been included because of the manner in which it was received and captured onto the database. However, the record has it that of the total of 493 expressions of interest received for that Call, 34 passed technical evaluation and only 6 were approved. Thus, it is the expectation of the PSU that the overall quality will see an upward trend as the general business community gets a better understanding of the core objectives of SDF.

Table 8 also highlights the key role of Project Intermediaries in offer handholding support to grant applicants to qualify for a grant. The Western Region for example had only two Project Intermediaries during the Second Call for Proposals. As a result of the limited support offered to grant applicants, only 10% (compared to the national average of 16.8%) of the applicants obtained a grant. However, when in the Third Call, six additional Project Intermediaries were
added, the approval rate increased by 88%. A similar conclusion could be drawn for the Volta, Upper West and Northern regions.

**Progression of applications to final approval (by SDF Funding Windows)**

An analysis of the distribution of grants across the SDF Funding Windows presents conclusions that help the PSU to retool and target its outreach messages. For the Second Call for Proposal, 16.8% of applicants obtained a grant. However, Informal Sector applicants recorded 25.8% approval rate, outperforming their counterparts in other funding Windows. During that Call, 18.5% of Formal Sector Training Grant applicants obtained support. However, in the Third Call, as a result of PSU’s targeting to obtain more Formal Sector (Window 1) applicants, 57.1% of applicants in that Window obtained grant support compared to an average of 37% across all the Windows for Call 3. This suggests that targeting must be done to obtain a fairly even spread of grants across all Windows.

**Table 6: Progression of applications to final approval**

<table>
<thead>
<tr>
<th>Funding Windows</th>
<th>Total Proposal Received</th>
<th>Passed Technical Evaluations</th>
<th>Passed DD &amp; Recommended</th>
<th>Approved by Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>C1</td>
<td>C2</td>
<td>C3</td>
<td>C1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>428</td>
<td>449</td>
<td>179</td>
<td>238</td>
</tr>
<tr>
<td>Window 1</td>
<td>65</td>
<td>56</td>
<td>34</td>
<td>48</td>
</tr>
<tr>
<td>Window 2</td>
<td>182</td>
<td>292</td>
<td>83</td>
<td>155</td>
</tr>
<tr>
<td>Window 3</td>
<td>118</td>
<td>55</td>
<td>34</td>
<td>15</td>
</tr>
<tr>
<td>Window 4a</td>
<td>50</td>
<td>30</td>
<td>21</td>
<td>14</td>
</tr>
<tr>
<td>Window 4b</td>
<td>13</td>
<td>16</td>
<td>7</td>
<td>6</td>
</tr>
</tbody>
</table>

**Source: Compiled from the SDF Grants Database**

**Distribution of Grants by Priority Sector and Others**

At the design of the Ghana Skills and Technology Development Project of which SDF is a major component, several prioritized economic sectors for financing were identified based on the Government’s overall economic and private sector development strategy. The focus was on those economic sub-sectors that demonstrate that skills and technology are a bottleneck to growth, offer potential for employment or productivity growth, and offer the opportunity to demonstrate clear results from skills and technology interventions within 3-5 years. Initial sectors included ICT, Construction and Housing, Tourism and Hospitality, Livestock and Horticulture. The PSU focused much of the outreach effort on getting actors in these sectors to express interest in the Fund. However, given that SDF is essentially a demand-driven intervention, grants have been awarded to applicants in all other sectors of the economy that have demonstrated strong potential for productivity improvement.
Table 7: Distribution of grants by priority sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>CALL 1</th>
<th>Call 2</th>
<th>Call 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>Amt (GHS)</td>
<td>No.</td>
</tr>
<tr>
<td>Crops &amp; Horticulture</td>
<td>0</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Livestock</td>
<td>2</td>
<td>211,860</td>
<td>7</td>
</tr>
<tr>
<td>Hospitality and Tourism</td>
<td>0</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Information and Communication</td>
<td>1</td>
<td>396,000</td>
<td>2</td>
</tr>
<tr>
<td>Construction</td>
<td>0</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>910,836</td>
<td>51</td>
</tr>
</tbody>
</table>

Source: Compiled from the SDF Grants Database

As indicated in the table above, the Construction and Horticulture picked up significant numbers in the Third Call for Proposals. The Ministry of Tourism, Culture and the Creative Arts has directed the Ghana Tourism Authority to enforce the food safety and food hygiene requirements of all tourism facilities and food sellers in the country. It is expected that this directive will drive the demand for grants to acquire the skills necessary to meet this requirement. The Ghana Tourism Federation which is an umbrella organisation for all tourism operators in Ghana has committed to supporting its members to meet this requirement by the end of 2014.

Similar discussions have been held with the livestock industry, particularly the meat processing establishments, to acquire the skills needed to address food safety and hygiene mandate. These activities are all likely to result in a number of applications for grants, to address the shortfall recorded in earlier Calls for Proposal.

Performance of the SDF Steering Committee

In 2013, the SDF Committee played a significant role in maintaining a high standard offering strategic direction of the Fund and in deciding which applications are approved and which are not. The Committee has worked as a team and built necessary consensus on approvals and rejections relevant reasons which have served as important input into improving the quality of applications developed by applicants and intermediaries in subsequent Calls.

Sustainability of SDF

Institutional Sustainability

The sustainability of SDF, like many market interventions, arises in many forms. On the first hand, the GSTDP assumed that skills and technology development could be scaled up if
improved supply is better harmonized with expanded demand. The assumption is that if this harmonization results in higher earnings, improved wages, labour productivity and economic outputs, employers and employees will continue to demand skills and technology services in the future, i.e. the current initial market failure would be corrected through better mechanisms and improved skills and technology services would be sustained.

This objective is largely being addressed. The results of the first two rounds of Calls offer very positive data on improvements in labour productivity, profitability and employment creation. It is the expectation of COTVET that subsequent Calls will yield similar positive results which will convince the private sector of the benefits of upgrading the skills sets or their employees and acquiring the needed ground-breaking technologies for the benefit of their own businesses. Once the data is verified and the case is well articulated, private sector actors who may not be eligible for grant will, on purely economic rational grounds, make the needed investments in skills and technology to grow their businesses.

On the other hand, skills and technology providers, mostly training and research institutions constantly face the sustainability problem because such services are expensive, requiring highly trained staff, expensive equipment and materials. The institutional development components of the Project are expected to help mediate this by assisting the institutions to develop their strategic plans and improve their management and business capabilities. Investments into skills and technology programs often lack sustainability given the high maintenance costs and the lack of continuity in support. The SDF should continue to highlight the sustainability requirements in the application forms and evaluation criteria to ensure that institutional grantees sufficiently address this potential challenge in order to sustain the supply side of the market.

Additionally, it is noted that the Fund is currently managed by individual consultants on the payroll of both IDA and DANIDA, and would, at some point in the life of the Fund or at the expiry of it, leave for other engagements. Thus, the experiences gained while managing the Fund could be lost, and with it the prospects of sustaining the operational momentum of the Fund even when financial resources are available to continue the grants-making activities.

To address this challenge, the COTVET PSU now works closely with personnel from the COTVET Secretariat on all aspects of SDF to transfer practical experience to, in the future, take over the management of the Fund when the current funding arrangement comes to an end.

**Financial Sustainability**

The SDF is currently using diverse sources of funding including DANIDA and the World Bank. Thus when the current funding is depleted, Applications will require various forms of cost-sharing further contributing to the longevity of the resources. And most importantly, the new
mechanism, if successful, will stimulate additional demand for SDF services while attracting investments from the private sector, government and development partners. This is probably the most important challenge which needs to be addressed. The PSU recognised in 2012 that any effort at addressing this challenge would rest on how soon results (or impact data) from SDF’s grant activities would be available. It is the verified results that would interest any potential contributor to the Fund. These results were available in December 2013 and will form the basis for all discussions with potential contributors in 2014.

A number of funding sources, private and public were identified. These include the GET Fund, Oil and Gas Fund, Export Development and Agricultural Investment Fund, the Road Fund, Financial Institutions, Mining Companies, Telecommunication Companies, Payroll tax, etc.

A consultant will be engaged in April 2014 to coordinate the effort at engaging the various potential funding sources and drafting a sustainability plan together with a legislative and administrative framework, and a Draft SDF Bill for government to consider.

**Conclusion**

SDF made remarkable progress in 2013 in the various aspects of its operation and looks set to do even better in the coming year on the back of a more robust and transparent grants system of operations and monitoring. The outstanding fine-tunings that remain will be completed in 2014 to

**Activity Schedule for 2014 and Beyond**

**Projection of approvals, commitments and disbursements**

The following sets of projections of grant approvals, commitments and disbursements are based on the remaining uncommitted Funds available. The response from the market indicates that a lot more demand exists, which could be met only when more funding is available.
### Table 8: Projection of grant approvals

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>---------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Formal Sector Training Grants</td>
<td>20 3.51 15 2.63 15 2.63 10 1.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informal Sector Training Grants</td>
<td>100 7.47 80 5.98 60 4.48 40 2.99</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training Innovation Grants</td>
<td>8 4.71 8 4.71 8 4.71 4 2.36</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology Partnership Grants</td>
<td>6 2.61 4 1.74 4 1.74 4 1.74</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology Centre Grants</td>
<td>6 1.91 4 1.27 4 1.27 2 0.64</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Grants</td>
<td>140 20.21 111 16.34 91 14.84 60 9.48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Grants ($' M)</td>
<td>$10.11</td>
<td>$8.17</td>
<td>$7.42</td>
<td>$4.74</td>
</tr>
<tr>
<td>Cumulative Grants ($' M)</td>
<td>$30.86</td>
<td>$39.03</td>
<td>$46.45</td>
<td>$51.19</td>
</tr>
</tbody>
</table>

### Table 9: Projected Commitment of funds

<table>
<thead>
<tr>
<th>PROJECTED COMMITMENTS (USD'M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call 4</td>
</tr>
<tr>
<td>Call 5</td>
</tr>
<tr>
<td>Call 6</td>
</tr>
<tr>
<td>Call 7</td>
</tr>
<tr>
<td>TOTAL COMMITMENTS</td>
</tr>
<tr>
<td>CUMULATIVE COMMITMENT</td>
</tr>
</tbody>
</table>

### Table 10: Projected Grant Disbursements

<table>
<thead>
<tr>
<th>PROJECTED DISBURSEMENTS (USD'M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call 4</td>
</tr>
<tr>
<td>Call 5</td>
</tr>
<tr>
<td>Call 6</td>
</tr>
<tr>
<td>TOTAL DISBURSEMENT</td>
</tr>
<tr>
<td>CUMULATIVE DISBURSEMENT</td>
</tr>
</tbody>
</table>

**Programme Management**

a. Staff complement: The SDF component of the GSTDP is managed exclusively by a Project Support Unit under the auspices of the COVET. The Unit has a full complement of technical experts with a broad range of experts from fund management, financial management, procurement, communications & outreach, Monitoring and Evaluation.
This team is supported by a corps of administrative personnel in managing all the three components of the GSTDP. The team generally appears to be up to the task and continues to provide the right quality of management support for successful programme implementation. A number of development partners have expressed interest in coming on board to support the programme. This additional interest from new development partners coupled with the expected increased number of grantees is likely to impose some additional stress on the management capacity of the PSU. One clear gap area is that of a deputy for the Project Coordinator with the powers to carry out some financial and administrative tasks such as signing of cheques and other routine tasks when the Project Coordinator is not available. Generally, a staff audit needs to be carried out as a matter of urgency.

b. Outreach and Communication: The PSU organises outreach programmes to precede the calls. Most of the interviewees indicated that they got to know of the SDF through such programmes as well as the national print media. The grantees were generally satisfied with the outreach programmes and we will recommend that the outreach programmes be deepened and focused and well-targeted to bring on board more of the firms within the priority economic sectors. PSU should consider the production of a 30 to 45 seconds commercial that can be aired at prime time over a period of time to further deepen and spread the outreach process.

c. Application, screening and approval process: The PSU publicly announces two Calls for Proposal each year. This is occasioned by a series of electronic and print media adverts targeting industry in the formal and informal sectors, as well as training and technology institutions. This usually runs simultaneous with regional level outreach workshops to have an interface engagement with representatives of industry on the focus, application processes and requirements of the Fund. The application, screening, and approval processes were all adjudged effective and smooth. PSU certified intermediaries however play a significant role in the generation of the project proposal. The role of the intermediaries in this regard is useful especially in ensuring that good quality proposals are presented for approval. There is however a risk in the sense that in some cases, there isn’t sufficient interaction between the intermediaries and (especially the informal sector) grantees during the conceptualisation of the programme. In such instances, the grantees do not wholly own or identify themselves fully with the proposal. Applications with this problem are largely failed during due diligence. In the case of the few that pass due diligence and are awarded grants, this situation affects the rate of success of programme implementation. Participation in programme monitoring is also not optimal as the grantees do not fully understand and appreciate the contents of the proposal and for that matter their responsibilities.

d. Fund disbursement process and financial management: There is no single modality for the transfer of funds across all the windows. In some cases, funds are transferred
directly to the beneficiary grantees whilst in others; funds are transferred directly to service providers. The various modalities have implications for ownership, supervision, and ensuring value for money. There are, however, good reasons for each of the modalities applied. The weak capacity of some grantee institutions especially the informal sector (Window 2) applicants, compel the PSU to have more comfort in dealing directly with the service providers (especially as they are relatively better organised). It is worth noting that the Fund Management team is thinking through this dilemma and will present some options for the consideration of programme leadership in the near future. The fund reporting mechanism appears to be functioning well. Release of funds is always subject to satisfactory accounting and reporting on previous allocations. To date, there has not been any reported case of misappropriation of funds by any of the grantees.

e. M&E framework: An elaborate and well-articulated M&E framework has been instituted and is fully operational. The various indicators and targets are tracked at the individual grantee level. The information so gathered is aggregated into windows, sectors, calls, etc. and are therefore readily useful for any purposes. Programme performance as of December, 2013 is presented below.

Table 11: Fund allocation by Windows as at 31st December, 2013

<table>
<thead>
<tr>
<th>WINDOWS</th>
<th>GRANTS (GHC millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NUMBER OF GRANTS</td>
</tr>
<tr>
<td>Window 1</td>
<td>15</td>
</tr>
<tr>
<td>Window 2</td>
<td>47</td>
</tr>
<tr>
<td>Window 3</td>
<td>8</td>
</tr>
<tr>
<td>Window 4 (a)</td>
<td>4</td>
</tr>
<tr>
<td>Window 4(b)</td>
<td>4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>78</td>
</tr>
</tbody>
</table>

Source: Monitoring and Evaluation Dept., COTVET – PSU, Ghana

The M&EDepartment has a wealth of information which can be documented and disseminated in a manner that can meet the requirements of the Government of Ghana, funding partners,
researchers, grantees, industry and trades association, etc. This body of information can also be used to effectively contribute towards enriching the policy dialogue.

**Table 12: Beneficiaries by Windows as at 31st September, 2013**

<table>
<thead>
<tr>
<th>WINDOWS</th>
<th>Beneficiaries</th>
<th>Target Number of beneficiaries</th>
<th>Actual Number of beneficiaries to date (males)</th>
<th>Actual number of beneficiaries to date (females)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Window 1</td>
<td>1030</td>
<td>165</td>
<td>184</td>
<td></td>
</tr>
<tr>
<td>Window 2</td>
<td>5694</td>
<td>3318</td>
<td>1205</td>
<td></td>
</tr>
<tr>
<td>Window 3</td>
<td>219</td>
<td>13</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Window 4 (a&amp;b)</td>
<td>1,816</td>
<td>148</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>8759</td>
<td>3644</td>
<td>1483</td>
<td></td>
</tr>
</tbody>
</table>

Source: Monitoring and Evaluation Dept., COTVET – PSU, Ghana

The M&E Department is presently adequately staffed in terms of quality and staff strength. With the expected increase in the numbers of grantees however, there will be the need for additional personnel to function as monitors. The monitoring function can be outsourced to one or a number of firms as an option or additional monitors recruited on a term basis.

f. Review and missions: Reviews and missions are an important part of programme management. They offer programme managers an insight into operations of the intervention and provide pointers for corrective measures where needed. It was observed during this review mission that this was a regular part of the SDF intervention. This visits coupled with the regular monitoring visits by the monitors was observed to be a major source of stress and ‘irritation’ to some of the grantees. Some respondents posited that the visits were too many and frequent. Some were also at very short notices. Precious production time is always taken off to attend to such visitors and in some case also prepare background documentation as requested. The imminent fatigue and revulsion arising out of this inundation of visits needs to be addressed as a matter of urgency.

g. Networking and policy dialogue: It was observed that an interactive forum is planned for December, 2013. This is laudable as it will present the grantees with an opportunity to
network, not only among themselves, but also with other stakeholders in the private sector and the world of research and training.

h. Harmonisation: By virtue of its structure of having to deal with large numbers of grantees, the programme imposes a high demand on the management and all other actors to apply a lot of time and diligence to ensure successful programme implementation. There is the need for a high level of harmonisation of efforts to minimise the transaction cost of managing the facility and also to forestall drudgery and a likely choking or break down of the programme management system. To the extent possible, programme progress reporting, financial reporting, monitoring and review tasks should be done in a harmonised manner with other stakeholders to minimise transaction cost and also to ensure that knowledge and experience are shared in a manner that will benefit all parties.

i. The Programme oversight structure consists of an SDF Committee which provides policy guidance and oversight supervision to the PSU among other functions. It is also responsible for the screening and approval of proposals. The SDF committee is a well-functioning unit under the Chairmanship of a private sector champion and composed of a number of leading experts in science and technology, training and vocational skills education, and also a representative of funding partners. It is recommended that the programme should facilitate the further development of the capacity of members of the SDF committee, this will empower and equip them to meet the expected new demands that might arise from increased applications and reviews and further designs of some of the windows.

j. A majority of the KPIs for the Component have also been observed to be inappropriately captured and this has been observed to have some implications on the measurement of progress and achievements of the SDF project. They include the following:

   a. Increase in labour productivity by participating firms disaggregated by economic sector and size (small, medium, large).

   b. Increase in investment by participating enterprises in skills and technology development (disaggregated by economic sectors; size (small, medium, large); skills and technology)

   c. Satisfaction with skills by trainees (disaggregated by sex, locality).

   d. Satisfaction with skills by participating firms disaggregated by economic sectors; region; size (small, medium, large).

   e. Direct project beneficiaries of which (%) are female as measured by the number of people trained
There is the need for need rewording the aforementioned to reflect the intended meanings. Technically, as they stand now, they are not Indicators in essence.

**Summary of Findings-SDF**

This Chapter contains a summary of the highlights of the major findings of the review of SDF. This will serve as the basis of the body of recommendations to be advanced in the next chapter:

a. The SDF Component of the GSTDP is generally a very relevant and timely intervention. It complements and is well situated within the overall national development agenda, and is consistent with a number of sector policies such as the Educational policy, industrial policy, science and technology policy, private sector development strategy, etc.

b. Programme delivery has to date been very effective. Largely, all pointers are in the direction of the targets being met by the end of the programme life. The overall development objective, intermediate and immediate objectives have all been logically constructed and are achievable.

c. Programme implementation to a large extent is efficient. Initial challenges have provided a justification for the review of a number of arrangements especially in the areas of financial management.

d. The priority economic sectors preselected by the Programme do not appear to be an accurate reflection of the situation on the ground. The need generated from these sectors do not compare in numbers to those from other sectors.

e. The intervention by its very nature is self-sustaining and has in built internal mechanism for programme sustenance beyond the funding phase

f. The impact of the programme has so far been good. All indicators point to the fact that the programme will add value to the quantum and quality of skilled and innovative labour in Ghana. In addition the capacity of public and private training institutions in Ghana as well as research institutions is very likely to be developed through this programme.

g. The PSU has a solid complement of dedicated and highly qualified staff that is up to the task and managing the programme as presently structured. The anticipated astronomical increase in the number of grantees and the likely introduction of additional development partners on board the programme are very likely to exert a toll on the capacity of the unit and ultimately the quality of its output

h. Intermediaries play a very important role in project conceptualisation. It was however observed that in some instances, the interaction between these intermediaries and the
grantees was suboptimal leading to lack of ownership by the grantees during programme implementation.

i. SDF works with a number of independent external evaluators who are experts in the key SDF sectors and beyond. Their mandate is to technically review proposals and make the necessary recommendations to the SDF Secretariat, further to the SDF Committee. Whereas a successful evaluation does not guarantee approval, only proposals that pass evaluation are presented before the SDF Committee for consideration and approval or otherwise. The COTVET-PSU has periodically (during each Call for Proposals) trained evaluators to be abreast with the dynamics under the Fund. Some KPIs were not properly captured in the PAD. Their wording did not reflect the actual intentions of the project, bearing in mind the PDO and the targets. To ensure all KPIs are appropriately worded to reflect their intended meanings, the Project has reworded all KPIs accordingly. Please find below the newly reworded KPIs:

j. It is anticipated that the demand for the services of monitors will increase significantly with the finalisation of Call #3 and other subsequent Calls.

k. The high frequency of reviews, missions, and other visits was observed to be a major source of ‘irritation’ to most grantees. The tendency has been for most of these teams to visit a few successful and ‘fanciful’ grantees who have naturally become disillusioned about the high demand of their productive time to attend to such missions.

l. Some grantees have been engaging in informal networking activities with other economic groups, training institutions, and the general public. Such interactions are however not systematically structured and are usually ad hoc in nature. Opportunities for networking and engaging with strategically selected stakeholders exist and should be exploited for overall good of the programme.

m. The PSU has a vast body of information which could be used to document results and disseminate same to Government of Ghana, development partners, training institutions, industry associations and the general public.

n. The SDF website seems to overly focus on outreach than results sharing. The website could balance the focus to feature more results. This is because there are many success stories from sub-projects which could be packaged and told innovatively using multimedia interactive features on the website.

o. Harmonisation opportunities exist but do not appear to be well exploited by various actors. Within the PSU, visits to grantees by the various departments do not appear to be well coordinated. At the level of Government of Ghana and Development Partners
too, visits and reviews still remain uncoordinated thus placing a severe strain on the grantees that always end up at the receiving end of such arrangements.

**Recommendations-SDF**

a. It can generally be concluded from the text in the preceding sections of this report that the SDF Component of the GSTDP is very well on course to achieve its overall objective and contribute towards the achievement of the Programme’s objective. The following recommendations are however been made as a response to some of the observed challenges and weaknesses observed during the conduct of this review.

b. It is recommended that the priority economic sectors (ICT, Building and Construction, Horticulture and Livestock, Hospitality and Tourism) chosen at the beginning of the project be reviewed to ensure its continued relevance. As things stand now, a number of justifiable proposals are been funded under the programme but do not belong to any of these sectors. A review of the sectors will be a pragmatic move to ensure continued programme relevance whilst also ensuring programme legitimacy for the approved proposals.

c. The financial management arrangement especially the fund transfer mechanism should also be reviewed to reflect the practical situation on the ground. The Fund management and finance departments of the PSU should review and come out with options for the consideration of the SDF Committee and other appropriate approval authorities. The auditing and financial reporting obligations of the grantees should also be spelt out clearly after any such changes are approved.

d. The work of the intermediaries should be clearly spelt out to them as well as the grantees. Intermediaries should be bound by a code that will ensure that they interact a lot with the grantees and generate the proposals with them not for them. At the approval level, one of the test criteria should be the level of understanding or appreciation of the proposal by the grantees.
e. The scope of work of the Monitors should also be clearly spelt out to the grantees as well as the monitors as a way of ensuring that they receive the right level of cooperation from the grantees. Additional monitors will be required with the likely increase in the number of grantees. New monitors need to be recruited as per the existing arrangements or alternatively that function can be outsourced to a number of well qualified firms.

f. The targets in the current M&E framework of SDF should be revised and limited to targets that are realistic and achievable bearing in mind the socio-economic context in Ghana. The review of the M&E framework should also consider other under captured targets and ensure the Framework is in sync with the PAD.

g. It is recommended that both the PSU and the programme development partners should endeavour to harmonise their activities. As much as possible common progress reports, financial reports, and completion reports should be presented by the PSU to Government of Ghana and the funding partners. Visits and missions should also be highly coordinated and harmonised to minimise or avoid the situation where a few grantees are always saddled with the problem of dealing with repeated visits. Programme monitoring visits by the PSU should also be coordinated as much as possible by the various departments. This is obviously challenging but achievable especially if the various departments consolidate their respective schedules very early in the year and work towards it.

h. Some of the programme performance targets formulated at the beginning of the programme should be reviewed as they no longer remain relevant e.g. the target of 10 calls during the programme life.

i. A staff audit should be conducted as a matter of urgency ahead of the upcoming calls and the likely commitment of additional development partners to financing the SDF or other parts of the GSTDP.
j. The work of the SDF Committee should be enhanced with the inclusion of one or two additional private sector players to ensure some level of balance in the composition. As composed now, the Committee has only one representative with a private sector background.

k. As much as possible, development partners must harmonise their activities in consonance to the commitments made by their respective Governments or headquarters under the aid effectiveness agenda.

l. It is highly recommended that the implementation of the SDF facility should not be interrupted. The recommendations advanced in this review are meant to trigger and stimulate stakeholder discussions and dialogue with a view to building on the immense gains that have been achieved already and also steer the programme towards meeting its full potential. The initial challenges appear to be an issue of the past as the programme management set up as well as the other advisory bodies appear to have found themselves on the right track to achieve programme objectives and this is been done with a lot of energy and momentum. It is a good sign that other development partners are coming on board and these should be encouraged whilst the original development partners are also encouraged to maintain, deepen, and where possible expand their involvement in the operation of the Fund.

Changes to Component 3 - SDF

As earlier mentioned, some KPIs were not properly captured in the PAD. Their wording does not reflect the actual intentions of the project, bearing in mind the PDO and the targets. To ensure all KPIs are appropriately worded to reflect their intended meanings, the Project has reworded all KPIs for the SDF which is presented below:

a. Labour productivity by participating firms (disaggregated by window)

b. Investment by participating enterprises in skills and technology (disaggregated by window)

c. % of trainees satisfied with skills (disaggregated by sex and locality)
d. % of participating firms satisfied with skills (disaggregated by window)

e. % of direct project beneficiaries (trainees) who are females

The said changes have been duly incorporated into the PAD to provide a contextual meaning to the Project. Resultantly, the necessary revisions have been effected to the M&E framework which is now an appendix of the PAD to facilitate a much clearer appreciation of the Project context and Result Framework.
CHAPTER 4

(component 4)

Project Management, Monitoring & Evaluation

The objective of this component is to provide effective implementation of the project by establishing a Project Support Unit embedded within COTVET and reporting to the Project Steering Committee. The Component is primary responsible for providing sound Program and financial management, Monitoring and Evaluation of the GSTDP.

Methodology: The review of the performance of GSTDP under its Component 4 was conducted by a participatory review mechanism comprising key staff of COTVET and its PSU. The review assessed among others the following:

a. Existing staffing levels and capacities at the PSU and how it has impacted on project management and delivery.
b. Existing procurement management systems and practices and the assurance of Value for Money
c. Existing financial management and accountability mechanisms and their compliance
d. Existing M&E framework and processes and their relevance to measuring project results

Staffing levels and performance

The quality of staffing level at the PSU has been a key factor underling the successful management and implementation of the GSTDP and other projects under its management. The PSU has a fully staffed Procurement, Finance, M&E, Grants, Communications and Outreach, and MIS Sections. Whereas the division of labour has provided for specialization and optimum use of key competencies of staff, it has also been complimented with the adaption of a task force approach that ensures the participation of all
Sections in the management and implementation process. This has ensured that in the performance of their jobs, staffs are not identified by projects but rather, the collective interest of the implementing agency-COTVET. The PSU now has staff strength of 49 with 16 contractual staff on the payroll of the IDA.

Financial Management

Financial Systems
The responsiveness of the Financial Department to the demands of financial management and accountability has been built on the use of the Sun Accounting Software. At the inception of the project, Excel and manual spreadsheets were used for financial transactions. This proved inefficient in capturing, processing and generating customized data in the form required by the PSU and DPs. To ensure an efficient financial management system, the Finance Department migrated to the Sun Accounting System (Version 5.1) after which all staffs at the Department were trained. However, effective from April 2014, the new version of the Sun Accounting System (version 6.0) will be installed and configured for all staff of the Finance Department in addition to two weeks of end user training to carry out by KPMG. This action will enable the department to automate the accounting system and to expedite all accounting the processes and to ensure that all financial transaction are captured in the system and to enhance our existing process that no payments are made without it having been captured and authorized on the system.

External Auditing
It is a fact that the PSU works among others with Government procured loans from AfDB and the World Bank. In order to comply with the provisions of the loan agreements, [section 4.09(b) of the PAD] the PSU prepares Annual Financial Statements which are audited by External Auditors. Each audit of the Financial Statements covers one fiscal year commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The World Bank and other stakeholders are furnished with the audited Financial Statements for each period not later than six months after the end of such period.

In 2013 No objection was received to engage the Contract of an external Auditor. Terms of Reference (TOR) was prepared by the Finance Department and a contract was signed with Deloitte & Touche for both Financial and Value for Money (VFM) auditing of
grant beneficiaries for FY2012. Both assignments were carried out successfully and the final reports were submitted to the World Bank (Financial auditing on 15th November 2013 and VFM on 29th January 2014.)

Overall the financial management arrangement of the project was rated as being Satisfactory (S) and the FM risk rated as Modest. Deloitte and Touche has been contacted for contract signing for the financial audit for both IDA and DANIDA for the FY2013 in the last week of March 2014. A comprehensive Fixed Assets register was prepared and submitted to the World Bank in 2013. This included all assets acquired under the project including those paid for with the PPF.

Internal Auditing

In order to mitigate and address issues of risks, the head of Accounts, the Grants Manager, Head of Procurement and M&E, under the guidance of the Project Coordinator have liaised with the Internal Auditor to operationalize an Institutional mechanism for post disbursement fiduciary control measures to periodically monitor the use of funds once grants have been disbursed to avoid any misuse or diversion of funds. The Finance Department, in collaboration with the other Departments have been undertaking financial monitoring exercises Grantees, thereby supporting them to keep simple financial/procurement records of the grants received and ensuring efficient budgeted spending in accordance with the grant agreements.

Grant disbursement

Grant disbursement continues to be a major priority of the Finance Department. In all, Twenty-Five million dollars ($25,000,000.00.) was earmarked as commitment for total grant awards to calls 1, 2, 3 and 4 covering FY 2013 and FY 2014 respectively. However, the total actual disbursement carried out by March 2014 was US$ 12.2 Million.

a. Out of the total commitments made to Grantees in 2012-2013, actual disbursement amounted to $12.2 Million as at March 2014.

b. DANIDA support for the project was scheduled to end in June 2014, however satisfied with performance of PSU, DANIDA has promised an additional amount of $1 million to be added to the remaining $3 Million for the current FY to enable the project be extended to the FY 2015.
Among some of the major activities of the Department in 2014 are:

a. Engaging a consulting firm to support implementation of the component 1 $2,500,000.00
b. Renovating 10 selected TVET institutions across the country - budgeted $1,000,000.00
c. Procurement of equipment for 10 selected TVET – budgeted $700,000.00
d. Stakeholder consultation on Draft TVET Strategic plan- budgeted $20,000.00
e. Organizing ToT for COTVET, and selected institutions – budgeted $30,000.00
f. Conducting National STI baseline survey
g. Instituting Staff Incentives and Research Graduates
h. Procuring Office Equipment and furniture
i. Undertaking renovation activities

Most of the negotiations and commencement of these activities were carried out towards the end of FY 2013 but actual disbursements have been carried out in the FY 2014.

Withdrawal Applications

Eleven successful withdrawal applications amounting to $13.7 million have since project inception been processed at the World Bank for replenishment. A six month projected Withdrawal Applications starting from March 2014 based on our financial commitments has been proposed to the Bank as shown in table 13.
### Table 13: GSTDP PROJECTED WITHDRAWAL APPLICATIONS MAR- AUG 2014

<table>
<thead>
<tr>
<th>Month</th>
<th>Application No.</th>
<th>Projected Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-14</td>
<td>Application No. 12</td>
<td>$1,503,000</td>
</tr>
<tr>
<td></td>
<td>Application No. 13</td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td></td>
<td>Application No. 14</td>
<td>$1,500,000.00</td>
</tr>
<tr>
<td>Apr-14</td>
<td>Application No. 15</td>
<td>$1,003,718.86</td>
</tr>
<tr>
<td></td>
<td>Application No. 16</td>
<td>$1,500,000.00</td>
</tr>
<tr>
<td>May-14</td>
<td>Application No. 17</td>
<td>$1,200,281.14</td>
</tr>
<tr>
<td></td>
<td>Application No. 18</td>
<td>$1,500,000.00</td>
</tr>
<tr>
<td>Jun-14</td>
<td>Application No. 19</td>
<td>$1,250,000.00</td>
</tr>
<tr>
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<td>Application No. 20</td>
<td>$1,500,000.00</td>
</tr>
<tr>
<td>Jul-14</td>
<td>Application No. 21</td>
<td>$1,543,000.00</td>
</tr>
<tr>
<td></td>
<td>Application No. 22</td>
<td>$1,500,000.00</td>
</tr>
<tr>
<td>Aug-14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$15,000,000.00</td>
</tr>
</tbody>
</table>

**GSTDP Budgeted Financial Summary at the end of FY 2013**

The PSU had since its inception operated a separate budget and reporting system for DPs. This had created a situation of duplications in generating project reports putting undue pressure on staff. In 2014, a composite budget involving three DPs was
successfully developed and presented to the DPs by the PSU. The table below shows the summary of the composite budget for the three major DPs

Table 13: Budget Summary Sheet

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>Component</th>
<th>IDA</th>
<th>DANIDA</th>
<th>AfDB</th>
<th>KfW</th>
<th>GoG</th>
<th>Total</th>
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</thead>
<tbody>
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<td>GSTDP</td>
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<td>2,672,809.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<td></td>
<td>2</td>
<td>1,969,500.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>0.00</td>
<td>1,969,500.00</td>
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<tr>
<td></td>
<td>3</td>
<td>14,659,600.00</td>
<td>6,036,850.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>20,696,450.00</td>
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<td></td>
<td>4</td>
<td>2,770,700.00</td>
<td>147,600.00</td>
<td>0.00</td>
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<td>0.00</td>
<td>2,918,300.00</td>
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<tr>
<td>GSTDP Sub-Total</td>
<td></td>
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<td>6,184,450.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>28,257,059.00</td>
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<td>DSIP</td>
<td>1</td>
<td>0.00</td>
<td>0.00</td>
<td>16,145,433.22</td>
<td>0.00</td>
<td>2,388,996.58</td>
<td>24,234,429.80</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0.00</td>
<td>0.00</td>
<td>422,400.00</td>
<td>0.00</td>
<td>0.00</td>
<td>422,400.00</td>
</tr>
</tbody>
</table>
Table 13 below presents the analysis of expenditure against the total budget from the inception of the project to FY2013. It also presents a summary of expenditure for the various GSTDP components from 2011 to date which has been set against the total loan and grants amount for all GSTDP Development Partners.

Table 14: GSTDP FINANCIAL SUMMARY (USD)

<table>
<thead>
<tr>
<th>Component</th>
<th>Total Loan &amp; Grant Amount</th>
<th>Cumulative Actual Expenditure as at FY 2013</th>
<th>Loan &amp; Grants Amt remaining as at FY 2013</th>
<th>Budgeted in FY 2013</th>
<th>Actual Total expenditure FY 2013</th>
<th>Total Budget Variance FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4,000,000.00</td>
<td>396,628.07</td>
<td>3,603,371.93</td>
<td>3,629,000.00</td>
<td>199,432.47</td>
<td>3,429,567.53</td>
</tr>
</tbody>
</table>
The huge variance between budgeted and actual expenditure in the work plan can be explained by following;

a. Some payments have been made through DANIDA which have been recorded separately. (about $1.5m).
b. Some requests made to the banks for payments did not hit the Projects’ bank accounts until January 2014.

<table>
<thead>
<tr>
<th>2</th>
<th>4,000,000.00</th>
<th>651,524.81</th>
<th>3,348,475.19</th>
<th>3,941,000.00</th>
<th>608,548.01</th>
<th>3,332,451.99</th>
</tr>
</thead>
<tbody>
<tr>
<td>3A</td>
<td>45,000,000.00</td>
<td>5,020,53.63</td>
<td>39,979,146.37</td>
<td>25,000,000.00</td>
<td>5,020,853.63</td>
<td>19,979,146.37</td>
</tr>
<tr>
<td>3B</td>
<td>5,000,000.00</td>
<td>2,427,557.20</td>
<td>2,572,442.80</td>
<td>3,560,000.00</td>
<td>2,126,648.99</td>
<td>1,433,351.01</td>
</tr>
<tr>
<td>4</td>
<td>5,000,000.00</td>
<td>3,226,673.78</td>
<td>1,773,326.22</td>
<td>2,503,000.00</td>
<td>2,089,127.67</td>
<td>413,872.33</td>
</tr>
<tr>
<td>Contingency</td>
<td>7,000,000.00</td>
<td>-</td>
<td>7,000,000.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>70,000,000.00</strong></td>
<td><strong>11,723,237.49</strong></td>
<td><strong>58,276,762.51</strong></td>
<td><strong>38,633,000.00</strong></td>
<td><strong>10,044,610.77</strong></td>
<td><strong>28,588,389.23</strong></td>
</tr>
</tbody>
</table>

**Note:**

- All expenditures are actual payments made through and debited against the projects bank accounts.
- Commitments, including grants and other contract agreements, made to Grantees and other consultants but no payment has been made are excluded.

The huge variance between budgeted and actual expenditure in the work plan can be explained by following;
c. Some Grantees delayed in fulfilling their accountability requirements to meet their second payments.
d. Necessary monitoring activities has to be carried out by PSU (required by the DPs) to ensure the proper usage of the grant.
The following (Table 16) presents the budgetary projections for GSTDP in the 2014 financial year.

**Table 16: Budgetary projections for GSTDP IN FY 2014**

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>Component</th>
<th>Funding ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GSTDP</td>
<td>1</td>
<td>2,672,809.00</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>1,969,500.00</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>14,659,600.00</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>2,770,700.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>22,072,609.00</td>
</tr>
</tbody>
</table>

**Additional Financial Details**

There has been a tremendous improvement in the methods of processing grants. In view of that, disbursements are expected to increase, moving forward into 2014 and beyond. The increase in staff strength and its resulting increase in the quality and expeditiousness of work portend a higher disbursement rate for the Finance Department. The current capacity at the Department is commensurate with the expectant increase in the pace and volume of disbursement, especially under SDF.

**Procurement**

The procurement systems and processes under the GSTDP are in accordance with the World Bank’s “Guidelines: Procurement under IBRD Loans and IDA Credits” dated May 2004, revised October 2006 and May 2010; and revised January 2011; and “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” dated May 2004, revised October 2006 and May 2010; and revised January 2011; and the provisions stipulated in the Credit Agreement. The Ghana Public Procurement Guidelines have also been applied where necessary.
It is worthy to note that overall, significant progress has been made with the procurement process since project inception. These include the following:

a. Prompt responses to procurement issues
b. Improvement in procurement record keeping
c. Proper procurement filing, among others

As at 31st March, 2014, a total number of 28 supply contracts valued at USD1,652,314.58 have been signed and completed. For consultancy, 10 contracts valued at USD365,571.05 have been signed and completed whilst 22 contracts valued at about USD3.5 million have been signed and currently on-going. There was only one non consulting service contract completed at an estimated cost of USD119,450.00. There was however, no contract signed under works as this is not a significant component of the project.

Despite the progress made, there were some delays which tended to affect project implementation. Notable among them is the recruitment of the consultancy firm to support institutional strengthening of skills development in Ghana which has affected the implementation of activities and ultimately delayed the attainments of related deliverables under Component 1.

**Procurement System**

Procurement is undertaken by the Procurement Unit headed by a Procurement Specialist and supported by two procurement officers and other support staff. The project has procurement systems, structures and capacities to implement procurement actions for the project which are in compliance with the procurement requirements of the financing agreement, the PAD and Ghana Public Procurement Law. In addition, the project continues to maintain qualified procurement with competence in the Bank’s procurement procedures in addition to the National procedures. Internal controls, record keeping and implementation are in compliance with agreed procedures in the PAD.

**Procurement Reviews**

Most of the procurement undertaken during the year were small and simple in nature and not prior reviewed by the Bank because of their size and threshold. However, there were few consultancy assignments which were prior reviewed by the Bank. It is significant to note that the procurement audit queries relating to inadequate record keeping and filing raised in the 2013 Procurement Post Reviews have been resolved. Record keeping and filing at the Procurement Division have improved significantly. It is expected that these improvements will be reflected in the 2014 Procurement Post Review which was conducted in March this year.
Use of PROCYS

In order to further enhance the processing of procurement requests to the Bank, the project has successfully processed all prior review requests through the electronic procurement tracking system of the Bank. This has contributed immensely in reducing delays that were experienced in the early stages of the project.

Contract Management

It is instructive to note that the PSU has been efficient in managing contracts under the GSTDP. Since the inception of the project till today, there has never been a single contract-related complaint from suppliers and consultants. This has been largely due to the mechanisms in place to ensure that these contracts are properly managed to assure of timely delivery and quality output. These mechanisms include (a) the strict compliance of the Bank's and the PPA's (where necessary) procurement guidelines in managing the procurement process (b) effective monitoring of the contract relationship (c) addressing related problems and concerns of suppliers and consultants (d) incorporating necessary changes or modifications in the contract documents (where necessary) and (e) actively interacting with the suppliers and consultants to achieve the contract's objective (s).

Challenges

Despite the progress, there were some few challenges with the procurement process. These include the following:

a. Inadequate capacity of procurement support staff
b. Lack of appreciation of the procurement function by project staff. With the exception of the staff at the procurement unit and few others, most of the project staff think that the procurement function delays the implementation of activities.
c. Poor procurement record keeping by the grantees under component 3. This has contributed to a lot of delays in the disbursement of funds under the Skills Development Fund (SDF) since requests for payment are normally not accompanied by the relevant supporting documentation.

Recommendations

In order to address the identified challenges, it is recommended that:

a. The internal processes of dealing with procurement actions of the PSU and the granting of no objections from the Bank should be reviewed to avoid extended bureaucracies as occurred in the case of the recruitment of the Component 1 firm to ensure that targets agreed in the procurement plan are achieved.
b. The PSU should conduct procurement workshops for project staff. These workshops should include sessions on World Bank procurement policies and the procedures and manuals of the PPA. In addition, the project should sponsor support staff at the procurement unit to attend procurement training courses at GIMPA.

c. The PSU should organise procurement workshops for focal persons of grantees to equip them with an understanding and importance of procurement record keeping and procurement in general. This will facilitate quick disbursement of project funds under the SDF.
Monitoring and Evaluation

Presented in this section is an overview of the PSU’s M&E strategies and include details of major accomplishment and results for the various indicators the PSU responds to. The PSU’s M&E framework mandates the project to collect data, performance analysis, and report on indicators at PDO and other levels. The PDO level indicators include:

a. Labour Productivity by participating Firms
b. Investment by participating enterprises in skills and technology.
c. Satisfaction with skills by trainees.
d. Satisfaction with skills by participating firms.
e. Direct project beneficiaries of which (%) are females as measured by number of people trained.

M&E system is about measuring outputs; assessing efficiency, effectiveness and impact; identifying problems and appropriate solutions to mitigate deteriorating trends; and drawing lessons and experiences, with emphasis on Performance Monitoring and Evaluation (through the PMP) and the Results Framework. Over the year under review, the PSU has made significant progress developing and implementing approaches to improve skills and technology development, transfers and adoption. This effort has effectively included on ongoing related efforts to develop and implement systems to assess the PSU’s progress towards the achievements of relate objectives. The subsequent subsections provider further details of key results and accomplishments of the M&E division of the PSU.

Major Accomplishment

Since project inception, the PSU has created and strengthened the Department with competent staff to lead in the M&E process. The current staff strength of the M&E Division comprises a Head of Department, an M&E Specialist, one M&E Officer, one M&E Assistant, three National Service Persons, and twenty-two field based SDF Project Monitors.

M&E frameworks have been developed and baseline data have been collected for all donor funded projects under the PSU including GSTDP and DSIP. The GSTDP by its undeniably broad scope required an elaborate framework and robust M&E system to track the ever increasing activities and deliverables that characterized the implementation of the grant projects under the Component 3 (Skills Development Fund) of the Project. The major monitoring and evaluation accomplishments over the period under review areas itemized below:

Monitoring and Evaluation framework

As has been mentioned above, the sophisticated natured of the PSU required a robust M&E framework to effectively track progress of all donor funded projects managed under the multi-donor environment. Though the project appraisal documents of the various project come with
some monitoring and evaluation frameworks, they have often been found to be inadequate for ensuring effective management and an accountable implementation of the respective projects. The PAD frameworks normally do not come with clear methodology, standards, and/or guidelines for tracking the various indicators. Also, the indicators were found to be inadequate for measuring all major and sub project objectives clearly outlined in the project narrative. To fill these gaps, the PSU in collaboration with the M&E technical support teams of the various Development Partners (DPs), identified and defined additional indicators, developed clear methodologies, data collection guidelines, as well as analysis and reporting plans.

The frameworks have been developed to provide broad macro as well as micro picture of the progress of the projects, clarify and confirm expected outcomes, and illuminate what have enabled or impeded progress towards the expected outcomes. The PSU monitoring and evaluation frameworks are also embedded with strategies to enable both external and internal assessment of progress for each of the donor funded projects. The frameworks are expected to be approved by the various DPs as official attachments of the PADs in order to provide the necessary legal backing to the methodologies and guidelines outlined therein. While awaiting the approval of the DPs, the PSU will continue to measure progress using the methodologies presented in this expanded frameworks. All of the needed additional indicators and fine-tuning, for comprehensively tracking progress of the projects, have been incorporated and currently being utilized.

Baseline Data Collection
The PSU M&E framework mandates the GSTDP to conduct baseline assessment at sector and project levels. At the grantee level, baseline assessment is conducted for each of the SDF calls. The baseline assessment for call 1 and 2, which covered all of the 78 grantees, was conducted in July 2013 and the results have since been shared with stakeholders and DPs. The sector level baseline finally got underway in November 2013 and it is expected to be completed by the end of April 2014. Enumerators were trained in December 2013 and data collection started almost immediate. Data collection is expected to be completed by the close of February 2014. The consultant has provided monthly updates which have, so far, shown good progress.

End of 2013 Assessment
GSTDP end of 2013 performance assessment data collection started on the 15 of December 2013 and expected to end on the 7 of January, 2013 for all 3 components of the project. The PSU monitoring and evaluation framework incorporates timelines for data collection and reporting for the various indicators. Data was collected by a selected of SDF Monitors and covered all 78 calls 1&2 grantees. The objective of the end of year assessment was to:
a. Gather information to enable the PSU demonstrate to the DPs and stakeholders, the extent to which GSTDP project implementation (and by extension the Bank) contributes to the achievement of project objectives and expected results in line with the expectations and the Government of Ghana and the Development Partners (DP);

b. Enable GSTDP to report qualitative and quantitative information to the Bank who can therefore report to the public, the results achieved with stakeholders’ or member countries’ funds;

c. Ensure GSTDP staff and advisers have all the necessary qualitative and quantitative information needed to monitor progress, measure performance throughout the life of the project, identify key challenges and are able to address issues/make necessary adjustments on a proactive basis;

d. Strengthen project management capacity among partners (demonstrating what success looks like);

e. Promote M&E approaches that enable iterative and interactive learning of project development and delivery of good practices.

All of the grantees were assessed in the various key and other performance indicators as aforementioned. The Project Appraisal Document (PAD) mandates the PSU to track 5 PDO level indicators and 15 additional intermediate level indicators. In addition to these indicators, the PSU combed the PAD, identified sub-objects that had not been covered by the Performance Monitoring Framework (PMF) in the PAD. Additional indicators were accordingly identified to enable a comprehensive assessment of the project.

The assessment activities have generally been planned to be carried out annually, measure performance progress across the various departments of implementation of the projects: Component 1 (Strengthened Government and institutional capacities in planning, coordination, quality assurance and service delivery towards improved quality, relevance, accountability and effectiveness in skills development); Component 2 (Institutional strengthening of science and technology development); and Component 3 (Demand driven financing increases productivity of businesses in priority economic sectors). PSU plan to intersperse the annual assessments with minor semi-annual and ongoing tracking of output level indictors to enable effective all year round evidence based management.

Baseline assessment has been ongoing as the various aspects of GSTDP, especially related to component 3, have been planned to be implemented in cohorts. Baseline assessments are immediately conducted as the cohorts become active. During the year under review, baseline data collection was conducted for SDF calls 1 & 2. Though call 1 grantees were selected in 2012, the actual implementation of almost all of the activities started around June 2013 due to initial implementation challenges which nearly protracted. These challenges were mostly related to staffing and exogenous bureaucratic issues.
The results of the end of 2013 assessment were overwhelmingly positive with most of the Key performance indicators (KPIs) demonstrating significant improvement over those of June 2013. Component 3 showed great progress towards the achievement of all of the KPI targets. Components 1 and 2 showed mixed progress as most of the activities delayed. The Component 1 Project Implementation Progress Tracking Sheet (See Annex 1) presents a snapshot of the status of implementation of GSTDP Component 1. Most of the activities are dependent on recruitment of a consulting firm, which has just been appointed and expected to assume duty within week of March 2014.

Component 1’s contribution to the PDO level indictors is expected to be assessed through the CBT Providers, as the project activities are not directly aligned. The Component’s contribution to the PDO level indicators will be assessed at the levels of the enterprises benefiting from the CBT products through tracer studies. Component 2 also faces similar problem of week alignment to the PDO level indictors. Consequently, the PSU has made the necessary changes subject to the approval by the COTVET Board. This includes upgrading and review of KPIs for the project. However, an assessment of the performance of all components in line with the current KPIs is presented below:

**Progress in KPIs: Components 1 & 2**

Table 17 presents details of Components 1 and 2’s performance in the various KPIs and includes comments providing reasoning for the levels of performance shown. The table reflects the preliminary results of the December 2013 assessment to enable assessment of changes occurring over the assessment period. The table shows that all of the of the 5 PDO level indicators are ineffectively aligned to components 1 & 2 strategies. The PSU has already proposed strategies to remedy the inaccuracies to the DPs through the GSTDP MTR reports.

**Table 16: Components 1 & 2 progress in the KPIs**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Component</th>
<th>Baseline</th>
<th>2012</th>
<th>2013</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDO Level Indictors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Increase in labor productivity by participating firms disaggregated by economic sector and size (small, medium, large).</td>
<td>1&amp;2</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>
2. Increase in investment by participating enterprises in skills and technology development (disaggregated by economic sectors; size (small, medium, large); skills and technology).

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Component</th>
<th>Baseline</th>
<th>2012</th>
<th>2013</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. National Skills Strategy developed and adopted</td>
<td>1</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>2. COTVET management information system</td>
<td>1</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

All of the PDO level indicators except the “number of project beneficiaries, of which (50%) are females” are completely not applicable to components 1&2. The PSU plans to track two of these indicators (productivity and investments) at the level of the firms or enterprises benefiting from the selected institutions. Both components are expected to select at least five institutions for various forms of funding support. Component 2 has already selected 5 institutions and awarded each of them grants worth $0.5m to improve upon the governance and technology development and transfer activities of their research and development departments. The selection of Component 1 institutions is based on recruitment of a consulting firm to provide CBT-based technical assistance. The consulting firm will provide the direction for implementation of most of the component 1 activities. Therefore, the PSU M&E Division will make sure the officers selected to handle the Monitoring and Evaluation responsibilities are given adequate orientation and training to be able to effectively collect data for the PDO level indicators. MEST proposes for two lower level indictors to be upgraded to PDO level as part of the solution to the problem.
for skills development is functional

<table>
<thead>
<tr>
<th>3. Guidelines for quality assurance systems including certification are developed and adopted.</th>
<th>1</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Institutional Development Plans (IDP) for training providers developed and implemented.</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>6</td>
<td>0</td>
</tr>
</tbody>
</table>

**Comment: Component 1**

Though the GESDP has not been able to achieve any of the targets for this component, a significant progress is expected to be made during FY 2014. Almost all of the activities were dependent on the selection of a consulting firm to provide technical assistance for effective implementation of the project. A firm (CADENA International Development Project/IBF International Consulting) has been selected and it expected to resume work on March 1, 2014.

All procurement related to the development of the MIS system will begin after the firms have resumed work and needs assessment conducted. The MIS has not been installed; and guidelines for certification has been developed but yet to be share with the institution for adoption; CBT quality assurance manuals have been developed, validated, approved and adopted by the council. Copies of the CBT manuals are yet to be supplied to stakeholders including TVET providers, awarding institutions, etc. Training will also be provided to the stakeholders for effective utilization of the manual at the institutional level. It is expected that all of the manuals will be integrated into the existing quality assurance system.

**Component 2 Specific Indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Component</th>
<th>Baseline</th>
<th>2012</th>
<th>2013</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. STI Directorate established with full complement of staff.</td>
<td>2</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2. New collaborations between supported technology providers and private sector for adaptation and diffusion of technology.</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
</tbody>
</table>
3. Information system available for STI Directorate use

<table>
<thead>
<tr>
<th>Component</th>
<th>2</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
</table>

**Comment: Component 2**

Over the period under review, a significant progress was made toward achievement of the targets for the component 2 indicators. Most of the activities, especially those under Sub-component 2.2, got started. Five Research and Development service providers were competitively selected and given the first tranches of their funds to improve upon governance of their technology centers, as well as development and transfer of technology and/or technological services to the industry. The selected institutions have received approval to implement activities to improve upon their capacities to effectively respond to needs of industry. Component 2’s contribution to the PDO level indicators will mostly be generated at this level.

At the Directorate level, 5 staffs were appointed through secondment for the various key positions. The Ministry has provided a temporary office space (two rooms) whilst awaiting the construction of a much bigger and permanent space for the STI directorate. The plot of land for the project has been allocated and a contract has been awarded for the three storeybuilding project to commence. The STI Directorate has been established to provide technical support to MESTI to coordinate the implement STI policies and programmes in the country. The Directorate is expected to beef-up its staff strength once the construction of the permanent office space has been completed.

The TOR for development of a Management Information System (MIS) for the Directorate has been developed but procurement is yet to begin. Final installation of the MIS is expected to form part of the office space project. Each of the 5 selected institutions is also expected to develop a MIS including websites or enhance their existing systems as part of their individual projects. Details of the status of development of the institutional level MIS will be provided during the next semi-annual reporting in June 2014.

**Progress in KPIs: Components 3**

*Table 17: Components 1&2 progress in the KPIs*

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDO Level Indicators</td>
<td>Baseline</td>
</tr>
<tr>
<td></td>
<td>Actual</td>
</tr>
</tbody>
</table>
1. Increase in labor productivity by participating firms disaggregated by economic sector and size.  

<table>
<thead>
<tr>
<th>Component</th>
<th>Baseline</th>
<th>2012</th>
<th>2013</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Target</td>
<td>Actual</td>
<td>Target</td>
<td>Actual</td>
</tr>
<tr>
<td>3</td>
<td>0%</td>
<td>10%</td>
<td>-</td>
<td>25%</td>
</tr>
</tbody>
</table>

2. Increase in investment by participating enterprises in skills and technology development.  

<table>
<thead>
<tr>
<th>Component</th>
<th>Baseline</th>
<th>2012</th>
<th>2013</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Target</td>
<td>Actual</td>
<td>Target</td>
<td>Actual</td>
</tr>
<tr>
<td>3</td>
<td>0%</td>
<td>10%</td>
<td>-</td>
<td>20%</td>
</tr>
</tbody>
</table>

3. Satisfaction with skills by trainees  

<table>
<thead>
<tr>
<th>Component</th>
<th>Baseline</th>
<th>2012</th>
<th>2013</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Target</td>
<td>Actual</td>
<td>Target</td>
<td>Actual</td>
</tr>
<tr>
<td>3</td>
<td>%</td>
<td>0%</td>
<td>-</td>
<td>50%</td>
</tr>
</tbody>
</table>

4. Satisfaction with skills by participating firms  

<table>
<thead>
<tr>
<th>Component</th>
<th>Baseline</th>
<th>2012</th>
<th>2013</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Target</td>
<td>Actual</td>
<td>Target</td>
<td>Actual</td>
</tr>
<tr>
<td>3</td>
<td>37.4%</td>
<td>0%</td>
<td>-</td>
<td>50%</td>
</tr>
</tbody>
</table>

5. Direct project beneficiaries, of which (50%) are female  

<table>
<thead>
<tr>
<th>Component</th>
<th>Baseline</th>
<th>2012</th>
<th>2013</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Target</td>
<td>Actual</td>
<td>Target</td>
<td>Actual</td>
</tr>
<tr>
<td>3</td>
<td>0</td>
<td>1,000</td>
<td>-</td>
<td>3,500</td>
</tr>
</tbody>
</table>

**Comment: Component 3**  
Baseline data for the 6 call 1 grantees could not be collected in 2012 because the PSU had capacity...
challenges and systems had not been fully development for effectively tracking of progress. Though baseline assessment for call 1 grantees, which were given approval in 2012, was conducted as part of the July assessment, the PSU is confident that this did not have any significant adverse effects on data quality and reliability, because all of the call1 projects actually became active around June 2013. The table includes preliminary results of the December 2013 end of year assessment. Since data processing was in progress during the preparation of this report, much details of the result will be included in the June 2014 Semi-Annual report.

Table 18: Progress in KPIs: Components 4

<table>
<thead>
<tr>
<th>Component 4 Specific Indicators</th>
<th>Indicator</th>
<th>Component</th>
<th>Baseline</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Grant Agreements for SDF sub projects signed</td>
<td>3</td>
<td>0</td>
<td>75</td>
<td>6</td>
<td>175</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>72</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>440</td>
</tr>
<tr>
<td></td>
<td>Sub-projects satisfactorily completed</td>
<td>3</td>
<td>0</td>
<td>75</td>
<td>0</td>
<td>175</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>440</td>
</tr>
</tbody>
</table>

**Comment: Component 4**

As at the end of December 13, a total of 78 SDF grants agreements had been signed, all for SDF call 1 (6 agreements) and 2 (72 agreements). At the end of December 2013, 168 call 3 proposals had been given preliminary or partial approvals and the proposers of the projects had been requested for better particulars.

**Distribution of grant agreements for SDF sub-projects signed**

<table>
<thead>
<tr>
<th>Economic Sectors</th>
<th>Window</th>
<th>Total # of Grantees</th>
<th>Grants (GHS)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing and</td>
<td>W1</td>
<td>1</td>
<td>115,688.00</td>
<td>0.69</td>
</tr>
<tr>
<td>Sector</td>
<td>Calls</td>
<td>Loans</td>
<td>Projects</td>
<td>Signed Off</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>-------</td>
<td>-------</td>
<td>----------</td>
<td>------------</td>
</tr>
<tr>
<td>Construction</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>ICT</td>
<td>2</td>
<td>15</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>Livestock and Horticulture</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil and Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourism and Hospitality</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Sub total (Priority Sectors)</td>
<td>5</td>
<td>16</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fisheries</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Jewelry and Minerals</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Garment and Textiles</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Creative Arts</td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Service</td>
<td>1</td>
<td>25</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Sub-total (Other Sectors)</td>
<td>10</td>
<td>31</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>47</td>
<td>8</td>
<td>4</td>
</tr>
</tbody>
</table>

As at the end of the period under review (December 2013), 26 of the 78 calls 1&2 project had been completed and pending signing off by the SDF Committee. According to the SDF Manual, the completed projects will only be signed off after closeout visits by the Finance, Procurement, SDF, and M&E Divisions of the GSTDP. 10% of the final tranche of each of the projects is withheld by SDF and only released after the projects have been visited by the aforementioned divisions and duly
signed-off by the SDF Committee based on the appraisals or recommendations by the responsible divisions of the GSTDP’s. The PSU expects, at least, 87% of the projects to be completed by the end of June 2014.

PDO Level Indicators: Productivity of Calls 1&2 Grantees

In July 2013, the PSU conducted a baseline assessment for all 78 calls 1&2 SDF grantees using the SDF monitors and instruments developed by the PSU. Data was collected from over 470 SMEs and 31 formal organizations. The assessment covered all of the indicators, including the new ones identified during the development of the PSU’s expanded M&E framework. Similar assessment was repeated in December 2013, covering the same grantees, indicators and respondents, to assess the progress made over the six months of more active implementation across the GSTDP components. The results indicated that the overall productivity at the end of the year, December 2013, was GH₵26.23 which was about 68% increase over the baseline results of GH₵15.61 exceeding the end of project target of 60%. The PSU defines productivity as output per labour hour. Figure A illustrates the preliminary SDF grantees’ productivity results by calls and windows. It is encouraging to note from the chart that productivity improved across all of the disaggregated levels. The overall increase in productivity translates to about GH₵12m over the six months of active implementation and this has been achieved as a result of investing about GH₵16m.

PDO Level Indicators: Investment in Skills and Technology by Participating Enterprises

Result of investment by participating firms illustrated in Figure A, reveals a significant increase in investment in skills and technology by all of the windows of Calls 1&2 except Window 4b which made huge investment during the one and a half year proceeding the baseline data collection occasion. Results from the investment assessment show that during the period under review (July – December 2013), when the tempo of implementation of all Calls 1&2 projects...
increased to the right levels, a total of GH₵7,219,809.47 was investment by all of the 78 grantees in skills and technology.

Table 19: Investment by Calls 1&2 Participating Firms

<table>
<thead>
<tr>
<th>Window</th>
<th>Jan 2012 – June 2013</th>
<th>July-Dec-13</th>
<th>% change</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>[GHS]</td>
<td>[GHS]</td>
<td></td>
<td>[GHS]</td>
</tr>
<tr>
<td>Window 1</td>
<td>1,789,499.00</td>
<td>2,142,069.00</td>
<td>19.7%</td>
<td>3,931,568.00</td>
</tr>
<tr>
<td>Window 2</td>
<td>103,143</td>
<td>911,122.00</td>
<td>783.4%</td>
<td>1,014,265.00</td>
</tr>
<tr>
<td>Window 3</td>
<td>587,000</td>
<td>1,163,722.00</td>
<td>98.2%</td>
<td>1,750,722.00</td>
</tr>
<tr>
<td>Window 4a</td>
<td>70,000</td>
<td>1,060,098.00</td>
<td>1414.4%</td>
<td>1,130,098.00</td>
</tr>
<tr>
<td>Window 4b</td>
<td>12,850,000</td>
<td>1,942,798.47</td>
<td>-84.9%</td>
<td>14,792,798.00</td>
</tr>
<tr>
<td>Overall</td>
<td>15,399,642</td>
<td>7,219,809.47</td>
<td></td>
<td>22,619,451.00</td>
</tr>
</tbody>
</table>

It is worthy to note that the volume of investment in skills and technology over the period under review was influenced by the SDF grants, as a significant amount (over 35%) of the value was invested through matching contribution to the SDF grants. The participating enterprises invested to the tune of GH₵7,219,809.47 in skills and technology during the period under review. With the exception of Window 4a which invested so much during the one and half years preceding the June 2013 assessment, the level of investment in skills and technology significantly exceeded the baseline values for all of the other Windows. Details of matching contribution component of the calls 1&2 projects investments are presented in Figure B.
Results from the ongoing tracking of the grantees’ matching contribution, illustrated in Figure B, indicates that Windows 1 and 2 grantees have almost been able to achieve their matching obligations. Though Windows 4a and 4b seem to be a distant adrift of their ultimate matching obligations, all of the projects are actually on track as they have actually contributed commensurate percentages of the tranches disbursed. Considering the fact that all of the Windows 4a and 4b grantees have significant number of months remaining to complete their projects, the PSU is confident that they will be able to match their grants as expected. Overall, the Calls 1&2 grantees are expected to contribute GH₵10,635,181.75 representing about 61% of the total grants (GH₵16,719,970.90) awarded.

### Sector Baseline Study

On the sector baseline study, a consultant has been engaged to undertake this study over a 100 man day period. The purpose of the study is to establish benchmarks and /or baselines for the priority sectors identified under the GSTDP. This provides the avenue for assessing the contribution of the GSTDP project at the sector level. The sector level assessment is expected to be conducted twice over the over the duration of the project.

There is an indication that the consultant and his team will commence data collection in the month of January after all the revisions have been done on the instruments taking on board comments from the PSU’s M&E Unit.
Review of the GSTDP M&E Framework.

As recommended in the various component review reports, the project has undertaken to review the PDO and the KPIs to enable a more coherent M&E framework which speaks to the direction of government policy in the skills and science and technology sectors. This, by extension, would ensure components 1&2 are properly situated within the framework of the GSTDP, thereby supporting the attainment of its PDO. Below are two presentations of revised PDO and the KPIs.

Current PDO: To improve demand-driven skills development and increase adoption of new technologies in selected economic sectors

New PDO: To improve demand-driven skills and increase the development, adoption, and delivery of skills and technologies in the productive sectors of the economy.

Upon careful study of the M&E framework in the PAD, a number of the project indicators have been adjusted to improvement upon clarify of their focuses, smartness, and their power to predict and/or show trends. To enable comprehensive assessment of the project, additional indicators have been identified and included in an expanded M&E framework, which has currently been attached as an appendix to the PAD. The expanded framework provides details of indicator definitions, methodologies, sampling framework, analysis plans, and a narrative section to provide additional clarity. These details, which are necessary for effective application of the M&E framework, are either ineffectively articulated or completely left out of the PAD. The table below shows that adjustments made to the indicators as aforementioned.

<table>
<thead>
<tr>
<th>Table 20: PDO Level Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No.</strong></td>
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<tr>
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<tr>
<td>2.</td>
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<tr>
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<tr>
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<td>9.</td>
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<tr>
<td>No.</td>
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<tr>
<td>14.</td>
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</tr>
</tbody>
</table>

New KPIs: The following new KPIs have been developed for components 1 & 2

New KPI for Component 1:

a. Number of training providers registered by COTVET

New KPI for Component 2:

a. Number of technological products and services transferred

b. Number of firms collaborating with institutions.
References

1. Private Sector Development Strategy (Phase II)
2. Ghana Shared Growth and Development Agenda
4. Education Sector Performance Review 2010
5. World Bank GSTDP Programme Document
6. GSTDP Programme Implementation Manual
7. GSTDP Monitoring and Evaluation Framework