Skills Development Fund

Training for Grant Applicants

MJ Grand Hotel, East Legon
&
Crop Research Institute, Fumesua
27th to 30th 2017

SDF TEAM
The Skills Development Fund is embedded in the TVET policy of the government of Ghana, and aims to “improve the productivity and competitiveness of the skilled workforce and raise the income earning potential of people, especially women and low-income groups, through the provision of quality-oriented, industry-focused and competency-based training programmes ...”

SDF has operated as a challenge fund and initially focused on a few selected, priority sectors of Agribusiness, Tourism, ICT and Construction.

Being a demand driven fund, the SDF Programme soon found out that many other non-prioritized sectors presented compelling case for grant support. In response to this demand, the scope of SDF was expanded to include all sectors except operators in retail trade, alcohol beverages and ammunitions production.
Background, Project Funding

• SDF Phase 1 operated from July 2011 to December 2016, and was managed by the Council for TVET, a Government of Ghana agency under the Ministry for Education. The Council is responsible for coordinating all TVET activities in Ghana.

• SDF Phase 1 was funded with **credit** from the World Bank – USD50m and **grant** from the Danish Government – USD15m.

• The USD52m of the total envelope sent directly as grants to beneficiary enterprises, USD13 million as overheads, programme management.

• The fund was oversubscribed, and the high demand, coupled with high impact, led to the Danish Government offering additional USD15m to continue SDF for 4 more years ending December 2020. This phase focuses on agribusiness, agro-processing and sustainable energy.

• The World Bank completed final evaluation of SDF Phase 1 in March, is also considering offering additional financing for SDF II.
Highlights of SDF Phase 1 Results

Outcomes and results of the Project include the following:

• Total of USD 52 million grants disbursed in 4 years
• Number of grants awarded – 646
• Number of enterprises benefiting – over 43,000
• Number of employees trained – 104,000
• Number of innovative training curricular developed, now on offer – 105
• Jobs created – 13,000*
• Number of new technologies developed, on offer – 600

• **Average increase in labour productivity – 64% year-on-year**
The Cluster, made up mainly of women, has used SDF-financed technology to improve productivity – from 240 bars/week to 800 bars/week. It now takes one hour for the soap to harden compared to three days previously reported.
Garages Association, Poultry Farmers

• Up to **3,000** members of the **Ghana National Association of Garages** can now repair electronic and automatic cars, leading to improved incomes and livelihoods of the informal sector

• **The Association of Poultry Farmers** have reduced mortality of birds from about 30% to 5% due to improved skills in poultry management and disease detection and control
Ghana Rice Inter Professional Body – yield on rice farms has increased from 2 tonnes/ha to 6-8 tonnes/ha
SDF II Theory of Change

• If SDF offers grants to support training and skills upgrading of staff of the private sector ... 
• Then the productivity and quality of products of the beneficiary business will increase 
• Beneficiary enterprises will be able to access more market for their goods and services because of the higher quality and lower cost (but also because of improved market environment – BUSAC Fund) 
• With bigger market access, the beneficiary enterprise can obtain a loan (RDF?) to increase capacity to produce more 
• The enterprise will employ more people to produce 
• The economy of Ghana benefits in better paid staff, higher quality of goods and services, more exports (less imports), ....
SDF II Set-Up

The programme funds are partitioned for the following key activities

A: Grant Funding Windows:
   - Formal Sector Training Grants
   - Informal Sector Training Grants
   - Training Innovation Grants
   - Coaching and Management Supervision Grants

B: Programme Management
   - This covers programme outreach and communication, IT support

C: COTVET Capacity Building Support
   - The support has stalled – non-cooperation from COTVET and Ministry of Education. The Danish Embassy is working on resolving the challenges
SDF II Set-Up

Management and Staffing

The SDF programme is managed by NIRAS/WUSC/Cornerstone Consortium, which has set up a Secretariat to manage the day-to-day activities.

• Fund Manager
• Deputy Fund Manager (Inbound, pre-grant activities)
• Financial Controller
• M&E Specialist
• Grant Officers (2)
• Administrative Support – Front Desk and Drivers

• Total professional staff = 6, support staff = 4
**SDF II Set-Up**

**Programme Supervision**

The SDF 9-member Steering Committee, constituted by DANIDA and the Government of Ghana, steers the affairs Skills Development Fund.

Among others, the Committee:

- Approves the Fund’s annual budget and workplans
- Approves the Grants Manual of processes and procedures
- Approves grant proposals submitted by private and public sector businesses for support
- Advises the DANISH Embassy, Government of Ghana on new direction for the Fund occasioned by changes in market trends
Principles of Fund Operation

• Transparency and Accountability – The use of external technical evaluators assures all of independence in decision-making; SmartME Grant Software has been deployed to make for efficiency in grant management and accountability for decisions made

• Fairness and Equity – Every Ghanaian enterprise can access SDF online and by utilising available resources in Project Intermediaries deployed across the regions of Ghana

• We are mandated to report any cases of corruption to DANIDA and government – your application will pass if the quality is good enough
Summary of Presentation

A. Updates on First Call, observations, challenges

B. Highlights of Second Call
   • Distribution of applicants by
     • Region
     • Sector
     • Funding Window
     • Gender
     • Others
# Updates on First Call

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
<th>% of Concept Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept Notes Received</td>
<td>895</td>
<td>-</td>
</tr>
<tr>
<td>Applicants passing Review</td>
<td>206</td>
<td>23%</td>
</tr>
<tr>
<td>Number of Proposals</td>
<td>145</td>
<td>16%</td>
</tr>
<tr>
<td>Number Recommended to SC</td>
<td>85</td>
<td>9%</td>
</tr>
<tr>
<td>Number Approved</td>
<td>70</td>
<td>8%</td>
</tr>
<tr>
<td>Number of Grant Contracts</td>
<td>62</td>
<td>7%</td>
</tr>
<tr>
<td>Grants Cancelled</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Grants pending final approval</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>
Highlights of the Second Call
Launch of Second Call

• The Second Call was launched on October 5, 2017.

• The outreach campaign included TV and radio adverts of the Call, Newspaper adverts of the Call together with short write-ups of Call 1 beneficiaries, list of grantees.

• It also included regional launches where potential enterprises were invited to attend, encouraged to apply.

• At the close of the Call, 588 applicants had sent in Concept Notes. This is a 34% drop from Call 1 (895 applicants).

• 409 others had started applying but did not submit, even though there was a one week extension to the deadline!
Regional Distribution of Applications

<table>
<thead>
<tr>
<th>Region</th>
<th>Call 1</th>
<th>Call 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashanti</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>Brong Ahafo</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Central</td>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td>Eastern</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Greater Accra</td>
<td>37%</td>
<td>31%</td>
</tr>
<tr>
<td>Northern</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Upper East</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Upper West</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Volta</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Western</td>
<td>3%</td>
<td>5%</td>
</tr>
</tbody>
</table>
Applications by Sector

- **Agribusiness**: 59% (Call 2), 44% (Call 1)
- **Tourism**: 3% (Call 2), 5% (Call 1)
- **Construction**: 3% (Call 2), 7% (Call 1)
- **Sustainable Energy**: 5% (Call 2), 8% (Call 1)
- **ICT**: 3% (Call 2), 4% (Call 1)
- **Manufacturing**: 8% (Call 2), 10% (Call 1)
- **Others**: 6% (Call 2), 22% (Call 1)
Applications by Funding Window

- **Formal Sector Training Grants**: 28% (Call 2) vs. 28% (Call 1)
- **Informal Sector Training Grants**: 44% (Call 2) vs. 43% (Call 1)
- **Training Innovation Grants**: 22% (Call 2) vs. 24% (Call 1)
- **Management Training & Coaching**: 5% (Call 2) vs. 5% (Call 1)
How Applicants Heard About SDF

- Newspapers: 45% (Call 2), 25% (Call 1)
- SDF Website: 30% (Call 2), 13% (Call 1)
- Trade Assoc.: 7% (Call 2), 2% (Call 1)
- Radio: 7% (Call 2), 11% (Call 1)
- TV: 8% (Call 2), 10% (Call 1)
- SDF Workshop: 16% (Call 2), 10% (Call 1)
- Others: 7% (Call 2), 7% (Call 1)
Gender of Owner/Manager

- Male: 83% (Call 2), 83% (Call 1)
- Female: 17% (Call 2), 16% (Call 1)
- Undefined: 0% (Call 2), 1% (Call 1)
Next Steps In The Application Process
Key Activities up to Approval of Call 2 Grants

• Review of Concept Notes – ongoing, till 24\textsuperscript{th} November
• Training of successful applicants – 27\textsuperscript{th} to 30\textsuperscript{th} November, at three venues. These will start applying after the training sessions
• Training of Intermediaries – 22\textsuperscript{nd} & 23\textsuperscript{rd} November
• Deadline for receiving grant proposals – January 12\textsuperscript{th} 2018
• Training of Technical Evaluators – 16\textsuperscript{th} January, the evaluation of grant proposals commences
• Due diligence of successful, evaluated proposals – from 5\textsuperscript{th} February
• Grant approval meetings commence – 7\textsuperscript{th} March

Call 3 will be launched in June 2018
The Grant Cycle
The Grant Application Cycle

1. Receive concept notes online
   - Screen concepts notes
   - Communicate results to applicants

2. Present narrative reports online
   - Attach all relevant documentations including invoices, vouchers, receipts, pictures, etc.

3. Submit Full proposals online
   - Attach all relevant documentations online

4. Independent Evaluation of applicant’s proposal
   - Applicants respond to comments and queries online

5. Conduct Due diligence visits on applicants that pass Evaluation
   - Make recommendations to Steering Committee for approval

6. SDF Steering Committee considers proposals and makes its decisions.
   - Decisions taken and communicated to applicants

7. Grantees trained on project reporting requirements

8. Grantees finalize project work plan
   - Grant Contracts signed with successful applicants

9. Grantees request disbursements, in tranches
   - Ongoing onsite grantee monitoring visits

10. Ongoing onsite grantee monitoring visits
    - Conduct Due diligence visits on applicants that pass Evaluation
      - Make recommendations to Steering Committee for approval
Summary of Funding Windows
Window 1- Formal Sector Training

• This must always, by design, be demand-driven.
• Application must be generated by formal sector firm or group of firms requiring training in skills upgrading for their employees or potential employees
• Training can be conducted in-house, on-the-job, on the premises of the applicant company or at the training providers’ facility
• MoUs between applicant and training provider, exchange of letters, profile of trainers required.
• The maximum grant available for this Window is GHS400,000
• The budget can include equipment/tools of up to 20% of the total project cost
• 40% contribution must be in CASH
Window 2- Informal Sector Training

• This must always, by design, **be demand-driven**.

• Application must be generated by informal sector group, cluster* or group of firms requiring training in skills upgrading for their master craftsmen.

• Training usually conducted at trainers’ facility and on the field, may include provision for tools or basic equipment – operationally capped at 20% of total grant budget. Trainees will keep these tools upon completion of training.

• Total grant available per group is GHS80,000.

• MoUs between applicant and training provider or exchange of letters, profile of trainers required.

• Contribution of 20% may be in kind, and usually covers feeding, T&T.

• **Three-party payment structure often means a chunk of the grant money goes to the training provider, chosen by the grantee.**
Window 3 – Training Innovation

• This application MUST be **innovative, demand-driven**, generated by training provider(s),

• Application backed by strong evidence of market demand expressed in MoUs with industry, exchange of letters or market research findings

• Training provider must have capacity to develop, tweak, deliver and monitor for refinement of innovative training content

• MoUs between applicant and training provider, exchange of letters, profile of trainers required.

• 25% contribution may be in KIND, as by design, training provider usually plays significant role in development of content

• The economic return on the project must be highlighted and will be key to the success of the proposal
Window 4 – Coaching of management and supervisory staff

- Application must be demand-driven, generated by private sector firm that requires its use for enhanced productivity
- Eligible firms must have staff strength of minimum 25, with formalised organisational systems
- MoU between applicant and technology provider is required
- 25% contribution from the grantee required
Top 10 Reasons for Unsuccessful Grant Applications
SDF Committee’s Approach

• SDF Committee expresses candidly what it wants to see in a winning proposal. This is in agreement with what is in the SDF Grant Manual.

• In all the previous calls, the Committee has focused on identifying the positives in grant proposals and gives the opportunity to many applicants to address weaknesses and resubmit for full approval.
Reasons for rejection

• Inconsistencies in the narratives, e.g. sounding very positive on financial performance and in another breath creating a very gloomy picture on the state of affairs.

• Lack of clarity in expressing the need for skills upgrading.

• What is proposed as solution, often at variance with the identified skills problem(s)

• Budget details and proposed solution totally unrelated (budget is the window through which to see real intentions of applicants can be determined)

• Supply driven applications – applications must be demand driven in the sense that the market demand for higher quality or lover unit cost is what moves the applicant to seek grant support to address the skills gap(s)

• Grant requests not in line with the objectives of SDF
Reasons for rejection (cont’d)

• Wrong strategy to address skills development challenges
• Inappropriate collaborations – e.g. agric specialist firm proposed to train a garment company
• Dishonesty of claims, documentation
• Forgery of documentation (MoUs, Letters)
• Large gaps in applicants’ understanding of their own need vis-à-vis that expressed in grant application
Role of Project Intermediaries
Role of Project Intermediaries

- **Support** the grant applicant to prepare winnable technical and financial proposal using the online SmartME system
  - Brainstorming with applicant to understand the needs of the enterprise for which a grant is being applied for (as expressed in the Concept Note, may be amended)
  - Together with the applicant, planning the work that needs to be done
  - Clarify your role at the first meeting with applicant
  - Clarify what applicant needs to provide from day one, agree timeline for providing this
  - Intermediary may not change the approved training Concept
Things to note

• The SDF Secretariat checks and cross checks every claim the applicant makes. Please ensure that you verify these claims before you click to submit the application.

• The fee for Intermediary will be paid as part of the grant, by the SDF Secretariat. **It is not allowed for the Intermediary to charge the applicant extra fees.**

• Intermediary may however receive from applicant a meagre payment to cover out-of-pocket expenses like travel(s) to and from the applicant’s office.

• Intermediaries that go beyond this directive will be sanctioned.

• SDF has a database of fee rates across various industries. If the proposed fees by the Trainer varies widely, it could be grounds to reject the proposal.
# Payment to Intermediaries

<table>
<thead>
<tr>
<th>Window/Phase</th>
<th>Pass Due Diligence</th>
<th>Pass Final Approval</th>
<th>Total US $</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Payment</td>
<td>40%</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Window 1</td>
<td>$600</td>
<td>$900</td>
<td>1,500</td>
</tr>
<tr>
<td>Window 2</td>
<td>$400</td>
<td>$600</td>
<td>1,000</td>
</tr>
<tr>
<td>Window 3</td>
<td>$800</td>
<td>$1,200</td>
<td>2,000</td>
</tr>
<tr>
<td>Window 4</td>
<td>$400</td>
<td>$600</td>
<td>1,000</td>
</tr>
</tbody>
</table>
Meeting the Requirements
(with special focus on Windows 1 and 2)
Requirements

• Proposal
• Budget
• Copy of registration documentation
• MoU
• List of members with contacts and signatures
• Invoices from selected training providers
Proposal

• Any changes made to the concept note should be noted and the reasons for these stated. If the concept note doesn’t meet the applicant’s need, the proposal should state the need and the changes made should be noted in the proposal.

• Emphasis must be placed on training innovation. The proposal should readily identify the new innovation the training will introduce.
Proposal continued

• The specific needs the training will address should clearly be stated. Also be clear on how the training will move the applicants from point A to point B and the innovation it will bring about. E.g. The innovation in the training given to a soap making association may be quick hardening of the soap and the addition of fragrance.
Proposal continued

That should be stated. The benefits of this training will likely be less time spent in producing the soap, which will mean more soaps produced, and the addition of fragrance to the soaps produced, which adds value to the product. The stated benefits make it easier for the committee members to identify the benefits of the training.
Proposal continued

• The activity plan must tie with the budget and strategy. Expected results must be realistic as the applicants will be accessed at the end of the project based on their expected results.

• In some situations, not all members of the applicants need to be trained.

• Intermediaries should be careful when writing proposals for multiple applicants, to avoid mixing up contents from one application with another.
Selection of Training Providers

• Profile of service providers must be detailed and include the CVs of the facilitators proposed. Each facilitator’s role should be stated.

• Include a matrix of the training providers with their roles defined and the time and duration for the training to be administered
Selection of Training Providers continued

• The location of the service providers should be in reasonable proximity to the applicants

• The history of service providers should thoroughly be ascertained to determine their qualification as service providers.

• Service Providers need to be registered with COTVET.
Budget

• The budget must be based on the number of facilitators, the number of days and the rate for each facilitator. It should not be based on the number of applicants to be trained.

• Initial field surveys, monitoring and evaluation are not part of eligible costs.

• The training cost per trainee (for the informal sector) should not exceed GH₵800.00 (special cases must be justified)
Budget continued

• This does not mean once the application is below GH₵800.00 per trainee it is acceptable. It is an indicative value. We know when the budget has been inflated and we will flag it.
• Others costs in the budget must be included and detailed
• The budget lines should correspond with the training activities
<table>
<thead>
<tr>
<th>ACTIVITY/COST DESCRIPTION</th>
<th>APPLICANT’S ORIGINAL BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Trainers/Items</td>
</tr>
<tr>
<td><strong>Results 1:</strong></td>
<td></td>
</tr>
<tr>
<td>Activity 1.1:</td>
<td></td>
</tr>
<tr>
<td>Activity 1.2:</td>
<td></td>
</tr>
<tr>
<td>Activity 1.3:</td>
<td></td>
</tr>
<tr>
<td>Activity 1.4:</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Results 2:</strong></td>
<td></td>
</tr>
<tr>
<td>Activity 2.1:</td>
<td></td>
</tr>
<tr>
<td>Activity 2.2:</td>
<td></td>
</tr>
<tr>
<td>Activity 2.3:</td>
<td></td>
</tr>
<tr>
<td>Activity 2.4:</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
</tr>
</tbody>
</table>
4. Other Costs:

Activity 4.1: Intermediary Fee

<table>
<thead>
<tr>
<th>Subtotal</th>
<th></th>
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</thead>
</table>

GRAND TOTAL COST

<table>
<thead>
<tr>
<th>Grant requested from SDF (.....%)</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant's Contribution (.....%)</td>
<td>-</td>
</tr>
<tr>
<td>Grand Total Cost</td>
<td>GHC</td>
</tr>
</tbody>
</table>

Budget Notes & further Explanation of selected Costs Items

Note 1:

Note 2:

Note 3:
MoUs

• The roles of both the service providers and the applicants should be clearly stated

• The MoU must be duly signed by the heads of the institutions as well as witnesses to both signatories. The names, designations and organizations of all signatories should be stated

• Every MoU should have the stamp of each institution
List of members with contacts and signatures/thumbprints (Window 2)

• All applications should have a complete list of members to be trained, their contact numbers and their signatures or thumbprints

• If there no contact numbers available, this should be noted
List of members with contact phone numbers and signatures/thumbprints

Sample List of members

<table>
<thead>
<tr>
<th>Name</th>
<th>Enterprise Name</th>
<th>Contact Phone</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jemima Mensah</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rex Twumasi</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joshua Attu</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adwoa Kwarteng</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wendy Twum</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sule Nyadia</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

On one occasion, a Steering Committee member placed a call to one of the members of an association during a Committee approval meeting. There was disaster!
Invoices

• All applications should include detailed invoices from the service provider. Invoices should include the rate charged for each training as well as the duration of the training.
• All invoices should be stamped to add to its authenticity.
• The total amount on the invoice should correspond to the amount in the budget.
Checklist for applications

• Complete Application Form
  1. Application form has been duly signed/initialed
  2. Application form is signed by Head of Organization with a name and dated
  3. All questions applicable in the application form have been answered
  4. The applicant’s story is consistent in all the parts
Checklist for applications continued

5. The Service Provider has been duly named, their profile (including the individuals to offer the service) and CVs have been attached
6. The financial proposal is sufficiently detailed, total cost of project split between the Fund and the Applicant and the budget lines are denominated in Ghana Cedis
7. Budget has been costed according to the trainer’s time (not number of trainees)
8. Expected results are appropriately indicated
Checklist for applications continued

• Memorandum of Understanding (MoU)
  1. MoUs from ALL named collaborators have been attached
  2. MoU has been duly signed, witnessed and stamped
  3. MoU has been signed by the Heads of parties to the document, with names and job titles
  4. MoU appropriately dated
  5. The contents of the MoU sufficiently addresses the needs of the grant application
Checklist for **Window 2** applications continued

• Copy of business/association registration

• Total list of members
  1. List of members including names of those who require skills training/technology transfer
  2. List has signatures/thumbprints and contact numbers of all members
Checklist for applications continued

• Invoices
  1. Invoices from ALL Service Providers attached, duly signed, stamped and dated indicating the duration of the training
  2. Value on invoices should match with relevant budget lines in the financial report

• Other supporting documents as may be applicable